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

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended December 31, 2022

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

For the transition period from _________ to _________

Commission File Number: 001-34042

MAIDEN HOLDINGS, LTD.

(Exact Name of Registrant As Specified in Its Charter)

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

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

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common shares held by non-affiliates of the registrant as of June 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $134.3 million based on the closing sale price of the registrant's common shares on the NASDAQ Capital Market on that date.

As of March 8, 2023, 101,532,151 common shares were outstanding. 142,971,499 common shares, par value $0.01 per share, were outstanding when the ownership by our affiliate Maiden Reinsurance Ltd. of 41,439,348 common shares were included. These affiliated shares are treated as treasury shares and are not included in the computation of consolidated book value and earnings per common share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A with respect to the annual general meeting of the shareholders of the registrant scheduled to be held on May 3, 2023 are incorporated by reference into Part III of this Annual Report on Form 10-K.

MAIDEN HOLDINGS, LTD.

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PART I

Special Note About Forward-Looking Statements

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

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

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

Risk Factor Summary

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

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

- a significant amount of our invested assets are subject to changes in interest rates and market volatility. If we are unable to realize our investment objectives, our financial condition and results of operations may be adversely affected;
- the determination of the fair values of our investments and whether a decline in the fair value of an investment is other-than-temporary are based on management’s judgment and may prove to be incorrect;
- our investments in alternative investments and our investments in joint ventures and/or entities accounted for using the equity method may be illiquid and volatile in terms of value and returns, which could negatively affect our investment income and liquidity;
- we do not anticipate paying any cash dividends on our common shares for the foreseeable future;
- we may not be able to comply with restrictive covenants contained in the documents governing our Senior Notes or any future credit facility which could trigger prepayment obligations;
- compliance by our insurance subsidiaries with the legal and regulatory requirements to which they are subject is expensive. Any failure to comply could have a material adverse effect on our business;
- our industry is highly regulated, the regulatory requirements are expensive and we are subject to significant legal restrictions and these restrictions may have a material adverse effect on us;
- our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments;
- we have risks related to our Senior Notes;
- Maiden Reinsurance owns 29% of our total outstanding common shares and thus has a significant ownership and voting stake in our common shares;
- a few significant shareholders may influence or control the direction of our business. If the ownership of our common shares continues to be highly concentrated, it may limit your ability and the ability of other shareholders to influence significant corporate decisions;
- the market price for our ordinary shares has been and may continue to be highly volatile, and if there is a further sustained decline in our share price there could be limited liquidity for our common shares;
- provisions in our bye-laws could change voting rights of our shares, impede an attempt to replace or remove our directors, and/or make it difficult for a third party to acquire us which could diminish the value of our common shares;
- we may not be able to attract and retain key employees or successfully implement our business strategy;
- significant changes in our reinsurance relationship with AmTrust Financial Services, Inc. ("AmTrust") have reduced our current and future revenues and create significant uncertainty for sources of future liquidity;
- our initial arrangements with AmTrust were negotiated while we were its affiliate and as such the arrangements could be challenged as not reflecting terms that we would agree to in arm’s-length negotiations with an independent third party;
- our non-executive Chairman of the Board of Directors (the "Board") currently holds the positions of Chief Executive Officer and Chairman of AmTrust. These dual positions may present, and make us vulnerable to, difficult conflicts of interest and related legal challenges;
- the property and casualty insurance and reinsurance industry are cyclical in nature, which may affect our overall financial performance; and
- new operating losses (and certain other tax attributes or tax benefits of the Maiden NA tax group) may be subject to limitation under Section 382 of the Tax Code.

Item 1. Business.

General Overview

Maiden Holdings is a Bermuda-based holding company. We create shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets primarily in the insurance and related financial services industries where we can leverage our deep knowledge of those markets. We also provide a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. We expect our legacy solutions business to contribute to our active asset and capital management strategies.

We are not currently underwriting reinsurance business on new prospective risks but are actively underwriting risks on a retroactive basis through Genesis Legacy Solutions, LLC ("GLS"). We also have various historic reinsurance programs underwritten by our wholly owned subsidiary Maiden Reinsurance Ltd. ("Maiden Reinsurance") which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") which was terminated in 2019 as discussed in "*Note 10 — Related Party Transactions"* of the Notes to Consolidated Financial Statements included in Part II Item 8. *"Financial Statements and Supplementary Data"*. In addition, we have a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement") with Cavello Bay Reinsurance Limited ("Cavello") and a commutation agreement that further reduces our exposure to and limits the potential volatility related to AmTrust liabilities in run-off, which are discussed in "*Note 8 — Reinsurance*" of the Notes to Consolidated Financial Statements included in Part II Item 8. *"Financial Statements and Supplementary Data"*.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets, each with branches in the United Kingdom ("U.K."). Insurance support services are provided to Maiden LF and Maiden GF through our wholly owned subsidiary, Maiden Global Holdings Ltd. (“Maiden Global”), which is also a licensed intermediary in the U.K. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets. These products also produced reinsurance programs which were underwritten by Maiden Reinsurance.

Business Strategy

We continued to implement our revised operating strategy during 2022 which leverages the significant assets and capital we retain. In addition to restoring operating profitability, our strategic focus centers on creating the greatest risk-adjusted shareholder returns, in order to increase book value for our common shareholders, both near and long-term. This strategy has three principal areas of focus:

- Asset management - investing in assets and asset classes in a prudent but expansive manner in order to maximize investment returns and is principally enabled by limiting the amount of insurance risk we assume in relation to the assets we hold and maintaining required regulatory capital at very strong levels to manage our aggregate risk profile;
- Legacy underwriting - judiciously building a portfolio of legacy run-off acquisitions and retroactive reinsurance transactions which we believe will produce attractive underwriting returns; and
- Capital management - effectively managing the capital we hold on our balance sheet and when appropriate, repurchasing securities or returning capital to enhance common shareholder returns.

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

Strategic Developments in 2022

During 2022, we continued to advance each pillar of our business strategy and our book value increased by 7.7% to $2.80 per common share at December 31, 2022. We made significant progress in the capital management pillar of our business strategy, repurchasing additional preference shares and ultimately executing an exchange of all of our outstanding preference shares for our common shares as discussed in the *"Exchange of Preference Shares"* section below. These capital management measures produced gains of $115.5 million and were the single biggest driver of our increase in book value.

We also grew our alternative investment portfolio by 21% during 2022 and produced a positive return of 2.0% on that portfolio in a very challenging year in the global financial markets. Despite the volatility experienced in financial markets during 2022, we believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns. As interest rates continue to rise, we are increasingly focusing our investing activities on opportunities that will produce current income. While we continued to develop the business platform of GLS during 2022, a disappointing operating loss was reported as new reinsurance contracts did not perform to expectations.

The run-off of our historic reinsurance programs significantly underperformed during 2022, and we experienced adverse prior year reserve development of $32.6 million which offset much of the positive progress made in our capital and asset management strategies. Finally, volatile financial markets and sharply rising interest rates resulted in downward pressure on both our book value and earnings as investment results, including both realized and unrealized, were adversely affected.

Exchange of Preference Shares

On December 27, 2022 (the "Exchange Date"), the Company exchanged all outstanding 8.250% Non-Cumulative Preference Shares, Series A (“Series A Preference Shares”), 7.125% Non-Cumulative Preference Shares, Series C (“Series C Preference Shares”) and 6.700% Non-Cumulative Preference Shares, Series D (“Series D Preference Shares” and, together with the Series A Preference Shares and the Series C Preference Shares, the “Preference Shares”) for newly issued common shares, $0.01 par value per share (the “Exchange”). To effectuate the Exchange under the terms of each series of the Preference Shares, the affirmative vote of holders of two-thirds of the issued shares of each series of Preference Shares was required. Maiden Reinsurance, which owned approximately 74% of each series of the Preference Shares immediately preceding the Exchange Date, consented to the variations for each of the series of Preference Shares in order to effectuate the Exchange. The Exchange was approved by a special committee of the Board of the Company consisting of disinterested directors and, upon advice of the special committee's financial advisor, approved the conversion ratio. The Board subsequently approved the conversion ratio and the Exchange. Under the terms of the Exchange, preference shareholders received common shares of the Company having a fair value that meets the “Minimum Price” as determined in accordance with the rules of the Nasdaq and as described in an information statement that the Company filed with the Securities and Exchange Commission (the “SEC”) and distributed to preference shareholders.

As of December 27, 2022, Maiden Reinsurance owns 29% of the Company's total outstanding common shares as described above, which is eliminated for accounting and financial reporting purposes on the Company’s consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its investment in Maiden Holdings common shares, will be capped at 9.5% pursuant to the bye-laws of the Company. The Exchange and ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy which has been approved by the Vermont Department of Financial Regulation ("Vermont DFR"). The Vermont DFR additionally specifically approved the ownership of the Company's common shares by Maiden Reinsurance related to the Exchange.

The Company offered three common shares as consideration for each share of the Series A, C and D Preference Shares tendered. A total of 1,500,050 shares of Series A Preference Shares, 1,744,028 shares of Series C Preference Shares, and 1,542,806 shares of Series D Preference Shares were accepted, resulting in the issuance of 14,360,652 common shares to non-affiliates at a fair value of $28.4 million. The value of each Preference Share exchanged was equal to three times the average closing price of Common Shares (as reflected on Nasdaq.com) for the five trading days immediately preceding the Exchange Date of December 27, 2022 which was $1.98. Such Common Shares are listed for trading on the NASDAQ Capital Market under the symbol “MHLD.”

As a result of the Exchange, the Preference Shares were delisted from and no longer trade on the New York Stock Exchange as of the Exchange Date. No Preference Shares are issued or outstanding, and the Preference Shares were deregistered under the Securities Exchange Act of 1934, as amended. In addition, all rights of the former holders related to ownership of the Preference Shares have been terminated.

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

Our Principal Operating Subsidiaries

Maiden Reinsurance, a wholly owned subsidiary of Maiden Holdings, is an affiliated reinsurance company licensed in the State of Vermont in the U.S. and our principal operating subsidiary which commenced operations in June 2007. Effective March 16, 2020, we re-domesticated Maiden Reinsurance from Bermuda to Vermont in the U.S., having determined that re-domesticating Maiden Reinsurance to Vermont enables us to better align our capital and resources with our liabilities, which originate mostly in the U.S., resulting in a more efficient structure. Maiden Reinsurance is subject to the statutes and regulations of Vermont in the ordinary course of business. The re-domestication did not apply to Maiden Holdings which remains a Bermuda-based holding company. Maiden Reinsurance owns 29% of the total outstanding common shares of Maiden Holdings and subject to our bye-laws, has the ability to vote up to 9.5% of these shares.

Maiden Holdings North America, Ltd. ("Maiden NA") is our wholly owned U.S. holding company and is domiciled in the State of Delaware.

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

GLS was formed in November 2020 and is a wholly owned subsidiary of Maiden Reinsurance domiciled in the State of Delaware. GLS Services Company (“GLS Services”) is a wholly owned subsidiary of GLS. GLS specializes in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. Genesis Legacy Insurance Company (Vermont) Limited, is a wholly owned subsidiary of GLS Services licensed in Vermont, and is the operating entity utilized by GLS to assume portfolios of legacy liabilities.

Our Reportable Segments

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

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

The table below compares net premiums earned, by reportable segment, reconciled to the total consolidated net premiums earned for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022		2021	
($ in thousands)	Net Premiums Earned	% of Total	Net Premiums Earned	% of Total
Diversified Reinsurance	$ 27,983	74.2 %	$ 27,681	52.2 %
AmTrust Reinsurance	9,749	25.8 %	25,312	47.8 %
Total	$ 37,732	100.0 %	$ 52,993	100.0 %

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

Diversified Reinsurance Segment

In this segment, Maiden Reinsurance previously wrote treaties on both a quota share basis and excess of loss basis outside the U.S. whereas Maiden LF and Maiden GF write business within Europe on a primary basis. Net premiums written by our Diversified Reinsurance segment operating subsidiaries, excluding intercompany reinsurance, for the years ended December 31, 2022 and 2021 included:

For the Year Ended December 31,	2022		2021	
($ in thousands)	Net Premiums Written	% of Total	Net Premiums Written	% of Total
Maiden Reinsurance	$ (332)	(1.4)%	$ (1,031)	(6.4)%
Maiden LF	14,531	61.5 %	9,553	59.3 %
Maiden GF	9,421	39.9 %	7,576	47.1 %
Total	$ 23,620	100.0 %	$ 16,098	100.0 %

Please refer to Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for a discussion on the performance of our Diversified Reinsurance segment for the years ended December 31, 2022 and 2021.

Maiden Global's business development teams partnered with automobile manufacturers, dealer associations and local primary insurers to design and implement point of sale insurance programs which generated revenue for the auto manufacturer and insurance premiums for the primary insurer ("IIS business"). However, all of these programs are now in run-off and no new programs are being sought. With no new written premium, the only remaining earned premium is from the Australian program that continued through 2022. The table below shows IIS premiums by line of business for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022		2021	
($ in thousands)	Net Premiums Written	% of Total	Net Premiums Written	% of Total
Personal Auto - Quota Share Reinsurance	$ (320)	(1.4)%	$ (4,592)	(28.5)%
Credit Life - Insurance	23,944	101.4 %	20,716	128.5 %
Total	$ 23,624	100.0 %	$ 16,124	100.0 %

For the years ended December 31, 2022 and 2021, the Company's net premiums written for Personal Auto on a quota share reinsurance basis were negative. In 2022, negative premiums in Personal Auto were due to the refund of overpaid premium in a U.K. Auto quota share reinsurance program, and in 2021, the negative premiums were due to the return of unearned premiums written in a German Auto quota share reinsurance contract in our IIS business which went into run-off on January 1, 2021.

AmTrust Reinsurance Segment

General

AmTrust is a multinational specialty property and casualty insurance holding company with operations in the U.S., Europe and Bermuda. Effective January 1, 2019 (a) the AmTrust Quota Share, and (b) the European Hospital Liability Quota Share were terminated on a run-off basis. These transactions are broadly referred to herein as the "Final AmTrust QS Terminations". Apart from certain unearned premiums in the AmTrust Quota Share and the European Hospital Liability Quota Share that were earned subsequent to December 31, 2019, there was no new premium written within this segment during 2022 and 2021.

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

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

AmTrust Quota Share

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

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

European Hospital Liability Quota Share

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

Risk Management

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

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

Our ERM program is designed to achieve the following:

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

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

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

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

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

- Strategic risk – the risk that strategic decisions have an unexpected or adverse impact on future earnings or capital adequacy. This includes the ability to deploy capital in order to maximize risk adjusted returns in the most efficient way, without adversely impacting the adequacy of our capital position;
- Insurance risk - the risk that insured losses are higher than our expectations. This includes losses arising from inadequate loss reserves, losses from larger than expected non-catastrophe current accident year losses, and catastrophe losses that exceed our expectation or our reinsurance limits. Maiden Reinsurance is not engaged in active reinsurance underwriting on prospective risks and as a result our insurance risk from premiums is immaterial;
- Investment risk - the risk of loss in our investment portfolio potentially caused by fluctuations in interest rates, credit spreads, foreign exchange rates and inflation on both assets and liabilities;
- Liquidity risk - the risk that the group does not have sufficient unrestricted or liquid funds to pay losses or meet contractual obligations as they become due; and
- Operational risk - the risk of loss from inadequate or failed internal processes, people, systems and/or external events (i.e. cyber), which also includes legal risks.

Reserve for Loss and LAE

General

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

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

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

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

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

Our Financial Strength Rating

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

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

Our Employees

On March 8, 2023, we had approximately 49 full-time and part-time employees who are located in Bermuda, the U.S., the U.K., Germany, Ireland and Sweden. We believe that our employee relations are good. None of our employees are subject to collective bargaining agreements.

Regulatory Matters

General

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

U.S. Insurance Regulation

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

State Insurance Department Examinations

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

Statutory Accounting Principles

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

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

Holding Company Regulation

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

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

As of December 27, 2022, Maiden Reinsurance owns 29% of the Company's total outstanding common shares as described above, which is eliminated for accounting and financial reporting purposes on the Company’s consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares, will be capped at 9.5% pursuant to the bye-laws of the Company. The Exchange and ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy which has been approved by the Vermont DFR. The Vermont DFR additionally specifically approved the ownership of the Company's common shares by Maiden Reinsurance related to the Exchange.

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

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

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

Risk-Based Capital

U.S. insurers are also subject to risk-based capital ("RBC") guidelines that provide a method to measure the total adjusted capital (statutory capital and surplus plus other adjustments) of insurance companies taking into account the risk characteristics of a company's investments and products. The RBC formulas establish capital requirements for four categories of risk: asset risk, insurance risk, interest rate risk and business risk. For each category, the capital requirement is determined by applying factors to asset, premium and reserve items, with higher factors applied to items with greater underlying risk and lower factors for less risky items. Insurers that have less statutory capital than the RBC calculation required are considered to have inadequate capital and are subject to varying degrees of regulatory action depending upon the level of capital inadequacy. Maiden Reinsurance filed its latest RBC reports in March 2023 for the 2022 calendar year, and the reported RBC levels exceed Vermont's RBC requirements. Maiden Reinsurance continues to invest excess capital pursuant to our current business strategy as our RBC requirements permit.

Reinsurance

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

NAIC Ratios

The NAIC Insurance Regulatory Information System ("IRIS") was developed to help state regulators identify companies that may require special attention. IRIS is comprised of statistical and analytical phases consisting of key financial ratios whereby financial examiners review annual statutory basis statements and financial ratios. Each ratio has an established "usual range" of results and assists state insurance departments in executing their statutory mandate to oversee the financial condition of insurance companies. A ratio result falling outside the usual range of IRIS ratios is not considered a failing result; rather unusual values are viewed as part of the regulatory early monitoring system. Furthermore, in some years, it may not be unusual for financially sound companies to have several ratios with results outside the usual ranges. An insurance company may fall out of the usual range for one or more ratios because of specific transactions that are in themselves immaterial. Generally, an insurance company will become subject to regulatory scrutiny and may be subject to regulatory action if it falls outside the usual ranges of four or more of the ratios. Maiden Reinsurance only completed its re-domestication to Vermont in 2020, and it is therefore possible that it may produce unusual ratios outside the usual ranges for more than four tests, principally due to the lack of prior year statutory data which is required for many of the ratios to be computed.

State Legislative and Regulatory Changes

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

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

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

International Standards

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

Federal

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

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

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

Sweden Insurance Regulation

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

United Kingdom Insurance Regulation

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

Certain Bermuda Law Considerations

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

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

The Economic Substance Act 2018, as amended (“ESA”) came into force in Bermuda on January 1, 2019 and impacts every Bermuda registered entity engaged in a “relevant activity” to maintain a substantial economic presence in Bermuda and to satisfy economic substance requirements. Under the ESA, holding entity activities (as defined in the ESA and the Economic Substance Regulations 2018, as amended) are deemed a relevant activity. To the extent that the ESA applies to Maiden Holdings, we are required to demonstrate compliance with economic substance requirements that we have “adequate” economic substance in Bermuda, and we must file an annual economic substance declaration with the Bermuda Registrar of Companies ("Registrar") on that basis. Any entity that must satisfy economic substance requirements but fails to do so could face automatic disclosure to competent authorities in the EU of the information filed by the entity with the Registrar, face financial penalties, restriction or regulation of its business activities and/or may be struck off as a registered entity in Bermuda.

The Terrorism Risk Insurance Program Reauthorization Act of 2019

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

Taxation of the Company and its Subsidiaries

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

Bermuda

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

Sweden

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

United Kingdom

Maiden Global, Maiden LF U.K. Branch and Maiden GF U.K. Branch are tax residents in the U.K. and are currently subject to corporation tax in the U.K. on their trading and other taxable profits. The main rate of U.K. corporation tax is currently 19% (rising to 25% from April 2023). Non-U.K. resident corporations are within the scope of corporation tax in the U.K. if they carry on a trade in the U.K. through a permanent establishment. Reinsurance business developed previously by Maiden Global was underwritten by Maiden Reinsurance. Other than in respect of Maiden Global, Maiden LF U.K. Branch and Maiden GF U.K. Branch, we believe that the Company has operated and will continue to operate its business in a manner that will not cause it to be treated as carrying on a trade within the U.K. Any U.K. source income of non-U.K. resident corporations may be subject to U.K. withholding tax, subject to the availability of treaty relief or any other applicable exemptions. Dividends paid by Maiden Global are not subject to U.K. withholding tax. Interest paid by Maiden Global may be subject to U.K. withholding tax at a rate of up to 20%, subject to the availability of treaty relief or any other applicable exemptions.

United States of America

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

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

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

Where You Can Find More Information

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

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

Item 1A. Risk Factors.

Introduction

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

Business

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

We produced a net loss of $60.0 million in 2022, compared to net income of $26.6 million during 2021, largely the result of loss development from the run-off of our legacy reinsurance obligations. While we have taken significant actions in recent years to strengthen our loss reserve and capital position, these older liabilities are dependent on the reporting by our ceding companies and can be subject to volatility. While we have purchased additional reinsurance protection to eliminate potential volatility of loss reserves from this legacy business, the accounting for this reinsurance protection precludes us from recognizing recoveries until paid losses reach certain contractual retention limits in the agreement and thus our GAAP results reported herein will not reflect this reinsurance until those limits are exceeded, which we presently expect to occur in 2025. There can be no assurance that this reinsurance or that the timing and accounting recognition of recoveries under that reinsurance agreement will be sufficient to protect us against further declines in shareholders' equity.

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

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

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

Management continues to evaluate various operating strategies that are likely to be significantly different than our prior strategic business focus. In November 2020, we formed GLS which specializes in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies. We believe the formation of GLS is highly complementary to our overall longer-term strategy. However, it may take some time for GLS to gain sufficient scale to achieve its objectives, and its results may not reach the objectives we expect to establish for it over time. Since 2020, our revised strategy includes expanded investment activities. This has included changes to our approaches to asset and capital management and we may or may not resume active reinsurance underwriting of new prospective risks in the future. Further, as part of its re-domestication to the State of Vermont in the U.S., Maiden Reinsurance is required to closely consult with the Vermont DFR before it considers resuming active reinsurance underwriting of new prospective risks and on any matters related to capital management and business strategy. There can be no assurance that the implementation of the new business plan will succeed or will be satisfactory to the Vermont DFR, which could have a material adverse effect on our business, operations and financial condition.

Any new business initiatives involving the development of new products or expanding existing products in new or historically targeted markets may involve substantial capital and operating expenditures, which may negatively impact our results of operations and shareholders' equity. In addition, the demand for new products or in new markets may not meet our expectations. To the extent we can market new products or expand in new markets, our risk exposures may change and the data and models we use to manage such exposures may not be as sophisticated as those we use in existing markets or with existing products. This, in turn, could lead to losses in excess of expectations. Additionally, the re-domestication of Maiden Reinsurance to the U.S. may limit our ability to reinsure risk outside of the U.S. and may have an adverse effect on our capital and ability to write new business.

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

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

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

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

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

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

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

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

While we have established our reserves to a level we believe to be sufficient to cover losses assumed by us when we recognize prior period development, there can be no assurance that losses will not deviate from our reserves, possibly by material amounts. We have experienced significant adverse development of our loss reserves in prior years, including in 2022. Further, the additional reinsurance protection we have purchased to protect against further adverse development in loss reserves may be insufficient compared to the actual losses that emerge and we may need to recognize adverse development which would reduce our results of operations and shareholders' equity, possibly materially. To the extent our actual reported losses exceed expected losses, the carried estimate of the ultimate losses will be increased, which would represent unfavorable reserve development, and in turn could have a material adverse effect on our financial condition.

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

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

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

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

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

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

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

At December 31, 2022, we had $550.5 million due to us from one reinsurer, Cavello, consisting of losses recoverable from Cavello under the retrocession agreement of $60.1 million and reinsurance recoverable on unpaid losses under the retroactive reinsurance agreement of $490.4 million. Cavello provided collateral in the form of a letter of credit in the amount of $445.0 million to AmTrust under the LPT/ADC Agreement with Enstar Group Limited ("Enstar") on July 31, 2019, pursuant to which Cavello assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share, subject to additional collateral funding requirements. As of December 31, 2022, the amount of collateral required was $461.6 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Global economies and financial markets have, from time to time, experienced significant disruption or deterioration and likely will experience periods of disruption or deterioration in the future. In addition, U.S. federal and state governments continue to experience significant structural fiscal deficits, creating uncertainty as to levels of taxation, inflation, regulation and other economic fundamentals that may impact future growth prospects. The continuing presence of the COVID-19 virus globally continues to inject significant economic uncertainty which may have a material effect on the global economy and financial markets. Continuation of these conditions may potentially affect (among other aspects of our business) the demand for and claims made under our products, the ability of clients, counterparties and others to establish or maintain their relationships with us, our ability to access and efficiently use internal and external capital resources and our investment performance.

Our agency mortgage-backed securities ("Agency MBS") constitute 10.9% of fixed maturity investments at December 31, 2022. As with other fixed income investments, the fair value of these securities fluctuates depending on market and other general economic conditions and the interest rate environment. Changes in interest rates can expose us to changes in the prepayment rate on these investments. In periods of declining interest rates, mortgage prepayments generally increase and mortgage-backed securities ("MBS") are prepaid more quickly, requiring us to reinvest the proceeds at lower market rates. Conversely, in periods of rising rates, mortgage prepayments generally fall, preventing us from taking full advantage of the higher level of rates. However, economic conditions may curtail prepayment activity on the underlying mortgages if refinancing is difficult, thus limiting prepayments on the MBS portfolio. In the event that these conditions persist and result in a prolonged period of economic uncertainty, our results of operations, our financial condition and/or liquidity, and our prospects could be materially and adversely affected.

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

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

Liquidity, Capital Resources and Investments

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

Maiden Holdings is a holding company. As a result, we do not have, and will not have, any significant operations or assets other than our ownership of the shares of our subsidiaries. Dividends and other permitted payments from our operating subsidiaries are expected to be our sole source of funds to meet ongoing cash requirements at Maiden Holdings, including debt service payments and other expenses. As of December 31, 2022 and as of the date hereof, our insurance subsidiaries' ability to make distributions require the prior approvals of their respective domestic regulators. Maiden Holdings may need to borrow funds from its subsidiaries if funds from dividends are not available to meet ongoing cash requirements. The impact of applicable regulatory capital requirements such as risk based capital ratios under U.S. law could impact the ability of Maiden Reinsurance to pay future cash dividends.

Maiden Reinsurance uses trust accounts, loan to related party, funds withheld and letters of credit to meet collateral requirements. Consequently, cash and cash equivalents and investments are pledged in favor of ceding companies in order to comply with relevant insurance regulations or contractual requirements. At December 31, 2022, restricted cash and cash equivalents and fixed maturity investments used as collateral were $296.8 million and represents 82.2% of the fair value of our total fixed maturity investments and cash and cash equivalents (including restricted cash and cash equivalents) at that date. At December 31, 2022, Maiden Reinsurance had $20.5 million in unrestricted cash and cash equivalents and fixed maturity investments. On a consolidated basis, the Company had $64.3 million in unrestricted cash and cash equivalents and fixed maturity investments at December 31, 2022.

Based on our current estimate of 2023 financial projections, we believe we will have sufficient liquidity to meet and fulfill our obligations including payments due under our outstanding publicly-traded senior notes which were issued in 2013 (the "2013 Senior Notes") by Maiden NA in the principal amount of $152.5 million, all of which is currently outstanding and is subject to a guarantee by Maiden Holdings, and our outstanding publicly-traded senior notes which were issued in 2016 (the "2016 Senior Notes") in the principal amount of $110.0 million, all of which is currently outstanding (the 2016 Senior Notes collectively with the 2013 Senior Notes, the "Senior Notes"). However, should our operating results deteriorate, should additional collateral be required under our contractual arrangements with reinsured prior to the receipt of recoveries under reinsurance agreements we have entered into or should excess collateral under those arrangements not be returned to the Company quickly enough, we cannot assure that we will maintain sufficient unrestricted liquidity to meet those obligations.

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

Investment income is an important component of our consolidated net income. At December 31, 2022, total investments of $587.1 million represented 92.6% of our total cash and investments. Total investments included other investments of $148.8 million, or 25.3% of our total investment portfolio, comprised of a combination of private credit funds, private equity funds, other privately held investments and investments in direct lending activities. As a result of market conditions prevailing at a particular time, the allocation of our portfolio to various asset types may vary. The fair market value of these assets and the investment income from these assets will fluctuate depending on general economic and market conditions. We classify our fixed maturity investments as available-for-sale ("AFS") and therefore changes in the market value are reflected in our shareholders’ equity through accumulated other comprehensive income ("AOCI").

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

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

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

At December 31, 2022 and 2021, these respective durations in years were as follows:

At December 31,	2022	2021
Fixed maturities and cash and cash equivalents	1.3	1.5
Reserve for loss and LAE - gross of LPT/ADC Agreement reserves	5.3	4.4
Reserve for loss and LAE - net of LPT/ADC Agreement reserves	1.1	1.4

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

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

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

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

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

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

In addition to fixed maturity securities, we have invested, and may from time to time continue to invest, in alternative investments such as hedge funds, fixed income funds, equity funds, privately held investments, private equity and private credit funds and co-investments, real estate funds and co-investments and other alternative investments. During 2022, we increased the amount allocated to such investments, and at December 31, 2022, 43.0% of our total cash and investments were categorized as equities, other investments and equity method Investments on our consolidated balance sheets compared to 25.4% as of December 31, 2021. We expect to continue to increase this allocation over future periods and have committed $113.0 million to future investments as of December 31, 2022. These and other similar investments may be illiquid due to restrictions on sales, transfers and redemption terms, may have different, more significant risk characteristics than our investments in fixed maturity securities and may also have more volatile values and returns, all of which could negatively affect our investment income and overall portfolio liquidity.

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

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

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

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

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

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

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

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

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

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

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

We may be adversely impacted by claims inflation.

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

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

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

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

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

Regulation

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

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

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

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

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

Europe

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

United States

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

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

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

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

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

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

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

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

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

Corporate Governance and Risks Related to an Investment in our Securities

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

Maiden Holdings is a holding company. As a result, we do not have, and will not have, any significant operations or assets other than our ownership of the shares of our subsidiaries. We expect that dividends and other permitted distributions from Maiden Global (and its subsidiaries), Maiden LF, Maiden GF and Maiden NA (and its subsidiaries) will be our sole source of funds to pay any dividends to common shareholders and meet ongoing cash requirements, including debt service payments, if any, and other expenses. The jurisdictions in which our operating subsidiaries are licensed to write business impose regulations requiring companies to maintain or meet statutory solvency and liquidity requirements and also place restrictions on the declaration and payment of dividends and other distributions. The inability of our subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have a material adverse effect on our business, financial condition and results of operations. Any capital distribution of any kind out of Maiden Reinsurance requires the prior approval of the Vermont DFR.

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

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

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

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

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

Maiden Reinsurance owns 29% of our total outstanding common shares and thus has a significant ownership and voting stake in our common shares.

As a result of the exchange of our previously outstanding preference shares for our common shares on December 27, 2022, Maiden Reinsurance owns 29% of our total outstanding common shares and subject to our bye-laws, has the ability to vote up to 9.5% of these shares. As our wholly owned subsidiary, Maiden Reinsurance's economic and voting interests in our common shares may not be aligned with other shareholders and it could take positions that may differ from, and which could adversely affect the interests of, other shareholders.

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

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

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

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

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

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

- fluctuations in interest rates, inflationary pressures and other changes in the investment environment that impact returns on invested assets;
- changes in the frequency or severity of claims;

- volatile and unpredictable developments, including man-made, weather-related and other natural catastrophes, terrorist attacks or pandemics, such as the spread of the COVID-19 virus;
- price competition;
- inadequate loss and LAE reserves;
- cyclical nature of the property and casualty insurance market; and
- negative developments in the specialty property and casualty reinsurance sectors in which we operate.

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

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

The market price for our common shares has fluctuated significantly. Future sales of our common shares by our shareholders or us, or the perception that such sales may occur, could adversely affect the market price of our common shares. As of March 8, 2023, 101,532,151 common shares were outstanding as the 41,439,348 common shares issued to Maiden Reinsurance in the Exchange are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding shares in the computation of consolidated book value and earnings per common share on December 31, 2022. A significant percentage of our outstanding common shares are held by affiliates, including Maiden Reinsurance, and as a result, your common shares may not have sufficient liquidity in the trading markets.

In addition, we have reserved 7,681,477 common shares for issuance under our 2019 Omnibus Incentive Plan. As of March 8, 2023, there were 141,000 stock options outstanding and 492,463 restricted shares outstanding. Sales of substantial amounts of our shares, or the perception that such sales could occur, could adversely affect the prevailing price of the shares and may make it more difficult for us to sell our equity securities in the future, or for shareholders to sell their shares, at a time and price that they deem appropriate.

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

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

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

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

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

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

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

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

transfer may result in a non-de minimis adverse tax, legal or regulatory consequence to us or any direct or indirect holder of shares or its affiliates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employee Issues

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

Our success depends largely on our senior management, which includes, among others, Lawrence F. Metz, our President and Co-Chief Executive Officer, and Patrick J. Haveron, our Co-Chief Executive Officer and Chief Financial Officer (Messrs. Metz and Haveron are referred to as the "Co-CEOs"). We have entered into employment agreements with these executive officers.

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

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

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

International Operations

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

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

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

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

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

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

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

We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results or equity may be reduced by fluctuations in foreign currency exchange rates that could materially adversely affect our financial condition and results of operations. At December 31, 2022, no such hedges or hedging strategies were in force or had been entered into.

Relationship with AmTrust

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

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

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

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

Effective July 1, 2007, we entered into a quota share agreement with AII, which reinsures AmTrust's insurance company subsidiaries, and a master agreement with AmTrust, as amended ("Master Agreement"), pursuant to which Maiden Reinsurance and AII entered into the AmTrust Quota Share. Because Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) collectively own or control approximately 55.2% of the outstanding common shares of Evergreen Parent, L.P., the ultimate parent of AmTrust, and our Founding Shareholders sponsored our formation, we may be deemed to be an affiliate of AmTrust. Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) each own or control less than 5.0% of the outstanding shares of the Company based on their most recent individual public filings. Due to our close business relationship with AmTrust, we may be presented with situations involving conflicts of interest with respect to the agreements and other arrangements we will enter into with AmTrust and its subsidiaries, exposing us to possible claims that we have not acted in the best interest of our shareholders. The arrangements between us and AmTrust were modified after they were originally entered into and there could be future modifications.

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

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

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

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

At December 31, 2022, we provided $820.4 million of collateral to AmTrust, AII and AEL in the form of trusts, letters of credit, funds withheld and a loan. This collateral includes $416.8 million transferred to AmTrust from existing trust accounts used for collateral on the AmTrust Quota Share to a funds withheld arrangement in January 2019, which currently has an annual interest rate of 2.1%, subject to annual adjustment. The annual interest rate was 1.8% for the duration of 2021.

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

Insurance and Reinsurance Markets

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

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

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

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

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

Approximately 37.1% of our AmTrust Reinsurance segment's reserve for loss and LAE at December 31, 2022 was related to the reinsurance of U.S. workers' compensation risks which is our largest exposure to a particular line of business. Our AmTrust Reinsurance segment includes all business ceded by AmTrust to Maiden Reinsurance, primarily the AmTrust Quota Share and the European Hospital Liability Quota Share. Both contracts in this segment have been terminated effective January 1, 2019. Negative developments in the economic, competitive or regulatory conditions affecting the U.S. workers' compensation insurance industry could have an adverse effect on our financial condition and results of operations. For example, if legislators in our larger markets were to enact legislation to increase the scope or amount of benefits for employees under U.S. workers' compensation insurance policies without related loss control measures, or if regulators made other changes to the regulatory system governing U.S. workers' compensation insurance, this could negatively affect the U.S. workers' compensation insurance industry in the affected markets.

Reinsurance is a highly competitive industry.

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

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

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

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

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

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

Taxation

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

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

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

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

In 2021, significant steps were taken to develop a plan for implementing the two-pillar solution. In October 2021, the OECD/G20 Inclusive Framework released a statement agreeing a two-pillar solution to address the tax challenges arising from the digital economy. In December 2021, the OECD issued Pillar Two model rules for domestic implementation of the global minimum tax and shortly thereafter the European Commission proposed a Directive to implement the Pillar Two rules into EU law, which will require EU member states to transpose the rules into their national laws by December 31, 2023 with certain measures initially coming into effect from January 1, 2024. The proposals, in particular in relation to Pillar Two, are broad in scope and we are unable to determine at this time whether they would have a material adverse impact on our operations and results.

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

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

However, there is considerable uncertainty as to which activities constitute being engaged in a trade or business within the U.S., so we cannot be certain that the IRS will not contend successfully that we are engaged in a trade or business in the U.S.

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

Maiden NA has significant tax NOL carryforwards as of December 31, 2022. As a result of the Maiden NA NOL and other tax attributes, the Company presently has a net deferred tax asset with a full valuation allowance against it which may be recognized in future periods. It is possible that certain ownership changes of Maiden NA, if they were to occur, could result in an “ownership change” of Maiden NA for purposes of Section 382 of the Tax Code. If such an ownership change (as defined) were to occur, the value and amount of the Maiden NA NOL would be substantially impaired, increasing the U.S. federal income tax liability of Maiden NA and materially reducing the value of Maiden NA. Should the NOL be limited in any way, it could also limit or eliminate the Company's ability to recognize and realize that asset in the future.

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

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

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

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

The RPII rules provide that if a U.S. Person disposes of shares in a non-U.S. insurance corporation in which U.S. Persons own 25% or more of the shares (even if the amount of gross RPII is less than 20% of the corporation’s gross insurance income or the ownership of its shares by direct or indirect insureds and related persons is less than the 20% threshold), any gain from the disposition will generally be treated as a dividend to the extent of the holder’s share of the corporation’s undistributed earnings and profits that were accumulated during the period that the holder owned the shares (whether or not such earnings and profits are attributable to RPII). In addition, such a holder will be required to comply with certain reporting requirements, regardless of the number of shares owned by the holder. These RPII rules should not apply to dispositions of our shares because Maiden Holdings will not be directly engaged in the insurance business. The RPII provisions, however, have never been interpreted by the courts or the U.S. Treasury Department in final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of the RPII rules by the IRS, the courts, or otherwise, might have retroactive effect. The U.S. Treasury Department has authority to impose, among other things, additional reporting requirements with respect to RPII. Accordingly, the meaning of the RPII provisions and the application thereof to Maiden Holdings and its non-U.S. insurance subsidiary's is uncertain.

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

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

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

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

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

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

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

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

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

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

Impact of U.S. Tax Reform

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

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

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

A company which is not resident in the U.K. for U.K. corporation tax purposes can nevertheless be subject to U.K. corporation tax at the rate of 19% (rising to 25% from April 2023) if it carries on a trade in the U.K. through a permanent establishment in the U.K., but the charge to U.K. corporation tax is limited to profits (both income profits and chargeable gains) attributable directly or indirectly to such permanent establishment.

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

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

In addition, diverted profits tax ("DPT") applies to foreign companies with sales in the U.K. (such as Maiden Reinsurance) that design their affairs to avoid creating a taxable presence (in the form of a permanent establishment) in the U.K., or to U.K. companies that enter into transactions with connected companies which lack economic substance to exploit differentials in tax rates. DPT is charged at 25% (rising to 31% from April 2023) of the profits representing the contribution of the U.K. activities to the group's results.

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

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

Clients, Brokers and Financial Institutions

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

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

Our reliance on brokers subjects us to their credit risk.

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

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

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

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

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

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

Item 3. Legal Proceedings.

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

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

In April 2009, we learned that Bentzion S. Turin, the former Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, sent a letter to the U.S. Department of Labor claiming that his employment with the Company was terminated in retaliation for corporate whistleblowing in violation of the whistleblower protection provisions of the Sarbanes-Oxley Act of 2002. Mr. Turin alleged that he was terminated for raising concerns regarding corporate governance with respect to the negotiation of the terms of the Trust Preferred Securities Offering. He seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, back pay and legal fees incurred. On December 31, 2009, the U.S. Secretary of Labor found no reasonable cause for Mr. Turin's claim and dismissed the complaint in its entirety. Mr. Turin objected to the Secretary's findings and requested a hearing before an administrative law judge in the U.S. Department of Labor. The Company moved to dismiss Mr. Turin's complaint, and its motion was granted by the Administrative Law Judge on June 30, 2011. On July 13, 2011, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On March 29, 2013, the Administrative Review Board reversed the dismissal of the complaint on procedural grounds, and remanded the case to the administrative law judge. The administrative hearing began in September 2014 and concluded in November 2018. On September 2, 2021, Administrative Law Judge Theresa C. Timlin of the U.S. Department of Labor issued a decision and order which denied Mr. Turin's complaint in full. On September 16, 2021, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. We believe that we had good and sufficient reasons for terminating Mr. Turin's employment and that the claim is without merit. We will continue to vigorously defend ourself against this claim.

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019. On February 19, 2020, the Court appointed lead plaintiffs, and on May 1, 2020, lead plaintiffs filed an amended class action complaint (the “Amended Complaint”). The Amended Complaint asserts violations of Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) arising in large part from allegations that Maiden failed to take adequate loss reserves in connection with reinsurance provided to AmTrust. Plaintiffs further claim that certain of Maiden Holdings’ representations concerning its business, underwriting and financial statements were rendered false by the allegedly inadequate loss reserves, that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company’s stock price fell, causing Plaintiffs to incur losses. On September 11, 2020, a motion to dismiss was filed on behalf of all Defendants. On August 6, 2021, the Court issued an order denying, in part, Defendants’ motion to dismiss, ordering Plaintiffs to file a shorter amended complaint no later than August 20, 2021, and permitting discovery to proceed on a limited basis. On February 7, 2023, the District Court denied Plaintiffs’ motion for reconsideration of the District Court’s decision denying Plaintiffs’ objection to the Magistrate Judge’s December 2021 ruling on discovery. The Company expects to file a dispositive motion in the near future. We believe the claims are without merit and we intend to vigorously defend ourselves. It is possible that additional lawsuits will be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial condition.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Our common shares began publicly trading on NASDAQ Stock Market LLC ("NASDAQ") under the symbol "MHLD" on May 6, 2008 and currently trades on the NASDAQ Capital Market. At March 10, 2023, the closing sale price of our common share was $2.57 per share and there were 20 holders of record of our common shares. This figure does not represent the actual number of beneficial owners of our common shares because shares are frequently held in "street name" by securities dealers and others for the benefit of beneficial owners who may vote the shares.

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

On February 21, 2017, our Board approved the repurchase of up to $100.0 million of our common shares from time to time at market prices. During the years ended December 31, 2022 and 2021, the Company did not repurchase any common shares under its share repurchase authorization. At December 31, 2022, we have a remaining authorization of $74.2 million for share repurchases. No repurchases of common shares were made subsequent to December 31, 2022 and through the period ended March 15, 2023 under its share repurchase authorization.

During the year ended December 31, 2022, we repurchased a total of 403,716 (2021 - 834,851) common shares at an average price of $2.50 per share (2021 - $2.97) from employees, which represent tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

Exchange of Preference Shares

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

The number of the Company's Series A, C and D Preference Shares held by Maiden Reinsurance pursuant to the 2020 Tender Offer and the 2021 Preference Share Repurchase Program was 13,813,116 at the Exchange Date. Therefore, 41,439,348 common shares were issued to Maiden Reinsurance in exchange for the Preference Shares held which are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding shares on December 31, 2022.

As a result of the Exchange, the Preference Shares were delisted from and no longer trade on the New York Stock Exchange as of the Exchange Date. No Preference Shares are issued or outstanding, and the Preference Shares were deregistered under the Securities Exchange Act of 1934, as amended. In addition, all rights of the former holders related to ownership of the Preference Shares have terminated.

Preference Shares Repurchases

On March 3, 2021, our Board approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100.0 million of our Preference Shares from time to time at market prices in open market purchases or as may be privately negotiated. On May 6, 2021, our Board approved the additional repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines (as may be amended), of up to $50.0 million of our Preference Shares from time to time at market prices in open market purchases or as may be privately negotiated. The authorizations that were approved on March 3, 2021 and May 6, 2021 as described above are collectively referred to as the "2021 Preference Share Repurchase Program". For further information and a summary of the Company's preference shares repurchases made during the years ended December 31, 2022 and 2021, please see "*Notes to Consolidated Financial Statements - Note 6. Shareholders' Equity*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

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

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

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

Overview

Maiden Holdings is a Bermuda-based holding company. We create shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets mostly in the insurance and related financial services industries where we can leverage our deep knowledge of those markets. Through GLS, we also provide a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. We expect our legacy solutions business to contribute to our active asset and capital management strategies.

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

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden LF and Maiden GF in the Scandinavian and Northern European markets. Insurance support services are provided to Maiden LF and Maiden GF through our wholly owned subsidiary, Maiden Global, which is also a licensed intermediary in the U.K.. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets. These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance.

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

Business Strategy

We continued to implement our revised operating strategy during 2022, which leverages the significant assets and capital we retain. In addition to restoring operating profitability, our strategic focus centers on creating the greatest risk-adjusted shareholder returns in order to increase book value for our common shareholders, both near and long-term. This strategy has three principal areas of focus:

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

- Legacy underwriting - judiciously building a portfolio of legacy run-off acquisitions and retroactive reinsurance transactions which we believe will produce attractive underwriting returns; and

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

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

As an example, our present assessment of the reinsurance marketplace along with our current operating profile continues to be that the risk-adjusted returns that may be produced via active reinsurance underwriting of new prospective risks are likely to be lower over the long-term than our cost of capital. However, as interest rates have increased and moved towards historically observed levels, risk-adjusted returns for active reinsurance underwriting of new prospective risks may become more attractive and while we have no immediate plans to resume such underwriting, we continue to evaluate if such a strategy would produce suitable value for shareholders.

The measures implemented in recent years have allowed us to more flexibly allocate capital to those activities most likely to produce the greatest returns for shareholders, and we are actively engaged in evaluating and deploying funds in all pillars of the strategies as discussed herein. We also believe that these areas of strategic focus will enhance our profitability through increased returns, which we believe also increase the likelihood of fully utilizing the significant NOL carryforwards described above which would create additional common shareholder value.

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

In recent years, we have invested approximately $272.5 million into alternative investments which include equity securities, other investments and equity method investments in a wide variety of asset classes and we believe these activities will exceed that benchmark cost of capital with adjustments as necessary if those returns do not emerge.

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

We believe the formation of GLS is highly complementary to our overall longer-term strategy and will produce risk-adjusted returns in excess of our debt cost of capital. In addition, while we anticipate profitable growth from the GLS portfolio as it develops, we expect our required capital to continue to decline as insurance risk incurred by GLS will be more than offset by the run-off of insurance liabilities from our prior reinsurance strategies. GLS, along with other recent insurance industry investments, enables us to leverage our knowledge base while not re-entering active underwriting of new prospective risks and maintaining an efficient operating profile. We believe GLS not only enhances our profitability through both fee income and effective claims management services, but it will also increase our asset base through the addition of blocks of reserves or companies that can be successfully wound down.

Effective October 1, 2021, GLS completed its first loss portfolio transfer transaction which includes an ADC cover. GLS and its subsidiaries have completed additional transactions in 2022 and as of December 31, 2022, GLS and its subsidiaries have insurance related liabilities totaling $45.1 million which included total reserves of $28.2 million, derivative liability on retroactive reinsurance of $14.6 million, and deferred gains on retroactive reinsurance of $2.3 million.

GLS continues to write additional retroactive reinsurance transactions consistent with its business plan and in 2022 acquired its first insurance company to run-off. In addition to producing long-term returns that exceed the target cost of capital, we expect the business produced through GLS should further enhance our ability to pursue the asset and capital management pillars of our business strategy. The nature of GLS business plan is that it may take a sustained period of growth in insurance liabilities to produce the targeted returns. In addition, early stage initiatives such as GLS may take a period of time to reach profitability. Finally, the nature of legacy transactions which GLS seeks to execute may be inconsistent as to their timing and not predictable as regards how many transactions may be completed in any fiscal period.

Our capital management strategy is significantly informed by the required capital needed to operate our business in a prudent manner and our ongoing analysis of our loss development trends. Trends in recent years have increased our confidence in our recorded ultimate losses for our insurance liabilities in run-off, however a prudent assessment dictates that the run-off portfolio still requires additional maturity to fully emerge, as evidenced by the adverse loss development we experienced in 2022. While there is no assurance that these recent positive long-term loss development trends will persist, as our confidence has increased, it has enabled us to pursue continued capital management initiatives, primarily the repurchase of our preference shares and the subsequent Exchange, which we believe provided the greatest risk-adjusted returns to our common shareholders.

Completion of the Exchange represents a significant milestone in our capital management plan and we continue to evaluate other capital management options that may be available to us. However, there can be no assurance that we will pursue such initiatives, or that they will provide appropriate risk-adjusted returns. Our ability to execute our asset and capital management initiatives is dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Further, there can be no assurance that our insurance liabilities will run-off at levels that will permit further capital management activities, which we continually review as part of our strategy.

Please refer to the *"Liquidity and Capital Resources"* section for further information on our asset and capital management activities.

2022 Developments

During 2022, we continued to advance each pillar of our business strategy and our book value increased by 7.7% to $2.80 per common share at December 31, 2022. We made significant progress in the capital management pillar of our business strategy, repurchasing additional preference shares and ultimately executing an exchange of all of our outstanding preference shares for our common shares as discussed in the *"Exchange of Preference Shares"* section below. These capital management measures produced gains of $115.5 million and were the single biggest driver of our increase in book value.

We also grew our alternative investment portfolio by 21% and produced a positive return of 2.0% on that portfolio in a very challenging year in the global financial markets. Despite the volatility experienced in financial markets during 2022, we believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns. As interest rates continue to rise, we are increasingly focusing our investing activities on opportunities that will produce current income. While we continued to develop the business platform of GLS during 2022, a disappointing operating loss was reported as new reinsurance contracts did not perform to expectations.

The run-off of our historic reinsurance programs significantly underperformed during 2022, and we experienced adverse prior year reserve development of $32.6 million which offset much of the positive progress made in our capital and asset management strategies. Finally, volatile financial markets and sharply rising interest rates resulted in downward pressure on both our book value and earnings as investment results, including both realized and unrealized, were adversely affected.

Exchange of Preference Shares

On the Exchange Date, the Company exchanged all of its outstanding Preference Shares for its common shares, $0.01 par value per share. The Company offered three common shares as consideration for each share of the Series A, C and D Preferred Stock tendered. A total of 1,500,050 shares of Series A Preference Shares, 1,744,028 shares of Series C Preference Shares, and 1,542,806 shares of Series D Preference Shares were accepted, resulting in the issuance of 14,360,652 common shares to non-affiliates at a fair value of $28.4 million. The Exchange was accounted for as an extinguishment resulting in the derecognition of the $119.7 million carrying amount of Series A, C and D Preference Shares tendered, elimination of $4.0 million of original issuance costs, recognition of the $25.9 million excess of the fair value of the common shares issued over par value, net of $2.4 million issuance costs, as additional paid in capital, and recognition of the $87.2 million excess of the carrying amount of the Preference Shares redeemed over the fair value of the common shares issued as an increase to retained earnings.

Prior to the Exchange, Maiden Reinsurance owned approximately 74% of the outstanding Preference Shares. After the Exchange, Maiden Reinsurance owns 29% of our total outstanding common shares and subject to limitations in our bye-laws, has a 9.5% voting interest in our common shares.

Please refer to *"Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further information on the Exchange.

We believe Maiden NA's investments, including its ownership of Maiden Reinsurance and its active asset management strategy, will create opportunities to utilize NOL carryforwards of $280.7 million at December 31, 2022. The NOL carryforwards combined with additional net deferred tax assets ("DTA") primarily related to our insurance liabilities result in U.S. DTA (before valuation allowance) of $116.2 million or $1.14 per common share at December 31, 2022.

Net U.S. DTA of $116.2 million is not presently recognized on the Company's consolidated balance sheet as a full valuation allowance is carried against it. At this time, while positive evidence in support of reducing the valuation allowance is growing, the Company believes it is necessary to maintain a full valuation allowance against the net U.S. DTA as more evidence is needed regarding the utilization of these losses, primarily the adverse loss development experienced in 2022. As circumstances further develop, we will continuously evaluate the amount of the valuation allowance held against the net U.S. DTA.

For further details please see "*Note 13 — Income Taxes*" included under Item 8 "*Financial Statements and Supplementary Data*" of this Annual Report on Form 10–K. Taken together, we believe these measures should generate additional income for Maiden NA in a tax-efficient manner, while sharing in the improvement in profitability anticipated in Maiden Reinsurance as a result of the measures enacted as described above.

2022 and 2021 Financial Highlights

For the Year Ended December 31,	**2022**	**2021**	**Change**
Summary Consolidated Statement of Income Data:	($ in thousands except per share data)		
Net (loss) income	$ (60,041)	$ 26,645	$ (86,686)
Gain from repurchase & exchange of preference shares	115,473	90,998	24,475
Net income attributable to Maiden common shareholders	55,432	117,643	(62,211)
Basic and diluted earnings per common share:			
Net income attributable to Maiden common shareholders(2)	0.63	1.35	(0.72)
Gain from repurchase/exchange of preference shares per common share	1.33	1.06	0.27
Gross premiums written	5,479	10,938	(5,459)
Net premiums earned	37,732	52,993	(15,261)
Underwriting (loss) income(3)	(54,934)	11,572	(66,506)
Net investment results(13)	24,725	52,409	(27,684)
Non-GAAP measures:			
Non-GAAP operating earnings(1)	52,070	60,481	(8,411)
Non-GAAP diluted operating earnings per common share(1)	0.60	0.70	(0.10)
Non-GAAP operating return on average common shareholders' equity(1)	17.2 %	25.0 %	(7.8)

At December 31,	**2022**	**2021**	**Change**
Consolidated Financial Condition	($ in thousands except per share data)		
Total investments and cash and cash equivalents(4)	$ 633,684	$ 888,699	$ (255,015)
Total assets	1,846,866	2,322,610	(475,744)
Reserve for loss and LAE	1,131,408	1,489,373	(357,965)
Senior notes - principal amount	262,500	262,500	—
Common shareholders' equity	284,579	225,047	59,532
Shareholders' equity	284,579	384,257	(99,678)
Total capital resources(5)	547,079	646,757	(99,678)
Ratio of debt to total capital resources(10)	48.0 %	40.6 %	7.4
Book Value calculations:			
Book value per common share(6)	$ 2.80	$ 2.60	$ 0.20
Accumulated dividends per common share(12)	4.27	4.27	—
Book value per common share plus accumulated dividends	$ 7.07	$ 6.87	$ 0.20
Change in book value per common share plus accumulated dividends	2.9 %		
Diluted book value per common share(7)	$ 2.79	$ 2.59	$ 0.20
Non-GAAP measures:			
Adjusted book value per common share(8)	3.25	3.18	0.07
Adjusted Maiden shareholders' equity(9)	329,987	434,200	(104,213)
Adjusted total capital resources(9)	592,487	696,700	(104,213)
Ratio of debt to adjusted total capital resources(11)	44.3 %	37.7 %	6.6

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

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

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

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

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

(6) Book value per common share is calculated using common shareholders' equity (shareholders' equity excluding the aggregate liquidation value of our Preference Shares, if any) divided by the number of common shares outstanding. See "*Key Financial Measures*" for additional information.

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

(8) Adjusted book value per common share is a non-GAAP measure that is calculated using common shareholders' equity, adjusted by adding the following items to shareholders' equity: 1) the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement; and 2) an adjustment which reflects the equity method accounting related to the fair value of certain hedged liabilities within an equity method investment in a limited partnership investment held by the Company wherein the ultimate realizable value of the asset supporting the hedged liabilities cannot currently be recognized at fair value, divided by the number of common shares outstanding. See *"Key Financial Measures"* for additional information.

(9) Adjusted shareholders' equity and adjusted total capital resources are calculated by adding the following items to shareholders' equity: 1) the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement; and 2) an adjustment which reflects the equity accounting related to the fair value of certain hedged liabilities within an equity method investment held by the Company wherein the ultimate realizable value of the asset supporting the hedged liabilities cannot currently be recognized at fair value. The deferred gain arises from the LPT/ADC Agreement with Cavello relating to losses from the AmTrust Quota Share. Under U.S. GAAP, the deferred gain shall be amortized over the estimated remaining settlement period. See *"Key Financial Measures"* for additional information.

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

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

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

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

Key Financial Measures

Revenues

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

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

Expenses

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

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

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

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

Non-GAAP Financial Measures

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

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

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

The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in this Annual Report on Form 10-K for the year ended December 31, 2022, as it believes that as the run-off of our reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate the financial results of the Company, particularly compared to historical data.

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

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

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

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

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

Adjusted Total Shareholders' Equity, Adjusted Total Capital Resources, Ratio of Debt to Adjusted Total Capital Resources and Adjusted Book Value per Common Share: Management has adjusted GAAP shareholders' equity by adding the following items to shareholders' equity: 1) unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement; and 2) an adjustment which reflects the equity accounting related to the fair value of certain hedged liabilities within an equity method investment previously held by the Company wherein the ultimate realizable value of the asset supporting the hedged liabilities cannot currently be recognized at fair value ("LP Investment Adjustment"). The unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement includes the aggregate impact of: 1) cumulative increases to losses incurred prior to December 31, 2018 for which we have ceded the risk under the LPT/ADC Agreement with Cavello; and 2) changes in estimated ultimate losses for certain workers' compensation reserves previously commuted to AmTrust which are subject to specific terms and conditions pursuant to the LPT/ADC Agreement. As a result, by virtue of this adjustment, management has also adjusted Total Capital Resources and computed the Ratio of Debt to Adjusted Capital Resources and Adjusted Book Value per Common Share. The deferred gain liability on retroactive reinsurance under the LPT/ADC Agreement represents loss reserves estimated to be fully recoverable from Cavello and management believes adjusting for this shows the ultimate economic benefit of the LPT/ADC Agreement. We believe reflecting the economic benefit of this non-recurring retroactive reinsurance agreement is helpful to understand future trends in our operations, which will improve our shareholders' equity over the settlement or contract periods, respectively.

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

Critical Accounting Policies and Estimates

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

Reserve for Loss and LAE

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

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

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

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

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

The composition of the reserve for loss and LAE at December 31, 2022 and 2021 was as follows:

December 31,	**2022**	**2021**
	($ in thousands)	
Reserve for reported loss and LAE	$ 702,691	$ 851,950
Reserve for losses incurred but not reported	428,717	637,423
Reserve for loss and LAE	$ 1,131,408	$ 1,489,373

The loss reserves in the table above exclude the impact of the LPT/ADC Agreement. While management believes that our case reserves and IBNR are sufficient to cover losses assumed by us, there can be no assurance that losses will not deviate from our reserves, possibly by material amounts. The analysis of the appropriateness of the reserve for IBNR is reviewed quarterly, with adjustments made as appropriate. To the extent that actual reported losses exceed expected losses, the carried estimate of the ultimate losses may be increased (i.e. unfavorable reserve development), and to the extent actual reported losses are less than our expectations, the carried estimate of ultimate losses may be reduced (i.e. favorable reserve development). We record any changes in our loss reserve estimates and the related reinsurance recoverable in the periods in which they are determined. Reinsurance recoverable on unpaid losses covered by the ADC portion of the LPT/ADC Agreement are recorded as part of the deferred gain on retroactive reinsurance shown on the Consolidated Balance Sheets which represents the cumulative adverse loss development under the AmTrust Quota Share covered by the LPT/ADC Agreement at December 31, 2022. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is estimated to be in 2025.

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

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

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

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

Significant Assumptions Employed in the Estimation of Reserve for Loss and Loss Adjustment Expenses: The most significant assumptions used at December 31, 2022 to estimate the reserve for loss and LAE within our reporting segments are as follows:

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

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

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

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

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

To verify the accuracy and completeness of the information provided to us by our ceding company counterparties, the Company's actuaries, accountants and claims personnel perform claims reviews, and at times also accounting and financial audits, of the Company's ceding companies. Any material findings are communicated to the ceding companies and utilized in the establishment or revision of the Company's case reserves and related IBNR reserve. On occasion, these reviews reveal that the ceding company's reported loss and LAE do not comport with the terms of the contract held with the Company. In such events, the Company strives to resolve the outstanding differences in an amicable fashion. The large majority of such differences are resolved in this manner. In the infrequent instance where an amicable solution is not feasible, the Company's policy is to vigorously defend its position in litigation or arbitration. At December 31, 2022, the Company was not involved in any material claims litigation or arbitration proceedings.

Due to the large volume of potential transactions that must be recorded in the insurance and reinsurance industry, backlogs in the recording of the Company's business activities can also impair the accuracy of its loss and LAE reserve estimates. At December 31, 2022, there were no significant backlogs related to the processing of policy or contract information in any of our reporting segments.

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

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

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

The change in loss reserve estimates from the prior year is referred to as Prior Year Development ("PPD"). We experienced adverse PPD of $32.6 million for the year ended December 31, 2022 compared to favorable PPD of $27.6 million for the year ended December 31, 2021, primarily within the AmTrust Reinsurance segment.

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

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

Based on this range of reasonable reserves, our required reserves after reinsurance recoverable could increase by approximately $153.0 million, or 14.3%, of our consolidated net loss and LAE reserves, excluding the impact of the LPT/ADC Agreement. If the LPT/ADC Agreement were to be considered, our required reserves could increase by approximately $73.0 million, or 12.6% of our consolidated net loss and LAE reserves.

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

Premiums and Commissions and Other Acquisition Expenses

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

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

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

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

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

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

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

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

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

Retroactive Reinsurance

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

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

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

Fair Value of Financial Instruments

Please refer to "*Notes to Consolidated Financial Statements - Note 5. Fair Value of Financial Instruments*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion on the fair value methodology and valuation techniques used by the Company to determine the fair value of the financial instruments held at December 31, 2022 and 2021.

Other-Than-Temporary Impairment ("OTTI") of Investments

Please refer to "*Notes to Consolidated Financial Statements - Note 2. Significant Accounting Policies"* included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion on the impairment evaluation performed by the Company on its investment portfolio. For the years ended December 31, 2022 and December 31, 2021, the Company did not recognize any OTTI impairment losses in its results of operation. Please see "*Notes to Consolidated Financial Statements: Note 4. Investments*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further details.

Results of Operations

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

For the Year Ended December 31,	2022	2021
	($ in thousands)	
Gross premiums written	$ 5,479	$ 10,938
Net premiums written	$ 5,082	$ 10,403
Net premiums earned	$ 37,732	$ 52,993
Other insurance (expense) revenue, net	(4,530)	1,067
Net loss and LAE	(57,991)	(7,307)
Commission and other acquisition expenses	(18,511)	(24,840)
General and administrative expenses[(1)]	(11,634)	(10,341)
Underwriting (loss) income[(2)]	(54,934)	11,572
Other general and administrative expenses[(1)]	(19,313)	(25,679)
Net investment income	30,070	32,013
Net realized and unrealized (losses) gains on investment	(5,140)	12,648
Foreign exchange and other gains	8,255	7,685
Interest and amortization expenses	(19,331)	(19,327)
Income tax benefit (expense)	557	(15)
Interest in (loss) income in equity method investments	(205)	7,748
Net (loss) income	(60,041)	26,645
Gain from repurchase and exchange of preference shares	115,473	90,998
Net income available to Maiden common shareholders	$ 55,432	$ 117,643

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

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

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

Net Income

Net income available to Maiden common shareholders for the year ended December 31, 2022 was $55.4 million compared to net income available to Maiden common shareholders of $117.6 million in 2021.

The net income for the year ended December 31, 2022 included combined gains from the Exchange and repurchase of our Preference Shares of $115.5 million for the year ended December 31, 2022 compared to the gain of $91.0 million for Preference Share repurchases during 2021.

Excluding the combined gain on the Exchange and repurchase of our Preference Shares, our net loss for the year ended December 31, 2022 was $60.0 million compared to net income of $26.6 million in 2021. The net decrease in results for the year ended December 31, 2022 compared to 2021 was primarily due to:

- underwriting loss of $54.9 million in the year ended December 31, 2022 compared to underwriting income of $11.6 million in the same period in 2021 largely due to:
  - adverse prior year loss development of $32.6 million for the year ended December 31, 2022 compared to favorable development of $27.6 million in 2021 detailed as follows:
    - Our AmTrust Reinsurance segment had adverse prior year loss development of $28.1 million for 2022, compared to favorable prior year loss development of $24.0 million in 2021.
    - Our Diversified Reinsurance segment had adverse prior year loss reserve development of $4.6 million for 2022, including $1.8 million of adverse development in GLS, compared to favorable development of $3.6 million in 2021;
  - on a current accident year basis, an underwriting loss of $22.3 million for the year ended December 31, 2022 compared to an underwriting loss of $16.0 million in 2021, primarily due to results in AmTrust Reinsurance segment and Diversified Reinsurance segment as discussed further below in the segment analysis;

- negative earned premium adjustments of $15.8 million in the AmTrust Reinsurance segment related to premium adjustments for surcharges on Workers' Compensation policies and inuring AmTrust reinsurance for certain programs in Specialty Risk and Extended Warranty cessions (collectively the "AmTrust Cession Adjustments" which are discussed in greater detail in the AmTrust Reinsurance segment). Net of commission and loss adjustments, this contributed an underwriting loss of $5.1 million to our reported results for the year ended December 31, 2022; and
- an exit cost of $3.7 million for the Commutation Agreement in our AmTrust Reinsurance segment.

- total income from investment activities was $24.7 million for the year ended December 31, 2022 compared to $52.4 million in 2021 which was comprised of:
  - net investment income decreased to $30.1 million for the year ended December 31, 2022 compared to $32.0 million in 2021, as a decline in average fixed income assets of 31.7% was partially offset by higher yields on these assets as interest rates rose during 2022;
  - realized and unrealized losses on investment of $5.1 million for the year ended December 31, 2022 compared to realized and unrealized gains of $12.6 million in 2021; and
  - interest in loss of equity method investments of $0.2 million for the year ended December 31, 2022 compared to an interest in income of equity method investments of $7.7 million in 2021.

The decrease in our results as discussed above was partially offset by the following:

- corporate general and administrative expenses decreased to $19.3 million for the year ended December 31, 2022 compared to $25.7 million in 2021; and
- foreign exchange and other gains increased to $8.3 million for the year ended December 31, 2022 compared to foreign exchange and other gains of $7.7 million in 2021.

Net Premiums Written

The table below compares net premiums written by our reportable segments, reconciled to the total consolidated net premiums written for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021	Change in	
($ in thousands)	Total	Total	$	%
Diversified Reinsurance	$ 23,620	$ 16,098	$ 7,522	46.7 %
AmTrust Reinsurance	(18,538)	(5,695)	(12,843)	225.5 %
Total	$ 5,082	$ 10,403	$ (5,321)	(51.1)%

Net premiums written for the year ended December 31, 2022 were $5.1 million compared to net premiums written of $10.4 million during 2021 due to the following:

- Net premiums written in the Diversified Reinsurance segment increased by $7.5 million or 46.7% for the year ended December 31, 2022 compared to 2021 primarily due to the prior year return of unearned premiums written in a German Auto quota share reinsurance contract in our IIS business which went into run-off on January 1, 2021 as well as direct premiums written by Maiden LF and Maiden GF which increased by $3.0 million or 14.0% during the year ended December 31, 2022 compared to 2021; and
- Negative premiums written in the AmTrust Reinsurance segment for the year ended December 31, 2022 was primarily related to $15.8 million of AmTrust Cession Adjustments.

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

Net Premiums Earned

Net premiums earned decreased by $15.3 million or 28.8% for the year ended December 31, 2022 compared to 2021. The table below compares net premiums earned by our reportable segments, reconciled to the total consolidated net premiums earned, for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021	Change in	
($ in thousands)	Total	Total	$	%
Diversified Reinsurance	$ 27,983	$ 27,681	$ 302	1.1 %
AmTrust Reinsurance	9,749	25,312	(15,563)	(61.5)%
Total	$ 37,732	$ 52,993	$ (15,261)	(28.8)%

Net premiums earned in the AmTrust Reinsurance segment for the year ended December 31, 2022 decreased by $15.6 million or 61.5% compared to 2021 primarily due to $15.8 million of AmTrust Cession Adjustments. Please refer to the analysis of our AmTrust Reinsurance segment for further discussion.

Net premiums earned in the Diversified Reinsurance segment for the year ended December 31, 2022 increased by $0.3 million or 1.1% compared to 2021. Please refer to the analysis of our Diversified Reinsurance segment for further discussion.

Other Insurance Revenue (Expense), Net

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

Net Investment Income

Net investment income decreased by $1.9 million or 6.1% for the year ended December 31, 2022 compared to 2021. This was primarily due to a decline in average aggregate fixed income assets of 31.7% driven by continued run-off of reinsurance liabilities previously written on prospective risks, resulting in significant negative operating cash flows as we run-off our existing reinsurance liabilities. Net investment income for the year ended December 31, 2022 was favorably impacted by a reversal of investment expense relating to certain alternative investments, which was a non-recurring item.

Net investment income experienced an increase in annualized average book yields to 2.2% for the year ended December 31, 2022 compared to 1.9% in 2021. Despite the sharp decline in average invested fixed income assets noted above, net investment income decreased at a much lower rate due to the following factors:

- shorter duration on our fixed income portfolio combined with 29.6% of fixed income investments as of December 31, 2022 are floating rate investments which enabled us to take advantage of a higher interest rate environment by reinvesting at higher yields more quickly;
- a higher crediting interest rate on our funds withheld balance with AmTrust, which had an average ending balance of $514.4 million during the year ended December 31, 2022, which increased to 2.1% in 2022 from 1.8% in 2021; and
- a higher weighted average interest rate on our loan to related party of $168.0 million which increased to 3.7% in 2022 from 2.1% in 2021.

The following table details our average aggregate fixed income assets (at cost) and investment book yield for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
	($ in thousands)	
Average aggregate fixed income assets, at cost [(1)]	$ 1,226,134	$ 1,794,173
Annualized investment book yield	2.2 %	1.9 %

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

Net Realized and Unrealized Investment (Losses) Gains

Net realized and unrealized investment losses of $5.1 million for the year ended December 31, 2022, and net realized and unrealized investment gains of $12.6 million for 2021 primarily reflect sales of fixed maturity bonds for the settlement of claim payments to AmTrust, the sale of which resulted in net realized losses of $3.0 million in 2022 compared to net realized gains of $9.1 million in 2021. The table below shows the breakdown of net realized investment gains (losses) and net unrealized investment gains (losses) by investment category for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
	($ in thousands)	
Net realized investment (losses) gains - Fixed maturity securities	$ (2,983)	$ 9,097
Net realized investment gains - Equity securities	111	441
Net unrealized investment gains - Equity securities	2,225	335
Net realized and unrealized investment gains - Equity securities	2,336	776
Net realized investment gains - Other investments	79	275
Net unrealized investment (losses) gains - Other investments	(4,572)	2,500
Net realized and unrealized investment (losses) gains - Other investments	(4,493)	2,775
Total net realized and unrealized investment (losses) gains	$ (5,140)	$ 12,648

The following table summarizes our net realized and unrealized investment gains (losses) for the years ended December 31, 2022 and 2021, respectively:

For the Year Ended December 31,	2022	2021
Net realized (losses) gains:	($ in thousands)	
Fixed income assets[1]	(2,983)	9,097
Other investments, including equity securities	190	716
Total net realized (losses) gains	(2,793)	9,813
Net unrealized (losses) gains:		
Other investments, including equity securities	(2,347)	2,835
Total net unrealized (losses) gains	(2,347)	2,835
Total net realized and unrealized investment (losses) gains	$ (5,140)	$ 12,648

Interest in Income (Loss) of Equity Method Investments

The interest in loss of equity method investments was $0.2 million for the year ended December 31, 2022 compared to an interest in income of equity method investments of $7.7 million for the year ended December 31, 2021. The results from equity method investments decreased by $8.0 million primarily due to a $5.1 million loss in our hedge fund equity method investments during the year ended December 31, 2022.

The Company's equity method investments include hedge fund investments of $5.4 million, real estate investments of $40.9 million and other investments of $33.8 million as of December 31, 2022. The following table details our interest in the (loss) income of equity method investments for the years ended December 31, 2022 and 2021, respectively:

For the Year Ended December 31,	2022	2021
	($ in thousands)	
Hedge fund investments	$ (5,053)	$ 3,494
Real estate investments	29	—
Other equity method investments	4,819	4,254
Interest in (loss) income of equity method investments	$ (205)	$ 7,748

Net Loss and Loss Adjustment Expenses

Net loss and LAE increased by $50.7 million during the year ended December 31, 2022 compared to 2021 largely due to significant net adverse prior year loss development in the AmTrust Reinsurance Segment compared to considerable favorable development experienced in this segment for 2021. The cessation of active reinsurance underwriting on prospective risks included the termination of the AmTrust Quota Share and European Hospital Liability Quota Share effective January 1, 2019.

Net loss and LAE for 2022 was impacted by net adverse prior year reserve development of $32.6 million compared to net favorable prior year reserve development of $27.6 million during 2021. The prior year development is discussed in greater detail in the individual segment discussion and analysis and is primarily associated with the run-off of terminated reinsurance contracts in the AmTrust Reinsurance and Diversified Reinsurance segments.

Commission and Other Acquisition Expenses

Commission and other acquisition expenses decreased by $6.3 million or 25.5% for the year ended December 31, 2022 compared to 2021 primarily due to negative earned premiums in the AmTrust Reinsurance segment which reduced commission costs related to the AmTrust Cession Adjustments by $5.4 million. Please see further discussion in the individual segment analysis below.

General and Administrative Expenses

General and administrative expenses include both segment and corporate expenses segregated for analytical purposes as a component of underwriting income. Total general and administrative expenses decreased by $5.1 million or 14.1% for the year ended December 31, 2022, compared to 2021 primarily due to lower corporate-related administrative expenses.

Corporate general and administrative expenses for the year ended December 31, 2022 decreased by $6.4 million or 24.8% compared to 2021 due to lower payroll costs, equity-based incentive staff compensation and lower regulatory and professional fees incurred.

General and administrative expenses for the years ended December 31, 2022 and 2021 are comprised of:

For the Year Ended December 31,	2022	2021
	($ in thousands)	
General and administrative expenses – segments	$ 11,634	$ 10,341
General and administrative expenses – corporate	19,313	25,679
Total general and administrative expenses	$ 30,947	$ 36,020

Interest and Amortization Expenses

The interest and amortization expenses related to outstanding senior notes issued by Maiden Holdings in 2016 and Maiden NA in 2013 were $19.3 million for the years ended December 31, 2022 and 2021, respectively. Please refer to "*Notes to Consolidated Financial Statements - Note 7 — Long-Term Debt*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Form 10-K for further details on the Senior Notes. The weighted average effective interest rate for the Senior Notes was 7.6% for the years ended December 31, 2022 and 2021, respectively.

Foreign Exchange and Other Gains

Net foreign exchange and other gains amounted to $8.3 million during the year ended December 31, 2022 compared to net foreign exchange and other gains of $7.7 million in 2021.

At December 31, 2022, net foreign exchange gains were primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at December 31, 2022 included net loss reserves of $333.9 million. There was no new business written in non-USD currencies during the year ended December 31, 2022. Our foreign currency asset exposures at December 31, 2022 included $205.1 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy as well as $20.9 million of equity method real estate investments denominated in Canadian dollars.

Net foreign exchange gains of $8.9 million and $7.5 million for the years ended December 31, 2022 and 2021, respectively, were attributable to the strengthening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Income Tax Benefit (Expense)

The Company recognized an income tax benefit of $0.6 million for the year ended December 31, 2022 compared to an income tax expense of $15.0 thousand recognized for 2021. The income tax expense for 2021 was largely generated on the operating losses of our international subsidiaries. The effective rate of income tax was 0.9% for the year ended December 31, 2022 compared to an income tax rate of 0.1% for the year ended December 31, 2021. The effective tax rate on the Company's net income differs from the statutory rate of zero percent under Bermuda law due to tax on foreign operations, primarily the U.S. and Sweden.

Underwriting Results by Reportable Segment

Diversified Reinsurance Segment

The underwriting results for our Diversified Reinsurance segment for the years ended December 31, 2022 and 2021 were as follows:

For the Year Ended December 31,	2022	2021
	($ in thousands)	
Gross premiums written	$ 24,017	$ 16,633
Net premiums written	$ 23,620	$ 16,098
Net premiums earned	$ 27,983	$ 27,681
Other insurance (expense) revenue	(4,530)	1,067
Net loss and LAE	(12,483)	(4,286)
Commission and other acquisition expenses	(14,164)	(15,093)
General and administrative expenses	(8,857)	(7,827)
Underwriting (loss) income	$ (12,051)	$ 1,542

Underwriting results in the Diversified Reinsurance segment decreased for the year ended December 31, 2022 compared to 2021. This was primarily due to results from GLS operations, which reported an underwriting loss of $8.9 million for the year ended December 31, 2022 compared to $0.1 million in 2021, primarily driven by a $4.8 million decrease in the fair value of underwriting-related derivatives due to the acceleration of covered payments which triggered coverage in excess of the contracts risk margin during the year ended December 31, 2022.

Underwriting (loss) income by business unit is detailed in the table below for the Diversified Reinsurance segment for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
	($ in thousands)	
International	$ (1,103)	$ 261
GLS	(8,923)	(137)
Other run-off lines	(2,025)	1,418
Underwriting (loss) income	$ (12,051)	$ 1,542

Premiums - Gross premiums written increased by $7.4 million, or 44.4% for the year ended December 31, 2022 compared to 2021 primarily due to the prior year return of unearned premiums written in a German Auto quota share reinsurance contract in our IIS business which went into run-off on January 1, 2021. Direct premiums written by Maiden LF and Maiden GF increased by $2.7 million or 12.3% during the year ended December 31, 2022 compared to 2021.

Net premiums written for the year ended December 31, 2022 increased by $7.5 million or 46.7% compared to 2021 due to the prior year return of unearned premiums in our German Auto quota share reinsurance contract which went into run-off on January 1, 2021.

Net premiums earned increased by $0.3 million or 1.1% during the year ended December 31, 2022 compared to 2021.

Other Insurance (Expense) Revenue, Net - Other insurance (expense) revenue, net for the year ended December 31, 2022 includes fee income earned from our GLS business, fair value changes in derivatives related to certain coverages on retroactive reinsurance contracts written by GLS, and fee income derived from our IIS business not directly associated with premium revenue assumed by the Company as specified in the table below.

Total other insurance (expense) revenue, net decreased by $5.6 million for the year ended December 31, 2022 compared to 2021 largely due to fair value changes on non-hedged underwriting-related derivatives in GLS. The decrease in the fair value of underwriting-related derivatives of $4.8 million was due to the acceleration of covered payments which triggered coverage in excess of the contracts risk margin. The decline of International fee income was primarily due to an auto customer program that went into run-off on July 31, 2021.

The table below shows other insurance (expense) revenue, net by source for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**	**Change in $**
		($ in thousands)	
Change in fair value of non-hedged underwriting-related derivatives	$ (4,825)	$ —	$ (4,825)
Other service fee income	194	302	(108)
International fee income	101	765	(664)
Total other insurance (expense) revenue, net	$ (4,530)	$ 1,067	$ (5,597)

Net Loss and LAE - Net loss and LAE increased by $8.2 million or 191.3% for the year ended December 31, 2022 compared to 2021. Net Loss and LAE was impacted by adverse prior year loss reserve development of $4.6 million during 2022, compared to the impact of favorable development of $3.6 million experienced during 2021.

The adverse prior year development in 2022 was primarily due to GLS contracts and other reinsurance run-off lines partly offset by favorable reserve development in German Auto Programs. The favorable prior year loss development in 2021 was due to German Auto Programs, the run-off of European Capital Solutions and facultative reinsurance run-off lines.

The table below details prior year loss development by line of business for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
Prior Year Loss Development adverse (favorable)	($ in thousands)	
IIS business	$ (1,683)	$ (2,044)
GLS	1,825	—
Other run-off lines	4,410	(1,517)
Total Diversified Reinsurance Prior Year Development	$ 4,552	$ (3,561)

Commission and Other Acquisition Expenses - Commission and other acquisition expenses decreased by $0.9 million or 6.2% for the year ended December 31, 2022 compared to 2021. The lower commission expense for the year ended December 31, 2022 was largely related to an auto customer program that went into run-off on July 31, 2021.

General and Administrative Expenses - General and administrative expenses increased by $1.0 million or 13.2% for the year ended December 31, 2022 compared to 2021.

AmTrust Reinsurance Segment

The AmTrust Reinsurance segment reported an underwriting loss of $42.9 million for the year ended December 31, 2022 compared to underwriting income of $10.0 million for the year ended December 31, 2021. The decrease in underwriting results for the year ended December 31, 2022 was largely driven by adverse prior year loss development of $28.1 million during the year ended December 31, 2022, which is detailed herein, compared to net favorable prior year loss development of $24.0 million in 2021.

A significant portion of the loss development for the year ended December 31, 2022 was the result of the receipt of newly emergent adverse loss data for both known and unknown claims across a series of liability lines detailed in *"Net Loss and Loss Adjustment Expenses"* further below, primarily on older underwriting years reported by AmTrust. Accordingly, we have adjusted our carried IBNR and continue to be responsive and proactive to the loss data we are receiving.

The AmTrust Cession Adjustments contributed an underwriting loss of $5.1 million to our reported results during the year ended December 31, 2022; excluding these adjustments, the AmTrust Reinsurance segment had an underwriting loss of $37.8 million on the run-off of unearned premium for terminated AmTrust reinsurance contracts.

The underwriting results for the AmTrust Reinsurance segment for the years ended December 31, 2022 and 2021 were as follows:

For the Year Ended December 31,	**2022**	**2021**
	($ in thousands)	
Gross premiums written	$ (18,538)	$ (5,695)
Net premiums written	$ (18,538)	$ (5,695)
Net premiums earned	$ 9,749	$ 25,312
Net loss and LAE	(45,508)	(3,021)
Commission and other acquisition expenses	(4,347)	(9,747)
General and administrative expenses	(2,777)	(2,514)
Underwriting (loss) income	$ (42,883)	$ 10,030

Premiums - The table below shows net premiums written by category for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**	**Change in $**
		($ in thousands)	
Net Premiums Written			
Small Commercial Business	$ (15,143)	$ (6,445)	$ (8,698)
Specialty Program	747	(876)	1,623
Specialty Risk and Extended Warranty	(4,142)	1,626	(5,768)
Total AmTrust Reinsurance	$ (18,538)	$ (5,695)	$ (12,843)

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

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

There were also negative gross and net premiums written for the year ended December 31, 2022 and 2021 due to premium adjustments on Small Commercial Business policies in the AmTrust Quota Share. Furthermore, the termination of the AmTrust Quota Share and the European Hospital Liability Quota Share as of January 1, 2019 resulted in no new business written under these contracts since 2018.

Net premiums earned decreased by $15.6 million for the year ended December 31, 2022 compared to 2021 due to AmTrust Cession Adjustments and due to the termination of the AmTrust Quota Share and European Hospital Liability Quota Share as of January 1, 2019. Excluding AmTrust Cession Adjustments of $15.8 million, net premiums earned were $25.5 million for the year ended December 31, 2022 compared to $25.3 million in 2021. Negative premiums earned in the years ended December 31, 2022 and 2021 in Small Commercial Business were due to premium adjustments on such policies in the AmTrust Quota Share.

The table below details net premiums earned by category for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**		**2021**	
($ in thousands)	**Total**	**% of Total**	**Total**	**% of Total**
Net Premiums Earned				
Small Commercial Business	$ (15,131)	(155.2)%	$ (6,095)	(24.1)%
Specialty Program	748	7.7 %	(853)	(3.4)%
Specialty Risk and Extended Warranty	24,132	247.5 %	32,260	127.5 %
Total AmTrust Reinsurance	$ 9,749	100.0 %	$ 25,312	100.0 %

Net Loss and Loss Adjustment Expenses - Net loss and LAE increased by $42.5 million for the year ended December 31, 2022 compared to 2021 largely due to net adverse prior year loss development of $28.1 million during the year ended December 31, 2022, compared to net favorable prior year loss development of $24.0 million in 2021.

Net adverse prior year loss development of $28.1 million during the year ended December 31, 2022 was due to unfavorable movements in Commercial Auto Liability, General Liability, Other Specialty Risk & Extended Warranty and European Hospital Liability partly offset by continued favorable development in Workers Compensation. European Hospital Liability was due in part to higher than expected loss emergence in Italian Hospital Liability policies as well as the agreed exit cost of $3.7 million (€3.4 million) for the commutation of French Hospital Liability policies as described in *"Note 10. Related Party Transactions"*.

Net favorable prior year loss development in 2021 was due to Workers Compensation and Commercial Auto Liability partly offset by adverse development in General Liability and European Hospital Liability.

The table below details prior year loss development by lines of business for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
Prior Year Loss Development adverse (favorable) before the impact of the LPT/ADC Agreement	($ in thousands)	
Workers Compensation	$ (38,131)	$ (22,242)
Commercial Auto Liability	19,088	(29,918)
General Liability	18,452	20,868
European Hospital Liability	13,247	7,885
Other Lines	(1,685)	(637)
Other Specialty Risk & Extended Warranty	17,113	—
Total AmTrust Reinsurance Prior Year Development	$ 28,084	$ (24,044)

As of December 31, 2022, the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement was $490.4 million. The LPT/ADC Agreement provides Maiden Reinsurance with $155.0 million in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. All lines of business in the table above are covered by the LPT/ADC Agreement, except for European Hospital Liability which is not part of the AmTrust Quota Share. European Hospital Liability business is not covered under the LPT/ADC Agreement and therefore, adverse development in this line of business may result in significant losses.

Commission and Other Acquisition Expenses - Commission and other acquisition expenses decreased by $5.4 million for the year ended December 31, 2022 compared to 2021 primarily due to AmTrust Cession Adjustments which resulted in negative earned premiums and a reduction to related brokerage fees.

Excluding AmTrust Cession Adjustments of $5.4 million, commission and other acquisition expenses were $9.7 million for the year ended December 31, 2022 compared to $9.7 million in 2021.

General and Administrative Expenses - General and administrative expenses increased by $0.3 million or 10.5% for the year ended December 31, 2022 compared to 2021 primarily due to higher letter of credit fees associated with the LPT/ADC Agreement.

Liquidity and Capital Resources

Liquidity

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

As of December 31, 2022, the Company had investable assets of $1.2 billion compared to $1.7 billion as of December 31, 2021. Investable assets are the combined total of our investments, cash and cash equivalents (including restricted cash), loan to a related party and funds withheld receivable. The decrease in our investable assets is primarily the result of the cessation of active reinsurance underwriting of new prospective risks since 2019 which subsequently resulted in negative operating cash flows to settle claim payments from the run-off of liabilities from our reinsurance portfolio in 2022.

As discussed in *"Item 1. Business"*, Maiden Reinsurance re-domesticated from Bermuda to Vermont on March 16, 2020. We continue to be actively engaged with the Vermont DFR regarding Maiden Reinsurance's longer term business plan, including its investment policy, changes to which require prior regulatory approval as stipulated by Vermont law or the Vermont DFR for any active underwriting, capital management or other strategic initiatives. Maiden Reinsurance has received all necessary approvals required to date by the Vermont DFR, including its activities via GLS and its investment policy, which includes: 1) the expansion of approved asset classes for investment reflecting not only Maiden Reinsurance's solvency position but the material reduction in required capital necessary to operate its business as discussed further in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity & Capital Resources – Cash and Investments*; and 2) the purchase of affiliated securities as demonstrated in the recent preference share tender offers and the recently completed Exchange. The Investment Policy, as approved and as amended, maintains our established investment management and governance practices.

During the second quarter of 2022, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to that approval, Maiden Reinsurance has paid $18.8 million in dividends to Maiden NA during the year ended December 31, 2022.

Maiden Reinsurance is regulated by the Vermont DFR and is the principal operating subsidiary of Maiden Holdings. At December 31, 2022, Maiden Reinsurance had statutory capital and surplus of $898.1 million, exceeding the amounts required to be maintained of $107.0 million at December 31, 2022. Under its license as an affiliated reinsurer under the captive licensing laws in the State of Vermont, Maiden Reinsurance requires the approval of the Vermont DFR for the payment of any dividends. During the year ended December 31, 2022, Maiden Reinsurance paid dividends of $18.8 million to Maiden NA. During the years ended December 31, 2022 and 2021, Maiden NA did not pay any dividends to Maiden Holdings during both periods.

Maiden Holdings has two Swedish domiciled operating subsidiaries, Maiden LF and Maiden GF, which are both regulated by the Swedish FSA. At December 31, 2022, Maiden LF and Maiden GF each had a statutory capital and surplus of $7.8 million and $8.5 million, respectively, exceeding the amounts required to be maintained of $4.3 million and $5.6 million, respectively, at December 31, 2022. Maiden LF and Maiden GF are subject to statutory and regulatory restrictions under the Swedish FSA that limit the maximum amount of annual dividends or distributions paid by Maiden LF and Maiden GF to Maiden Holdings. At December 31, 2022, Maiden LF and Maiden GF are not allowed to pay dividends or distributions without the permission of the Swedish FSA. During the years ended December 31, 2022 and 2021, Maiden LF and Maiden GF did not pay any dividends to Maiden Holdings.

Maiden Holdings' wholly owned U.K. subsidiary, Maiden Global, operates as a reinsurance services and holding company. Maiden Global is subject to regulation by the U.K. Financial Conduct Authority (the "FCA"). At December 31, 2022, Maiden Global is allowed to pay dividends or distributions not exceeding $3.8 million. Maiden Global paid dividends of $1.1 million to Maiden Holdings during the year ended December 31, 2022, however there were no dividends paid in 2021.

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

Operating, investing and financing cash flows

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

Our business has undergone significant changes since 2018. As previously noted, we have engaged in a series of transactions that have materially reduced our balance sheet risk and transformed our operations. As a result of these transactions, we are not engaged in any active underwriting of new prospective reinsurance business thus our net premiums written will continue to be materially lower and investment income will become a significantly larger portion of our total revenues. We are writing new retroactive risks through GLS, however this will be smaller in relation to the run-off of our prior reinsurance business. Despite the initial inflow of new business from GLS, the run-off of our prior reinsurance business has continued to cause significant negative operating cash flows as we run off the AmTrust Reinsurance segment reserves as shown in the cash flows table below.

While the development of the GLS platform over time should further enhance our ability to pursue the asset and capital management pillars of our business strategy, we expect the trend of negative overall cash flows to continue to reduce our asset base going forward into 2023 and beyond.

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

The Company’s management believes its current sources of liquidity are adequate to meet its cash requirements for the next twelve months as we generally expect negative operating cash flows to be sufficiently offset by positive investing cash flows. While we continue to expect our cash flows to be sufficient to meet our cash requirements and to operate our business, our ability to execute our asset and capital management initiatives are dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Our expanded asset management strategy can be impacted by both investment specific and broader financial market conditions and may not produce the expected liquidity and cash flows these investments are designed to achieve, or the timing thereof may also be impacted by those factors. We experienced such conditions during 2022.

At December 31, 2022 and 2021, unrestricted cash and cash equivalents and unrestricted fixed maturity investments were $64.3 million and $81.1 million, respectively. The decrease of $16.8 million in unrestricted cash and fixed maturity investments during 2022 was primarily the result of the following key items:

- $10.0 million utilized for the 2021 Preference Share Repurchase Program,
- $47.2 million utilized for net purchases of alternative investments including equity method investments, and
- $19.1 million utilized for interest payments on the Senior Notes, partly offset by:
- excess collateral releases of $64.6 million during the year including $45.0 million of collateral released by AmTrust.

Please see the related discussion on cash flows from investing and financing activities below. The table below summarizes our operating, investing and financing cash flows for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
	($ in thousands)	
Operating activities	$ (195,928)	$ (394,430)
Investing activities	188,790	464,064
Financing activities	(10,983)	(138,903)
Effect of exchange rate changes on foreign currency cash	(1,342)	(470)
Total decrease in cash, cash equivalents and restricted cash	$ (19,463)	$ (69,739)

Cash Flows from Operating Activities

Cash flows used in operating activities for the year ended December 31, 2022 were $195.9 million compared to cash flows used in operating activities of $394.4 million for the year ended December 31, 2021, a decrease of $198.5 million. The operating cash flows used in operations for the years ended December 31, 2022 and 2021 were primarily the result of claims payments for the runoff of existing reserves for terminated AmTrust Quota Share and the European Hospital Liability Quota Share contracts as well as return of premiums due to AmTrust Cession Adjustments.

Cash Flows from Investing Activities

Cash flows provided by investing activities consist of proceeds from sales and maturities of investments net of payments for investments acquired. Net cash provided by investing activities was $188.8 million for the year ended December 31, 2022 compared to $464.1 million for 2021 due to proceeds from sales of fixed maturity investments which were made primarily to settle claim payments and repurchase the Company's preference shares during the years ended December 31, 2022 and 2021.

For the year ended December 31, 2022, the proceeds from the sales, maturities and calls exceeded the purchases of fixed maturity securities by $233.4 million compared to net proceeds of $575.4 million during 2021. The net proceeds were partly offset by $47.2 million utilized for net purchases of alternative investments, including equity method investments, during the year ended December 31, 2022.

Cash Flows from Financing Activities

Cash flows used in financing activities were $11.0 million for the year ended December 31, 2022 compared to $138.9 million during 2021 primarily due to the repurchase of the Company's Preference Shares. The Company paid $10.0 million for the repurchase of 1,581,509 preference shares pursuant to the 2021 Preference Share Repurchase Program during the year ended December 31, 2022 compared to $136.3 million paid during 2021 for 9,404,012 preference shares. The Company also paid $1.0

million for common share repurchases from employees which represent tax withholding in respect of tax obligations on vesting of both non-performance-based and discretionary performance-based restricted shares during 2022.

No dividends on common or preference shares were paid during 2022 and 2021. Our Board of Directors has not declared any common or preference share dividends since the third quarter of 2018. After the Exchange, there are no longer any preference shares outstanding as of December 31, 2022.

Restrictions, Collateral and Specific Requirements

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

At December 31, 2022, the Company had letters of credit outstanding of $40.3 million for collateral purposes which are secured by cash and fixed maturities with a fair value of $47.1 million.

At December 31, 2022 and 2021, restricted cash and cash equivalents and fixed maturity investments used as collateral were $296.8 million and $582.1 million, respectively. This collateral represents 82.2% and 87.8% of the fair value of our total fixed maturity investments and cash, restricted cash and cash equivalents at December 31, 2022 and 2021, respectively. The following table provides additional information on restricted cash and fixed maturities used as collateral at December 31, 2022 and 2021:

December 31,	**2022**			**2021**		
($ in thousands)	**Restricted Cash & Equivalents**	**Fixed Maturities**	**Total**	**Restricted Cash & Equivalents**	**Fixed Maturities**	**Total**
Diversified Reinsurance	$ 13,122	$ 48,101	$ 61,223	$ 34,298	$ 48,845	$ 83,143
AmTrust Reinsurance	2,516	233,091	235,607	5,121	493,883	499,004
Total	$ 15,638	$ 281,192	$ 296,830	$ 39,419	$ 542,728	$ 582,147
As a % of Consolidated Balance Sheet captions	100.0%	89.4%	89.9%	100.0%	90.9%	91.5%

Maiden Reinsurance loaned funds of $168.0 million to AmTrust at December 31, 2022 and 2021, respectively, to partially satisfy its collateral requirements with AII. Advances under the loan are secured by promissory notes and the loan is carried at cost. On January 30, 2019, in connection with the termination of the AmTrust Quota Share, the Company and AmTrust amended the Loan Agreement between Maiden Reinsurance, AmTrust and AII, originally entered into on November 16, 2007, to extend the maturity date to January 1, 2025 and the parties acknowledged that due to the termination of the AmTrust Quota Share, no further loans or advances may be made pursuant to the Loan Agreement.

On January 11, 2019, a portion of the existing trust accounts used for collateral on the AmTrust Quota Share were converted to a funds withheld arrangement. The Company transferred $575.0 million to AmTrust as a funds withheld receivable which bears an annual interest rate of 2.1%, subject to annual adjustment. The annual interest rate was 1.8% for the duration of 2021. At December 31, 2022, the funds withheld balance was $416.8 million compared to $575.0 million at December 31, 2021.

On January 24, 2019, Maiden Reinsurance transferred cash of €45.1 million ($51.2 million) to AIU DAC as a funds withheld receivable to serve as collateral for the European Hospital Liability Quota Share. AIU DAC paid Maiden Reinsurance a fixed annual interest rate of 0.5% on the average daily funds withheld balance. Effective July 1, 2022, Maiden Reinsurance and AIU DAC entered into an agreement ("Commutation Agreement") which provided for AIU DAC to assume all reserves ceded by AIU DAC to Maiden Reinsurance with respect to AIU DAC’s French Medical Malpractice exposures for underwriting years 2012 through 2018 reinsured by Maiden Reinsurance under the European Hospital Liability Quota Share. In accordance with the Commutation Agreement, Maiden Reinsurance paid $31,291 (€29,401) to AIU DAC, which is the sum of net ceded reserves of $27,625 (€25,956) and an agreed exit cost of $3,666 (€3,444). As a result of the Commutation Agreement, Maiden Reinsurance reduced its exposure to AmTrust's Hospital Liability business, however, it continues to have exposure to Italian medical malpractice liabilities under the European Hospital Liability Quota Share. For AIU DAC, the Company utilized funds withheld to satisfy its collateral requirements which was used to settle the Commutation Agreement on September 12, 2022. Therefore, at December 31, 2022, the funds withheld under this agreement was eliminated compared to $26.5 million held at December 31, 2021.

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

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

Cash and Investments

Historically, the investment of our funds had generally been designed to ensure safety of principal while generating current income. Accordingly, the majority of our funds had been invested in liquid, investment-grade fixed income securities which are all designated as AFS at December 31, 2022.

As our insurance liabilities continue to run-off and the required capital to operate our business for regulatory purposes decreases, we have modified Maiden Reinsurance's investment policy (which has been approved by the Vermont DFR as noted) and have expanded the range of asset classes we invest in to enhance the income and total returns our investment portfolio produces. We categorize these investments as alternative investments which include "*Other Investments*", *"Equity Securities"*, and *"Equity Method Investments"* on our consolidated balance sheets as discussed in "*Note 2 — Significant Accounting Policies"* included under Part II Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

As of December 31, 2022 and 2021, our cash and investments consisted of:

At December 31,	**2022**	**2021**
	($ in thousands)	
Fixed maturities, available-for-sale, at fair value	$ 314,527	$ 597,145
Equity investments, at fair value	43,621	24,003
Equity method investments	80,159	83,742
Other investments	148,753	117,722
Total investments	587,060	822,612
Cash and cash equivalents	30,986	26,668
Restricted cash and cash equivalents	15,638	39,419
Total Investments and Cash (including cash equivalents)	$ 633,684	$ 888,699

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

Under this revised investment policy, we have continued to increase the amount of alternative investments during 2022 and 2021, and we expect to continue to increase the amounts invested therein. Under our investment policy, alternative investments could include, but are not limited to, privately held investments, private equities, private credit lending funds, fixed-income funds, hedge funds, equity funds, real estate (including joint ventures and limited partnerships) and other non-fixed-income investments.

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

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

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

We may utilize and pay fees to various companies to provide investment advisory and/or management services related to these investments. These fees, which would be predominantly based upon the amount of assets under management, would be included in net investment income. In addition, costs associated with evaluating, analyzing and monitoring these investments may require additional expenditures than traditional marketable securities. During 2022, our investment expenses associated with our alternative investments decreased compared to 2021.

The substantial majority of our current and future investments are held by Maiden Reinsurance, whose investment policy has been approved by the Vermont DFR. We utilized a portion of Maiden Reinsurance's unrestricted assets to purchase affiliated securities and, during the year ended December 31, 2022, we utilized $10.0 million in conjunction with the 2021 Preference Share Repurchase Program. Maiden Reinsurance received all necessary approvals for its investment policy. Prior to the Exchange, we cumulatively invested $176.4 million in the preference shares of Maiden Holdings which have since been extinguished and exchanged for 41,439,348 common shares of the Company pursuant to the Exchange.

As a result of the Exchange, there are no preference shares outstanding. The market value of our common shares held by Maiden Reinsurance was $87.4 million at December 31, 2022.

Cash & Cash Equivalents

At December 31, 2022, we consider the levels of cash and cash equivalents we are holding to be within our targeted ranges. During periods when interest rates experience greater volatility, we have periodically maintained more cash and equivalents to better assess current market conditions and opportunities within our defined risk appetite, and may do so in future periods.

Fixed Maturity Investments

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

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

December 31, 2021	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield[1]	Average duration[2]
AFS fixed maturities		($ in thousands)				
U.S. treasury bonds	$ 59,989	$ —	$ (110)	$ 59,879	0.2 %	0.9
U.S. agency bonds – mortgage-backed	96,554	2,429	(193)	98,790	2.7 %	2.1
Collateralized mortgage-backed securities	14,972	565	—	15,537	3.2 %	3.1
Non-U.S. government bonds	3,163	113	—	3,276	0.3 %	7.3
Collateralized loan obligations	183,974	140	(5,093)	179,021	1.3 %	0.3
Corporate bonds	236,692	10,094	(6,144)	240,642	2.5 %	2.7
Total AFS fixed maturities	595,344	13,341	(11,540)	597,145	1.9 %	1.7
Cash and cash equivalents	66,087	—	—	66,087	— %	0.0
Total	$ 661,431	$ 13,341	$ (11,540)	$ 663,232	1.7 %	1.5

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

(2) Average duration in years.

During the year ended December 31, 2022, the yield on the 10-year U.S. Treasury bond increased by 236 basis points to 3.88%. The 10-year U.S. Treasury rate is the key risk-free determinant in the fair value of many of the fixed income securities in our portfolio. The U.S. Treasury yield curve experienced a material upward shift during the year ended December 31, 2022, reflecting concerns of the U.S. Federal Reserve about ongoing inflation emanating from the combination of: 1) the continuing strength of the U.S. economy combined with inflationary pressures, particularly in labor markets; 2) geopolitical instability in Eastern Europe which threatened additional inflation and global economic stability; 3) the levels of fiscal stimulus administered by the U.S. federal government in recent years to support the economy, particularly during the COVID-19 pandemic; and 4) the anticipated monetary policy responses required to collectively temper these factors. Central banks globally have responded in similar fashion and continue to indicate additional interest rate increases are likely in 2023.

As a result of these and other factors, the movement in the market values of our fixed maturity portfolio during the year ended December 31, 2022 generated net unrealized losses of $17.7 million which reduced our book value per common share by $0.17 during that period. Current outlooks for global monetary policy indicate that substantial quantitative tightening by central banks in the U.S. and globally appears likely to continue. Our investment portfolios, in particular our fixed maturity portfolio, may be adversely impacted by unfavorable market conditions caused by these measures, which could cause continued volatility in our results of operations and negatively impact our financial condition.

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

We also monitor the duration and structure of our investment portfolio as discussed below. As of December 31, 2022, the aggregate hypothetical change in fair value from an immediate 100 basis points increase in interest rates, assuming credit spreads remain constant, in our fixed maturity investments portfolio would decrease the fair value of that portfolio by $9.1 million. Actual shifts in interest rates may not change by the same magnitude across the maturity spectrum or on an individual security and, as a result, the impact on the fair value of our fixed maturity securities may be materially different from the resulting change in value described above.

To limit our exposure to unexpected interest rate increases which would reduce the value of our fixed income securities and reduce our shareholders' equity, we attempt to maintain the duration of our fixed maturity investment portfolio combined with our cash and cash equivalents, both restricted and unrestricted, within a reasonable range of the duration of our loss reserves. At December 31, 2022 and 2021, these respective durations in years were as follows:

December 31,	**2022**	**2021**
Fixed maturities and cash and cash equivalents	1.3	1.5
Reserve for loss and LAE - gross of LPT/ADC Agreement reserves	5.3	4.4
Reserve for loss and LAE - net of LPT/ADC Agreement reserves	1.1	1.4

During the year ended December 31, 2022, the weighted average duration of our fixed maturity investment portfolio decreased by 0.2 years to 1.3 years while the duration for reserve for loss and LAE increased by 0.9 years to 5.3 years. The differential in duration between these assets and liabilities may fluctuate over time and, in the case of our fixed maturities, historically has been affected by factors such as market conditions, changes in asset mix and prepayment speeds in the case of both our U.S. agency mortgage-backed bonds ("Agency MBS") and commercial mortgage-backed securities. At December 31, 2022, the duration of our fixed maturity investment portfolio decreased compared to December 31, 2021 due to continued sales of fixed maturity investments primarily made to settle claim payments with AmTrust.

At December 31, 2022, the duration of our loss reserves net of the LPT/ADC Agreement was slightly lower than the duration of our fixed maturity investment portfolio at December 31, 2022 driven by the commutation of certain European Hospital Liability policies which were long-tailed in nature and were not subject to the LPT/ADC Agreement.

To limit our exposure to unexpected interest rate increases that could reduce the value of our fixed maturity securities and our shareholders' equity, the Company holds floating rate securities whose fair values are less sensitive to changes in interest rates. At December 31, 2022 and December 31, 2021, 29.6% and 23.6%, respectively, of our fixed income investments are comprised of floating rate securities. The floating rate investment holdings at December 31, 2022 and December 31, 2021 were as follows:

December 31,	**2022**		**2021**	
($ in thousands)	**Fair Value**	**% of Total**	**Fair Value**	**% of Total**
Floating rate securities				
Collateralized loan obligations	$ 114,092	11.8 %	$ 174,873	11.9 %
Collateralized mortgage-backed securities	4,773	0.5 %	3,007	0.2 %
Corporate bonds	—	— %	1,145	0.1 %
Total floating rate AFS fixed maturities at fair value	118,865	12.3 %	179,025	12.2 %
Loan to related party	167,975	17.3 %	167,975	11.4 %
Total floating rate securities	$ 286,840	29.6 %	$ 347,000	23.6 %
Total fixed income investments at fair value (1)	$ 970,538		$ 1,467,619	

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

At December 31, 2022, 100.0% of the Company's U.S. agency bond holdings are mortgage-backed. Additional details on the Agency MBS holdings at December 31, 2022 and 2021 were as follows:

December 31,	2022		2021	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
FNMA – fixed rate	$ 18,750	54.6 %	$ 47,419	48.0 %
FHLMC – fixed rate	13,034	37.9 %	47,758	48.3 %
GNMA - variable rate	2,581	7.5 %	3,613	3.7 %
Total U.S. agency bonds	$ 34,365	100.0 %	$ 98,790	100.0 %

Total U.S. agency MBS comprise 10.9% of our fixed maturity investment portfolio at December 31, 2022. Given their relative size to our total investments, if faster prepayment patterns were to occur over an extended period of time, this could potentially limit the growth in our investment income in certain circumstances or reduce the total amount of investment income we earn.

At December 31, 2022 and 2021, 98.5% and 97.8%, respectively, of our fixed maturity investments consisted of investment grade securities. We define a security as being below investment grade if it has an S&P credit rating of BB+ or equivalent, or less. Please see *"Part II, Item 8 - Notes to Consolidated Financial Statements Note 4. Investments"* for additional information on the credit rating of our fixed income portfolio.

The security holdings by sector and financial strength rating of our corporate bond holdings at December 31, 2022 and 2021 were as follows:

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

	Ratings[1]					
December 31, 2021	**AAA**	**A+, A, A-**	**BBB+, BBB, BBB-**	**BB+ or lower**	**Fair Value**	**% of Corporate bonds**
Corporate bonds					($ in thousands)	
Basic Materials	— %	2.4 %	1.7 %	— %	$ 9,995	4.1 %
Communications	— %	2.4 %	3.2 %	— %	13,480	5.6 %
Consumer	— %	2.4 %	31.3 %	2.8 %	87,753	36.5 %
Energy	— %	9.4 %	4.8 %	— %	34,068	14.2 %
Financial Institutions	0.6 %	18.8 %	12.9 %	2.6 %	84,025	34.9 %
Industrials	— %	1.0 %	— %	— %	2,393	1.0 %
Technology	— %	3.7 %	— %	— %	8,928	3.7 %
Total Corporate bonds	0.6 %	40.1 %	53.9 %	5.4 %	$ 240,642	100.0 %

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

The table below includes the Company’s ten largest corporate holdings at fair value and as a percentage of all fixed income securities held as at December 31, 2022, of which 100.0% are Euro denominated, with 54.7% invested in the Consumer Sector and 19.3% invested in the Financial Institutions sector:

December 31, 2022		Fair Value	% of Total Fixed Income Holdings	Rating[(1)]
		($ in thousands)		
Anheuser-Busch INBEV NV, 2.875%, Due 9/25/2024	$	10,638	3.4 %	BBB+
Chubb Ina Holdings Inc., 1.55%, Due 3/15/2028		6,139	1.9 %	A
Kraft Heinz Foods Co., 1.5%, Due 5/24/2024		6,118	1.9 %	BBB-
Glencore Finance (Europe) LTD, 1.875%, Due 9/13/2023		5,299	1.7 %	BBB+
Santander Consumer Finance SA, 1.125%, Due 10/9/2023		5,281	1.7 %	A
Volkswagen International Finance NV, 1.125%, Due 10/2/2023		5,277	1.7 %	A-
America Movil SAB DE CV, 1.5%, Due 3/10/2024		5,221	1.7 %	A-
Utah Acquisition Sub Inc., 2.25%, Due 11/22/2024		5,165	1.6 %	BBB-
Molson Coors Beverage Co., 1.25%, Due 7/15/2024		5,164	1.6 %	BBB-
PPG Industries Inc., 0.875%, Due 11/3/2025		4,912	1.6 %	BBB+
Total	$	59,214	18.8 %	

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

At December 31, 2022 and 2021, respectively, we held the following non-U.S. dollar denominated securities:

December 31,	2022			2021		
($ in thousands)		Fair Value	% of Total		Fair Value	% of Total
Non-U.S. dollar denominated collateralized loan obligations	$	102,812	50.1 %	$	113,399	42.9 %
Non-U.S. dollar denominated corporate bonds		90,491	44.1 %		147,740	55.9 %
Non-U.S. government bonds		11,818	5.8 %		3,275	1.2 %
Total non-U.S. dollar denominated securities	$	205,121	100.0 %	$	264,414	100.0 %

At December 31, 2022 and 2021, respectively, 100.0% of our non-U.S. dollar denominated securities above were invested in euro. The net decrease in non-U.S. dollar denominated fixed maturities is largely due to the relative depreciation of euro denominated corporate bonds during the year ended December 31, 2022. At December 31, 2022 and 2021, all of the Company's non-U.S. government issuers have a rating of AA- or higher by S&P.

For our non-U.S. dollar denominated corporate bonds, the following table summarizes the composition of the fair value of our fixed maturity investments by ratings at December 31, 2022 and 2021:

Ratings[(1)] at December 31,	2022			2021		
($ in thousands)		Fair Value	% of Total		Fair Value	% of Total
A+, A, A-	$	32,633	36.0 %	$	56,669	38.4 %
BBB+, BBB, BBB-		53,094	58.7 %		78,021	52.8 %
BB+ or lower		4,764	5.3 %		13,050	8.8 %
Total non-U.S. dollar denominated corporate bonds	$	90,491	100.0 %	$	147,740	100.0 %

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

The Company does not employ any credit default protection against any of the fixed maturity investments held in non-U.S. dollar denominated currencies at December 31, 2022 and 2021, respectively.

Other Investments, Equity Investments and Equity Method Investments

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

Our alternative investments as of December 31, 2022 and 2021 consisted of the following categories:

December 31,	2022		2021	
($ in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Publicly traded equity investments in common stocks	$ 386	0.1 %	$ 1,174	0.5 %
Privately held common stocks	32,290	11.9 %	22,029	9.8 %
Privately held preferred stocks	10,945	4.0 %	800	0.4 %
Total equity securities	**43,621**	**16.0 %**	**24,003**	**10.7 %**
Hedge fund investments	5,376	2.0 %	32,929	14.6 %
Real estate investments	40,944	15.0 %	44,050	19.5 %
Other equity method investments	33,839	12.4 %	6,763	3.0 %
Total equity method investments	**80,159**	**29.4 %**	**83,742**	**37.1 %**
Private equity funds	34,278	12.6 %	23,324	10.3 %
Private credit funds	24,374	8.9 %	20,922	9.3 %
Privately held equity investments	34,014	12.5 %	30,500	13.5 %
Investment in direct lending funds (at cost)	56,087	20.6 %	42,976	19.1 %
Total other investments	**148,753**	**54.6 %**	**117,722**	**52.2 %**
Total alternative investments	**$ 272,533**	**100.0 %**	**$ 225,467**	**100.0 %**

Our allocation to alternative investments increased to 43.0% of our total cash and investments as of December 31, 2022 compared to 25.4% as of December 31, 2021; and increased to 95.8% of our total shareholders' equity as of December 31, 2022 compared to 58.7% as of December 31, 2021.

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

December 31,	2022		2021	
($ in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Private Equity	$ 60,227	22.1 %	$ 66,290	29.4 %
Private Credit	51,783	19.0 %	20,863	9.2 %
Hedge Funds	5,376	2.0 %	32,929	14.6 %
Alternatives	85,866	31.5 %	46,490	20.6 %
Venture Capital	21,126	7.7 %	7,344	3.3 %
Real Estate	48,155	17.7 %	51,551	22.9 %
Total alternative investments	**$ 272,533**	**100.0 %**	**$ 225,467**	**100.0 %**

During 2022, we funded $49.5 million of new investments largely focused on income producing assets reflecting the increase in interest rates experienced during the year. To the extent that interest rates and risk-adjusted credit quality remains appropriate, we expect to continue to focus on investments that will take advantage of that environment to produce current income.

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

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

Investment Results

The following table summarizes our investment results for the years ended December 31, 2022 and 2021, respectively:

For the Year Ended December 31,	**2022**	**2021**
Net investment income	($ in thousands)	
Fixed income investments[1]	$ 27,055	$ 33,261
Cash and restricted cash	428	(3)
Other investments, including equities	2,987	1,103
Investment expenses	(400)	(2,348)
Total net investment income	30,070	32,013
Net realized (losses) gains:		
Fixed income assets[1]	(2,983)	9,097
Other investments, including equities	190	716
Total net realized (losses) gains	(2,793)	9,813
Net unrealized (losses) gains:		
Other investments, including equities	(2,347)	2,835
Total net unrealized (losses) gains	(2,347)	2,835
Interest in (loss) income of equity method investments:		
Interest in (loss) income of equity method investments	(205)	7,748
Total interest in (loss) income of equity method investments	(205)	7,748
Total investment return included in earnings (A)	$ 24,725	$ 52,409
Other comprehensive loss:		
Unrealized losses on AFS securities and equity method investments excluding foreign exchange (B)	$ (24,247)	$ (32,880)
Total investment return = (A) + (B)	$ 478	$ 19,529
Annualized income from fixed income assets[2]	$ 27,483	$ 33,258
Average aggregate fixed income assets, at cost[2]	1,226,134	1,794,173
Annualized investment book yield	**2.2 %**	**1.9 %**
Average aggregate invested assets, at fair value[3]	$ 1,468,077	$ 1,986,000
Investment return included in net earnings	**1.7 %**	**2.6 %**
Total investment return	**— %**	**1.0 %**

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

The following table details total investment returns for our fixed income investments for the year ended December 31, 2022 and 2021, respectively:

Fixed Income Investments[(1)]	**For the Year Ended December 31,**	
($ in thousands)	**2022**	**2021**
Gross investment income	$ 27,483	$ 33,258
Net realized (losses) gains	(2,983)	9,097
Change in AOCI [(3)]	(28,661)	(28,466)
Gross investment returns	$ (4,161)	$ 13,889
Average invested assets, at fair value [(4)]	$ 1,219,079	$ 1,819,818
Gross Investment Returns	**(0.3)%**	**0.8 %**
Investment expenses	$ 417	$ 845
Net investment returns	$ (4,578)	$ 13,044
Net Investment Returns	**(0.4)%**	**0.7 %**

Despite higher book yields on our fixed income investments, total returns on fixed income investments were negative for the year ended December 31, 2022 due to the impact of interest rates which increased during the year ended December 31, 2022 compared to 2021.

The following table details total investment returns for our alternative investments for the year ended December 31, 2022 and 2021, respectively:

Alternative Investments[(2)]	**For the Year Ended December 31,**	
($ in thousands)	**2022**	**2021**
Gross investment income	$ 2,782	$ 8,851
Net realized and unrealized (losses) gains	(2,157)	3,551
Change in AOCI [(3)]	4,414	(4,414)
Gross investment returns	$ 5,039	$ 7,988
Average invested assets, at fair value [(4)]	$ 249,000	$ 166,182
Gross Investment Returns	**2.0 %**	**4.8 %**
Investment expenses	$ (17)	$ 1,503
Net investment returns	$ 5,056	$ 6,485
Net Investment Returns	**2.0 %**	**3.9 %**

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

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

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

Total investment returns on alternative investments were positive for the year ended December 31, 2022, however, net investment returns were lower compared to 2021. During the year ended December 31, 2022, positive returns in our alternative and venture capital asset classes were partly offset by losses in our hedge fund asset class as well as by modest losses in both private equity and private credit asset classes, largely due to rising interest rates and the resulting volatility in financial markets. The hedge fund asset class reported a loss of $5.1 million which reduced gross investment returns by 2.4% during the period. Excluding our hedge fund assets, our gross investment return would have been 4.4% for the year ended December 31, 2022.

The following table details total investment returns for alternative investments by asset class at December 31, 2021:

December 31, 2021	Private Equity	Private Credit	Hedge Funds	Alternative Assets	Venture Capital	Real Estate	Total
				($ in thousands)			
Gross investment income	$ 444	$ 659	$ 3,494	$ 4,254	$ —	$ —	$ 8,851
Net realized and unrealized (losses) gains	2,185	668	—	275	423	—	3,551
Change in AOCI	—	—	—	(4,414)	—	—	(4,414)
Total Investment Return	$ 2,629	$ 1,327	$ 3,494	$ 115	$ 423	$ —	$ 7,988
Average Investments	$ 46,965	$ 10,432	$ 31,182	$ 46,756	$ 5,072	$ 25,776	$ 166,182
Gross Investment Returns	**5.6 %**	**12.7 %**	**11.2 %**	**0.2 %**	**8.3 %**	**— %**	**4.8 %**

For the year ended December 31, 2021, investment returns benefited from positive returns in the hedge fund and private credit asset classes largely resulting from strong financial markets performance.

Despite the volatility experienced in financial markets during 2022, we believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns.

Other Balance Sheet Changes

The following table summarizes the Company's other material balance sheet changes at December 31, 2022 and 2021:

December 31,	2022	2021	Change	Change
($ in thousands)			$	%
Reinsurance balances receivable, net	$ 10,707	$ 19,507	$ (8,800)	(45.1)%
Deferred commission and other acquisition expenses	24,976	36,703	(11,727)	(32.0)%
Funds withheld receivable	441,412	636,412	(195,000)	(30.6)%
Reserve for loss and LAE	1,131,408	1,489,373	(357,965)	(24.0)%
Unearned premiums	67,081	100,131	(33,050)	(33.0)%
Deferred gain on retroactive reinsurance	47,708	48,960	(1,252)	(2.6)%
Accrued expenses and other liabilities	60,518	44,542	15,976	35.9 %

The Company's deferred commission and other acquisition expenses decreased by 32.0% and unearned premiums decreased by 33.0% primarily due to the termination of the remaining business under both quota share contracts with AmTrust which have been in run-off since January 1, 2019. Reinsurance balances receivable decreased by 45.1% primarily due to the collection of premiums receivable due from the European Hospital Liability Quota Share during the second quarter of 2022.

Funds withheld receivable decreased by 30.6% primarily due to lower funds withheld to be utilized as collateral for AmTrust Reinsurance segment with the commutation of French Hospital Liability polices under the European Hospital Liability Quota Share during the third quarter of 2022 and settlement of reinsurance losses payable due under the AmTrust Quota Share.

Accrued expenses and other liabilities increased by 35.9% primarily due to recognition of a derivative liability on retroactive reinsurance of $14.6 million for GLS policies as of December 31, 2022. The Company's reserve for loss and LAE decreased by 24.0% primarily due to the settlement of prior year loss claims for contracts under the AmTrust Quota Share.

The deferred gain on retroactive reinsurance decreased by 2.6% for the year ended December 31, 2022. Of the net adverse prior year loss development of $28.1 million reported in the AmTrust Reinsurance segment, $15.5 million of this development was subject to coverage under the LPT/ADC Agreement, and was substantially offset by $16.0 million of favorable loss development on certain Workers Compensation losses that were commuted to AmTrust in 2019 that inure to the benefit of Cavello as opposed to the Company under the terms of LPT/ADC Agreement.

Capital Resources

During the year ended December 31, 2022, book value per common share increased by 7.7% to $2.80 and diluted book value per common share increased by 7.7% to $2.79, compared to December 31, 2021 primarily due to net income available to Maiden common shareholders of $55.4 million partly offset by a net decrease in AOCI of $29.0 million for the year ended December 31, 2022. Capital resources consist of funds deployed in support of our operations. The following table shows the movement in our capital resources at December 31, 2022 and 2021:

December 31,	**2022**	**2021**	**Change**	**Change**
($ in thousands)			$	%
Preference shares	$ —	$ 159,210	$ (159,210)	(100.0)%
Common shares at par value	1,492	923	569	61.6 %
Additional paid-in capital	884,259	768,650	115,609	15.0 %
Accumulated other comprehensive loss	(41,234)	(12,215)	(29,019)	237.6 %
Accumulated deficit	(442,863)	(498,295)	55,432	(11.1)%
Treasury shares, at cost	(117,075)	(34,016)	(83,059)	244.2 %
Common shareholders' equity	284,579	225,047	59,532	26.5 %
Total Maiden shareholders' equity	284,579	384,257	(99,678)	(25.9)%
Senior Notes - principal amount	262,500	262,500	—	— %
Total capital resources	$ 547,079	$ 646,757	$ (99,678)	(15.4)%

Total capital resources decreased by $99.7 million, or 15.4% compared to December 31, 2021 primarily due to the following:

- net decrease in Preference Shares of $159.2 million at par value due to the repurchase and Exchange of remaining shares during the year ended December 31, 2022;
- net increase in additional paid-in capital of $115.6 million due to $5.3 million relating to elimination of Preference Share issuance costs on remaining shares which were repurchased and exchanged during the year; and additional paid-in capital of $107.6 million for the total common shares issued under the Exchange, and share-based compensation of $2.7 million;
- net decrease in AOCI of $29.0 million which arose due to: (1) net unrealized losses on investment of $13.0 million due to a decrease of $17.7 million for our fixed income investment portfolio relating to market price movements from rising interest rates in the year ended December 31, 2022, partly offset by $4.4 million increase for equity method investments and $0.3 million increase in deferred taxes; and (2) a decrease in cumulative translation adjustments of $16.0 million during the year ended December 31, 2022;
- accumulated deficit decreased by $55.4 million due to gains recognized on the repurchase and Exchange of Preference Shares of $115.5 million for the year ended December 31, 2022 which increased retained earnings partly offset by a net loss of $60.0 million for the year ended December 31, 2022; and
- treasury shares increased by $83.1 million primarily due to common shares issued to Maiden Reinsurance under the Exchange of $82.1 million and shares repurchased due to tax obligations on restricted shares vesting of $1.0 million.

Please refer to "*Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion of the equity instruments issued by the Company at December 31, 2022 and 2021.

Book value and diluted book value per common share at December 31, 2022 and 2021 were computed as follows:

December 31,	2022	2021
	($ in thousands except share and per share data)	
Ending Maiden common shareholders' equity	$ 284,579	$ 225,047
Proceeds from assumed conversion of dilutive options	4	10
Numerator for diluted book value per common share calculation	$ 284,583	$ 225,057
Common shares outstanding	101,532,151	86,467,242
Shares issued from assumed conversion of dilutive options and restricted share units	499,963	494,926
Denominator for diluted book value per common share calculation	102,032,114	86,962,168
Book value per common share	$ 2.80	$ 2.60
Diluted book value per common share	2.79	2.59

Common Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100.0 million of the Company's common shares from time to time at market prices. During the year ended December 31, 2022, the Company did not repurchase any common shares under its share repurchase authorization as it was precluded from repurchasing its common shares due to its failure to pay dividends on its preference shares that were previously outstanding. At December 31, 2022, the Company had a remaining authorization of $74.2 million for share repurchases.

Preference Shares

On March 3, 2021 and May 6, 2021, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100.0 million and $50.0 million, respectively, of the Company's preference shares from time to time at market prices in open market purchases or as were privately negotiated. The authorizations are collectively referred to as the "2021 Preference Share Repurchase Program".

Please refer to *"Notes to Consolidated Financial Statements - 'Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a summary of repurchases made of the Company's preference shares during the year ended December 31, 2022.

On December 27, 2022, the Exchange was completed with record holders of the Series A, C and D Preference Shares and three common shares was exchanged as consideration for each of the Series A, C and D Preference Shares tendered. A total of 1,500,050 shares of Series A Preference Shares, 1,744,028 shares of Series C Preference Shares, and 1,542,806 shares of Series D Preference Shares were extinguished upon the issuance of 14,360,652 common shares to non-affiliates at a fair value of $28.4 million.

The number of the Company's Series A, C and D Preference Shares held by Maiden Reinsurance pursuant to the 2020 Tender Offer and the 2021 Preference Share Repurchase Program was 13,813,116 at the Exchange date. Therefore, 41,439,348 common shares were issued to Maiden Reinsurance in exchange for the preference shares held which are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding shares for purposes of determining certain financial measures, both GAAP and non-GAAP, as of, and for the period ending, December 31, 2022.

As a result of the Exchange, the Preference Shares were delisted from and no longer trade on the New York Stock Exchange as of the Exchange Date. No Preference Shares are issued or outstanding, and the Preference Shares were deregistered under the Securities Exchange Act of 1934, as amended. In addition, all rights of the former holders related to ownership of the Preference Shares have terminated.

Please refer to *"Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further information on the above transactions.

Senior Notes

There were no changes in the Company's Senior Notes at December 31, 2022 compared to December 31, 2021 and the Company did not enter into any short-term borrowing arrangements during the year ended December 31, 2022. Please refer to "*Notes to Consolidated Financial Statements - Note 7 — Long-Term Debt"* included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion of the Senior Notes issued by the Company. The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

Maiden Holdings does not have any significant operations or assets other than our ownership of the shares of our subsidiaries. The dividends and other permitted distributions from Maiden NA (and its subsidiaries) will be our sole source of funds to meet ongoing cash requirements, including debt service payments. Factors that may affect payments to holders of the 2013 Senior

Notes include restrictions on the payments of dividends by Maiden Reinsurance to Maiden NA which provides the sole source of income for interest payments on the 2013 Senior Notes. During the second quarter of 2022, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to that approval, Maiden Reinsurance paid $18.8 million in dividends to Maiden NA during the year ended December 31, 2022.

Summarized financial information of Maiden NA and Maiden Holdings as of December 31, 2022 and for the year ended December 31, 2022 were as follows:

	Maiden NA	Maiden Holdings
	($ in thousands)	
Total assets	$ 5,345	$ 8,460
Total liabilities	150,142	109,843
Amounts due from subsidiaries (not included in total assets above)	68	1,924
Amounts due to subsidiaries (not included in total liabilities above)	13,646	2,505
Related party loan payable (not included in total liabilities above)	—	270,904
Total revenue	361	3,788
Net loss	(19,566)	(20,649)

The summarized financial information above has been presented on a combined basis for the issuer Maiden NA and the guarantor Maiden Holdings, excluding all other subsidiaries. Intercompany balances and transactions between Maiden NA and Maiden Holdings, whose information is presented above on a combined basis, have been eliminated. Any investment by Maiden NA or Maiden Holdings in subsidiaries that are not issuers or guarantors is not presented in the financial information above. Intercompany balances with subsidiaries that are not issuers or guarantors and any related party transactions were separately disclosed above and are not included in the total assets and total liabilities presented for Maiden NA and Maiden Holdings.

The net loss for Maiden NA and Maiden Holdings was largely due to interest and amortization expenses on the Senior Notes as well as general and administrative expenses. The net loss in Maiden NA was also due to income tax expense incurred.

The ratio of Debt to Total Capital Resources at December 31, 2022 and 2021 was computed as follows:

December 31,	**2022**	**2021**
	($ in thousands)	
Senior notes - principal amount	$ 262,500	$ 262,500
Maiden shareholders' equity	284,579	384,257
Total capital resources	$ 547,079	$ 646,757
Ratio of debt to total capital resources	48.0 %	40.6 %

Off-Balance Sheet Arrangements

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

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

As discussed above, at December 31, 2022, guarantees of $42.1 million have been provided to lenders by the Company on behalf of real estate joint ventures, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

Non-GAAP Financial Measures

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

Non-GAAP operating earnings were $52.1 million for the year ended December 31, 2022, compared to non-GAAP operating earnings of $60.5 million in 2021. The reduction in the Company's non-GAAP operating results was largely due to a non-GAAP underwriting loss of $55.4 million for the year ended December 31, 2022, compared to a non-GAAP underwriting loss of $17.5 million in 2021. Underwriting performance was offset by gains of $115.5 million from the repurchase and exchange of preference shares at market values for the year ended December 31, 2022 compared to gains of $91.0 million for preference share repurchases during 2021.

Non-GAAP operating earnings and Non-GAAP diluted operating earnings per share attributable to common shareholders

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

For the Year Ended December 31,	**2022**	**2021**
	($ in thousands except per share data)	
Net income available to Maiden common shareholders	$ 55,432	$ 117,643
Add (subtract):		
Net realized and unrealized investment losses (gains)	5,140	(12,648)
Foreign exchange and other gains	(8,255)	(7,685)
Decrease in deferred gain on retroactive reinsurance	(452)	(29,081)
Interest in loss (income) of equity method investments	205	(7,748)
Non-GAAP operating earnings	$ 52,070	$ 60,481
Diluted earnings per share attributable to common shareholders	$ 0.63	$ 1.35
Add (subtract):		
Net realized and unrealized investment losses (gains)	0.06	(0.14)
Foreign exchange and other gains	(0.09)	(0.09)
Decrease in deferred gain on retroactive reinsurance	(0.01)	(0.33)
Interest in loss (income) of equity method investments	0.01	(0.09)
Non-GAAP diluted operating earnings per common share attributable to common shareholders	$ 0.60	$ 0.70

Non-GAAP Operating ROACE

Non-GAAP Operating ROACE for the years ended December 31, 2022 and 2021 was as follows:

For the Year Ended December 31, and at December 31,	**2022**	**2021**
	($ in thousands)	
Non-GAAP operating earnings	$ 52,070	$ 60,481
Opening adjusted common shareholders' equity	274,990	208,447
Ending adjusted common shareholders' equity	329,987	274,990
Average adjusted common shareholders' equity	302,489	241,719
Non-GAAP Operating ROACE	17.2 %	25.0 %

Non-GAAP Underwriting Results

The following summarizes our non-GAAP underwriting results for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021
	($ in thousands)	
Gross premiums written	$ 5,479	$ 10,938
Net premiums written	$ 5,082	$ 10,403
Net premiums earned	$ 37,732	$ 52,993
Other insurance (expenses) revenue	(4,530)	1,067
Non-GAAP net loss and LAE(1)	(58,443)	(36,388)
Commission and other acquisition expenses	(18,511)	(24,840)
General and administrative expenses	(11,634)	(10,341)
Non-GAAP underwriting loss(1)	$ (55,386)	$ (17,509)

(1) Non-GAAP underwriting loss and non-GAAP net loss and LAE for the years ended December 31, 2022 and 2021 are adjusted for prior year reserve development subject to the LPT/ADC Agreement. Please see the *"Key Financial Measures"* section for definitions of non-GAAP underwriting loss and non-GAAP net loss and LAE.

The non-GAAP underwriting results include the impact of favorable prior year reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement to show the ultimate economic benefit to the Company. As shown in the table above, adjusted for the decrease in the deferred gain under the LPT/ADC Agreement of $0.5 million during the year ended December 31, 2022, the non-GAAP underwriting loss was $55.4 million. This compared to a non-GAAP underwriting loss of $17.5 million for 2021 when adjusted for the decrease in the deferred gain under the LPT/ADC Agreement of $29.1 million during the year ended December 31, 2021. The non-GAAP underwriting loss above was driven by:

- underwriting results in the AmTrust Reinsurance segment not covered by the LPT/ADC Agreement, specifically the run-off of the AmTrust Quota Share with losses occurring after December 31, 2018;
- adverse loss development of $13.2 million in the European Hospital Liability Quota Share, which is not covered by the LPT/ADC Agreement;
- favorable development on commuted Workers Compensation losses which are contractually covered by the LPT/ADC Agreement that reduced the deferred gain liability on retroactive reinsurance for the year ended December 31, 2022; and
- underwriting loss of $12.1 million in the Diversified Reinsurance segment which included an underwriting loss of $8.9 million from GLS operations during the year ended December 31, 2022.

Non-GAAP Net Loss and LAE

Adjusted for the decrease in the deferred gain under the LPT/ADC Agreement, the non-GAAP net loss and LAE for the year ended December 31, 2022 increased by $0.5 million (2021 - $29.1 million) due to favorable loss experience for AmTrust reserves covered by the LPT/ADC Agreement which are ultimately recoverable from Cavello. This adjustment is reflected in the calculation of non-GAAP Loss and LAE in the table below:

For the Year Ended December 31,	2022	2021
	($ in thousands)	
Net loss and LAE	$ 57,991	$ 7,307
Less: change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	(452)	(29,081)
Non-GAAP net loss and LAE	$ 58,443	$ 36,388

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

The Adjusted Shareholders' Equity, Adjusted Total Capital Resources and Adjusted Book Value per Common Share at December 31, 2022 and 2021 reflect the addition of the unamortized deferred gain under the LPT/ADC Agreement to the GAAP shareholders' equity as depicted in the computations below. The deferred gain under the LPT/ADC Agreement was $45.4 million at December 31, 2022 compared to $45.9 million at December 31, 2021, and relates to loss reserves subject to that agreement that are fully recoverable from Cavello.

The decrease in the unamortized deferred gain under the LPT/ADC Agreement for the year ended December 31, 2022 is attributable to $0.5 million in loss and LAE recognized as favorable loss development in the Company's GAAP income statement for policies subject to the LPT/ADC Agreement. We believe the inclusion of this unamortized deferred gain under these metrics better reflects the ultimate economic benefit of the LPT/ADC Agreement, which will improve the Company's shareholders' equity over the settlement period under the terms of the agreement.

The Adjusted Shareholders' Equity, Adjusted Total Capital Resources and Adjusted Book Value per Common Share at December 31, 2021 also reflected the LP Investment Adjustment of $4.1 million, which pertained to the equity accounting related to the fair value of certain hedged liabilities in an equity method investment held by the Company wherein the ultimate realizable value of the asset supporting the hedged liabilities was not recognized at fair value until its sale in 2022. We believe that this adjustment recognized the future realizable value and reflected the ultimate economic benefit of this investment which was sold at a realized gain during the year ended December 31, 2022 and improved the Company's shareholders' equity over the hedged contract period of the investment.

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

The following table computes adjusted shareholders' equity and adjusted total capital resources by recognizing the unamortized deferred gain under the LPT/ADC Agreement at December 31, 2022 and 2021 as well as the LP Investment Adjustment for the realizable value of an intangible asset in a limited partnership investment at December 31, 2021:

December 31,	**2022**	**2021**	**Change**	**Change**
($ in thousands)			$	%
Preference shares	$ —	$ 159,210	$ (159,210)	(100.0)%
Common shareholders' equity	284,579	225,047	59,532	26.5 %
Total shareholders' equity	284,579	384,257	(99,678)	(25.9)%
LP Investment Adjustment	—	4,083	(4,083)	(100.0)%
Unamortized deferred gain on LPT/ADC Agreement	45,408	45,860	(452)	(1.0)%
Adjusted shareholders' equity	329,987	434,200	(104,213)	(24.0)%
Senior Notes - principal amount	262,500	262,500	—	— %
Adjusted total capital resources	$ 592,487	$ 696,700	$ (104,213)	(15.0)%

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

The adjusted book value per common share as reconciled for the recognition of the unamortized deferred gain under the LPT/ADC Agreement as well as the LP Investment Adjustment for the realizable value of an intangible asset in a limited partnership investment at December 31, 2022 and 2021 was computed as follows:

December 31,	**2022**	**2021**
Book value per common share	$ 2.80	$ 2.60
Unamortized deferred gain on LPT/ADC Agreement	0.45	0.53
LP Investment Adjustment	—	0.05
Adjusted book value per common share	$ 3.25	$ 3.18

Ratio of Debt to Adjusted Total Capital Resources

Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources as computed in the table above. The ratio of Debt to Adjusted Total Capital Resources at December 31, 2022 and 2021 was computed as follows:

December 31,	**2022**	**2021**
	($ in thousands)	
Senior notes - principal amount	$ 262,500	$ 262,500
Adjusted shareholders’ equity	329,987	434,200
Adjusted total capital resources	$ 592,487	$ 696,700
Ratio of debt to adjusted total capital resources	44.3 %	37.7 %

Currency and Foreign Exchange

We conduct business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro and the British pound. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact our results and financial position. Our principal exposure to foreign currency risk is our obligation to settle claims in foreign currencies. In addition, to minimize this risk, we maintain and expect to continue to maintain a portion of our investment portfolio in investments denominated in currencies other than the U.S. dollar. We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be adversely effected. At December 31, 2022, no such hedges or hedging strategies were in force or had been entered into. We measure monetary assets and liabilities denominated in foreign currencies at period end exchange rates, with the resulting foreign exchange gains and losses recognized in the Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at quarterly average exchange rates during the year. The effect of the translation adjustments for foreign operations is included in AOCI.

Net foreign exchange gains were $8.9 million during the year ended December 31, 2022 compared to net foreign exchange gains of $7.5 million during the year ended December 31, 2021.

At December 31, 2022, net foreign exchange gains were primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at December 31, 2022 included reserves for net loss and LAE of $333.9 million. There was no new business written in non-USD currencies during the year ended December 31, 2022. Our foreign currency asset exposures at December 31, 2022 include $205.1 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy as well as $20.9 million of equity method real estate investments denominated in Canadian dollars.

Effects of Inflation

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

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

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

Inflation may also result in increased wage pressures for our operating expenses, as we remain focused on being a competitive employer in our market. Labor shortages arising from the conditions of the COVID-19 pandemic have contributed to uncertainty in attracting and retaining talent that may put pressure on higher wage costs. Currently, salaries and incentive compensation costs comprise more than one-half of our total general and administrative expenses and thereby could have a material impact our net operating results.

Recent Accounting Pronouncements

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

Item 8. Financial Statements and Supplementary Data.

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

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this Report, our management has performed an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) at December 31, 2022. Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, at December 31, 2022, our Company’s disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control over Financial Reporting

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

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

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

In connection with the preparation of our annual consolidated financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2022 based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013. Management’s assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls. Based on this evaluation, management, including our Principal Executive Officer and Principal Financial Officer, have concluded that our internal control over financial reporting is effective as of December 31, 2022 based on those criteria.

The Company's independent auditors have issued an audit opinion on the Company's internal control over financial reporting as of December 31, 2022. This report appears below in the Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

No changes were made in our internal controls over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15(d) – 15(f), during the fourth quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited Maiden Holdings, Ltd.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Maiden Holdings, Ltd. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years then ended, and the related notes and our report dated March 15, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

New York, NY
March 15, 2023

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated by reference from the information responsive thereto in the sections in the Proxy Statement for our Annual Meeting of Shareholders to be held on May 3, 2023 (the "Proxy Statement") captioned "Election of Directors", "Executive Officers", "Audit Committee", "Section 16(a) Beneficial Ownership Reporting Compliance" and "Nominating and Corporate Governance Committee".

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

Item 11. Executive Compensation.

The information required by this item is incorporated by reference from the information responsive thereto in the sections in the Proxy Statement captioned "Compensation Discussion and Analysis", "Director Compensation for 2022", "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report".

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

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

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

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

Item 14. Principal Accounting Fees and Services.

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

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Financial statements and schedules

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

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

(b) Exhibits

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

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in Pembroke, Bermuda on March 15, 2023.

MAIDEN HOLDINGS, LTD.

By:

/s/ Lawrence F. Metz

Name: Lawrence F. Metz
Title: President and Co-Chief Executive Officer

/s/ Patrick J. Haveron

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

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

Signature	Title	Date
/s/ Lawrence F. Metz	President and Co-Chief Executive Officer	March 15, 2023
Lawrence F. Metz	(Principal Executive Officer)	
/s/ Patrick J. Haveron	Co-Chief Executive Officer and Chief Financial Officer	March 15, 2023
Patrick J. Haveron	(Principal Financial Officer)	
/s/ Barry D. Zyskind	Chairman	March 15, 2023
Barry D. Zyskind		
/s/ Steven H. Nigro	Vice Chairman and Lead Independent Director	March 15, 2023
Steven H. Nigro		
/s/ Holly L. Blanchard	Director	March 15, 2023
Holly L. Blanchard		
/s/ Simcha G. Lyons	Director	March 15, 2023
Simcha G. Lyons		
/s/ Raymond M. Neff	Director	March 15, 2023
Raymond M. Neff		
/s/ Yehuda L. Neuberger	Director	March 15, 2023
Yehuda L. Neuberger		
/s/ Keith A. Thomas	Director	March 15, 2023
Keith A. Thomas		

EXHIBIT INDEX

Exhibit No.	Description	Reference
3.1	Memorandum of Association (as amended)	(1)
3.2	Bye-Laws	(2)
4.1	Form of Common Share Certificate	(3)
4.2	Form of Indenture for Debt Securities by and among Maiden Holdings North America, Ltd., Maiden Holdings, Ltd., as guarantor, and Wilmington Trust Company, as trustee	(4)
4.3	Third Supplemental Indenture, dated November 25, 2013, by and among Maiden Holdings North America, Ltd., Maiden Holdings, Ltd., as guarantor, and Wilmington Trust Company, as trustee	(5)
4.4	Form of 7.75% Notes due 2043 (included in Exhibit 4.3)	(5)
4.5	Form of Indenture for Debt Securities by and between Maiden Holdings, Ltd., and Wilmington Trust National Association, as trustee	(6)
4.6	First Supplemental Indenture, dated as of June 14, 2016, by and between Maiden Holdings, Ltd., as guarantor, and Wilmington Trust National Association, as trustee	(6)
4.7	Form of 6.625% Notes due 2046 (included in Exhibit 4.6)	(6)
4.8	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	(7)
10.1*	2019 Omnibus Incentive Plan as of December 10, 2019	(8)
10.2*	Form of Share Option Agreement under 2019 Omnibus Incentive Plan	(7)
10.3*	Form of Restricted Share under 2019 Omnibus Incentive Plan	(7)
10.4*	Form of Employment Agreement by and between Maiden and Patrick J. Haveron and Lawrence F. Metz, dated as of November 1, 2011	(9)
10.5	Master Agreement by and between Maiden Holdings, Ltd. and AmTrust Financial Services, Inc., dated as of July 3, 2007	(3)
10.6	Amendment No. 1 to the Master Agreement by and between Maiden Holdings, Ltd. and AmTrust Financial Services, Inc., dated as of September 17, 2007	(3)
10.7	Amendment No. 2 to the Master Agreement by and between Maiden Holdings, Ltd. and AmTrust Financial Services, Inc., dated as of January 30, 2019	(10)
10.8	Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Insurance Company Ltd. and AmTrust International Insurance, Ltd. and dated as of June 1, 2008	(11)
10.9	Loan Agreement by and between AmTrust International Insurance, Ltd. and Maiden Insurance Company Ltd., dated as of November 16, 2007	(12)
10.10	Amendment No. 1 to the Loan Agreement by and between AmTrust International Insurance, Ltd. and Maiden Insurance Company Ltd., dated as of February 15, 2008	(12)
10.11	Amendment No. 2 to the Loan Agreement by and between Maiden Reinsurance Ltd. and AmTrust Financial Services, Inc., dated as of December 18, 2017	(13)
10.12	2019 Amendment to the Loan Agreement by and between AmTrust International Insurance, Ltd. and Maiden Reinsurance Ltd., dated as of January 30, 2019.	(10)
10.13	Asset Management Agreement by and between AII Insurance Management Limited and Maiden Reinsurance Ltd. dated as of January 1, 2018	(13)
10.14	Novation Agreement between AII Insurance Management Limited, AmTrust Financial Services, Inc and Maiden Reinsurance Ltd. dated as of September 9, 2020	(13)
10.15	Asset Management Agreement by and between AII Insurance Management Limited and Maiden Life Forsakrings, AB dated as of January 1, 2018	(13)
10.16	Novation Agreement between AII Insurance Management Limited, AmTrust Financial Services, Inc. and Maiden Life Forsakrings, AB dated as of September 9, 2020	(13)

10.17	Asset Management Agreement by and between AII Insurance Management Limited and Maiden General Forsakrings, AB dated as of January 1, 2018	(13)
10.18	Novation Agreement between AII Insurance Management Limited, AmTrust Financial Services, Inc. and Maiden General Forsakrings, AB dated as of September 9, 2020	(13)
10.19	Endorsement No. 1 to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Insurance Company Ltd. and AmTrust International Insurance, Ltd. dated as of July 26, 2011	(14)
10.20	Endorsement No. 2 to the Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust International Insurance, Ltd. dated as of March 7, 2013	(15)
10.21	Endorsement No. 3 to the Amended and Restated Quota Share Agreement between AmTrust International Insurance, Ltd. and Maiden Reinsurance Ltd. dated as of September 30, 2015	(16)
10.22	Endorsement No 4. to the Amended and Restated Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated as of August 8, 2018	(17)
10.23	Endorsement No. 5 to the Amended and Restated Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated as of November 6, 2018.	(18)
10.24	Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of April 1, 2011	(14)
10.25	Endorsement No. 1 to the Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of July 26, 2011	(14)
10.26	Endorsement No. 2 to the Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of August 7, 2012	(19)
10.27	Endorsement No. 3 to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated as of March 1, 2015	(20)
10.28	Endorsement No. 4 to the Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of July 1, 2016	(21)
10.29	Form of Indemnification Agreement between Maiden Holdings, Ltd. and its officers and directors	(22)
10.30	Partial Termination Endorsement to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated January 1, 2019	(23)
10.31	Termination Endorsement to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated January 30, 2019	(10)
10.32	Termination Endorsement to the Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust Europe Limited and AmTrust International Underwriters DAC dated January 30, 2019	(10)
10.33	Master Agreement by and among Maiden Holdings, Ltd., Maiden Reinsurance Ltd. and Enstar Group Limited dated as of March 1, 2019	(24)
10.34	Adverse Development Cover Agreement by and between Maiden Reinsurance Ltd. and Cavello Bay Reinsurance Limited, dated July 31, 2019	(25)
10.35	Commutation Agreement and Release between Maiden Reinsurance Ltd. and AmTrust International Insurance, dated July 31, 2019	(25)
10.36	Master Collateral Agreement between Maiden Reinsurance Ltd., Cavello Bay Reinsurance Limited, AmTrust Financial Services, Inc., AmTrust International Insurance, Ltd. and Technology Insurance Company, Inc., dated July 31, 2019	(25)

10.37	Post-Termination Endorsement No. 1 between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. to the Amended and Restated Quota Share Reinsurance Agreement, dated July 31, 2019	(25)
10.38	Post-Termination Endorsement No. 1 between Maiden Reinsurance Ltd. and AmTrust Europe Limited and AmTrust International Underwriters DAC to the Quota Share Reinsurance Contract, dated January 13, 2020	(8)
10.39	Post-Termination Endorsement No. 2 between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd to the Amended and Restated Quota Share Reinsurance Agreement, dated January 13, 2020	(8)
10.40	Post-Termination Endorsement No. 2 between Maiden Reinsurance Ltd. and AmTrust Europe Limited and AmTrust International Underwriters DAC to the Quota Share Reinsurance Contract, dated May 12, 2020	(13)
10.41	Commutation Agreement and Release by and between AmTrust International Insurance, Ltd. and Maiden Reinsurance Ltd., dated May 20, 2020	(13)
14.1	Code of Business Conduct and Ethics	(13)
21.1	Subsidiaries of the registrant	†
22.1	List of subsidiary issuers of parent guaranteed securities	†
23.1	Consent of Ernst & Young LLP	†
31.1	Section 302 Certification of CEO	†
31.2	Section 302 Certification of CFO	†
32.1	Section 906 Certification of CEO	†
32.2	Section 906 Certification of CFO	†
101.1	The following financial information from Maiden Holdings, Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2022, formatted in XBRL (eXtensive Business Reporting Language): (i) the Consolidated Balance Sheets at December 31, 2022 and 2021; (ii) the Consolidated Statements of Income for the years ended December 31, 2022 and 2021; (iii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2022 and 2021; (iv) the Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2022 and 2021; (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021; and (vi) Notes to Consolidated Financial Statements.	†

1. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on Form S-8 filed with the SEC on May 18, 2010 (File No. 333-166934).
2. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on S-8 initially filed with the SEC on January 17, 2020 (File No. 333-235948).
3. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on S-1 initially filed with the SEC on September 17, 2007, subsequently amended and declared effective May 6, 2008 (File No. 333-146137).
4. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on S-3 filed with the SEC on February 7, 2011 (File Nos. 333-172107 and 333-172107-01).
5. Incorporated by reference to the filing of such exhibit with the registrant's Current Report on Form 8-K filed with the SEC on November 25, 2013 (File No. 001-34042).
6. Incorporated by reference to the filing of such exhibit with the registrant’s Current Report on Form 8-K filed with the SEC on June 14, 2016 (File No. 001-34042).
7. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on March 18, 2020 (File No. 001-34042).
8. Incorporated by reference to the filing of such exhibit with the registrant's Proxy Statement on Schedule 14A filed with the SEC on November 8, 2019.
9. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed with the SEC on March 13, 2012 (File No. 001-34042).
10. Incorporated by reference to the filing of such exhibit with the registrant’s Current Report on Form 8-K filed with the SEC on January 30, 2019 (File No. 001-34042).
11. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the SEC on March 31, 2009 (File No. 001-34042).
12. Incorporated by reference to the filing of such exhibit with Amendment No. 2 to the registrant's Registration Statement on S-1 filed with the SEC on March 28, 2008 (File No. 333-146137).

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

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

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Maiden Holdings, Ltd. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 15, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matters

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

Valuation of Incurred but not Reported Reserves

Description of the Matter	At December 31, 2022, the Company's reserve for loss and loss adjustment expenses was $1,131 million of which a significant portion is incurred but not reported reserves. As explained in Notes 2 and 9 of the consolidated financial statements, the reserve for loss and loss adjustment expenses represents management's estimate of the ultimate costs of all reported and unreported losses incurred. There is significant uncertainty inherent in determining management's estimate of the ultimate cost of all claims that have occurred which is used to determine the incurred but not reported reserves. In particular, the estimate is sensitive to the selection and weighting of actuarial methodologies used to project the ultimate costs and the selection of assumptions such as payment and reporting patterns used to determine loss development factors and expected loss ratios. Auditing management's estimate of incurred but not reported reserves was complex due to the highly judgmental nature of the significant assumptions used in the valuation of the estimate. The significant judgment was primarily due to the sensitivity of management's estimate to the actuarial methods selected and the assumptions used in the determination of the loss development factors and ultimate claim costs.
How We Addressed the Mater in our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's incurred but not reported reserving process. This included, among others, controls over the review and approval processes that management has in place for the selection of actuarial methods and assumptions used in estimating the incurred but not reported reserves. To test the Company's estimate of incurred but not reported reserves, our audit procedures included among others, the assistance of our actuarial specialists to evaluate the assumptions used by comparing the significant assumptions, including payment patterns and expected loss ratios, to the Company's historical experience. In addition, we evaluated the selection and the weighting of actuarial methods used by management against the maturity of the accident periods, changes in case reserve levels and claims settlement patterns. We developed a range of reasonable reserve estimates, which included performing independent projections for a sample of lines of business and compared the Company's recorded reserves to the range of reasonable reserve estimates. We also performed a review of the subsequent development of prior year loss and loss adjustment expense reserves.

/s/ Ernst & Young LLP

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

New York, NY
March 15, 2023

MAIDEN HOLDINGS, LTD.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2022 and 2021
(In thousands of U.S. dollars, except share and per share data)

	2022	2021
ASSETS		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost 2022 - $330,439; 2021 - $595,344)	$ 314,527	$ 597,145
Equity securities, at fair value (cost 2022 - $40,509; 2021 - $23,228))	43,621	24,003
Equity method investments	80,159	83,742
Other investments	148,753	117,722
Total investments	587,060	822,612
Cash and cash equivalents	30,986	26,668
Restricted cash and cash equivalents	15,638	39,419
Accrued investment income	4,122	5,695
Reinsurance balances receivable, net (includes $8,395 and $17,471 from related parties in 2022 and 2021, respectively)	10,707	19,507
Reinsurance recoverable on unpaid losses	556,116	562,845
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses (includes $23,632 and $34,170 from related parties in 2022 and 2021, respectively)	24,976	36,703
Funds withheld receivable (includes $416,835 and $601,460 from related parties in 2022 and 2021, respectively)	441,412	636,412
Other assets	7,874	4,774
Total assets	$ 1,846,866	$ 2,322,610
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes $988,684 and $1,338,269 from related parties in 2022 and 2021, respectively)	$ 1,131,408	$ 1,489,373
Unearned premiums (includes $63,443 and $91,730 from related parties in 2022 and 2021, respectively)	67,081	100,131
Deferred gain on retroactive reinsurance	47,708	48,960
Accrued expenses and other liabilities (includes $33,278 and $29,408 from related parties in 2022 and 2021, respectively)	60,518	44,542
Senior notes - principal amount	262,500	262,500
Less: unamortized issuance costs	6,928	7,153
Senior notes, net	255,572	255,347
Total liabilities	1,562,287	1,938,353
Commitments and Contingencies		
EQUITY		
Preference shares	—	159,210
Common shares ($0.01 par value; 149,224,080 and 92,316,107 shares issued in 2022 and 2021, respectively; 101,532,151 and 86,467,242 shares outstanding in 2022 and 2021, respectively)	1,492	923
Additional paid-in capital	884,259	768,650
Accumulated other comprehensive loss	(41,234)	(12,215)
Accumulated deficit	(442,863)	(498,295)
Treasury shares, at cost (47,691,929 and 5,848,865 shares in 2022 and 2021, respectively)	(117,075)	(34,016)
Total Maiden shareholders' equity	284,579	384,257
Total liabilities and equity	$ 1,846,866	$ 2,322,610

See accompanying notes to Consolidated Financial Statements

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

For the Year Ended December 31,	2022	2021
Revenues		
Gross premiums written	$ 5,479	$ 10,938
Net premiums written	$ 5,082	$ 10,403
Change in unearned premiums	32,650	42,590
Net premiums earned	37,732	52,993
Other insurance (expense) revenue, net	(4,530)	1,067
Net investment income	30,070	32,013
Net realized and unrealized investment (losses) gains	(5,140)	12,648
Total revenues	58,132	98,721
Expenses		
Net loss and loss adjustment expenses	57,991	7,307
Commission and other acquisition expenses	18,511	24,840
General and administrative expenses	30,947	36,020
Interest and amortization expenses	19,331	19,327
Foreign exchange and other gains, net	(8,255)	(7,685)
Total expenses	118,525	79,809
(Loss) income before income taxes and interest in (loss) income of equity method investments	(60,393)	18,912
Income tax (benefit) expense	(557)	15
Interest in (loss) income in equity method investments	(205)	7,748
Net (loss) income	(60,041)	26,645
Gain from repurchase and exchange of preference shares	115,473	90,998
Net income available to Maiden common shareholders	$ 55,432	$ 117,643
Basic and diluted earnings per share available to common shareholders	$ 0.63	$ 1.35
Weighted average number of common shares - basic	87,112,711	86,068,278
Adjusted weighted average number of common shares and assumed conversions - diluted	87,113,974	86,072,667

See accompanying notes to Consolidated Financial Statements.

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

For the Year Ended December 31,	2022	2021
Net (loss) income	$ (60,041)	$ 26,645
Other comprehensive loss		
Net unrealized holdings losses on fixed maturity investments arising during the year	(10,906)	(28,900)
Net unrealized holdings gains (losses) on equity method investments arising during the year	4,414	(4,414)
Adjustment for reclassification of net realized gains recognized in net (loss) income	(6,807)	(18,787)
Foreign currency translation adjustment	(16,044)	15,978
Other comprehensive loss, before tax	(29,343)	(36,123)
Income tax benefit related to components of other comprehensive loss	324	51
Other comprehensive loss, after tax	(29,019)	(36,072)
Comprehensive loss	$ (89,060)	$ (9,427)

See accompanying notes to Consolidated Financial Statements.

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

For the Year Ended December 31,	2022	2021
Preference shares – Series A, C and D		
Beginning balance	$ 159,210	$ 394,310
Repurchase and exchange of Preference Shares – Series A	(48,392)	(87,977)
Repurchase and exchange of Preference Shares – Series C	(59,245)	(75,669)
Repurchase and exchange of Preference Shares – Series D	(51,573)	(71,454)
Ending balance	—	159,210
Common shares		
Beginning balance	923	898
Shares issued on exchange of Preference Shares – Series A, C and D	558	—
Issuance of common shares from vesting of stock based compensation	11	25
Ending balance	1,492	923
Additional paid-in capital		
Beginning balance	768,650	756,122
Issuance of common shares from vesting of share-based compensation	(11)	(25)
Share-based compensation expense	2,740	4,771
Repurchase and exchange of preference shares	5,319	7,847
Cash settlement of restricted shares granted	10	(65)
Issuance of common shares due to exchange of preference shares	107,551	—
Ending balance	884,259	768,650
Accumulated other comprehensive (loss) income		
Beginning balance	(12,215)	23,857
Change in net unrealized losses on investment	(12,975)	(52,050)
Foreign currency translation adjustment	(16,044)	15,978
Ending balance	(41,234)	(12,215)
Accumulated deficit		
Beginning balance	(498,295)	(615,837)
Cash settlement of restricted shares granted	—	(101)
Net (loss) income	(60,041)	26,645
Gain on repurchase and exchange of preference shares	115,473	90,998
Ending balance	(442,863)	(498,295)
Treasury shares		
Beginning balance	(34,016)	(31,534)
Shares held by Maiden Reinsurance Ltd.	(82,050)	—
Shares repurchased for tax purposes	(1,009)	(2,482)
Ending balance	(117,075)	(34,016)
Total equity	$ 284,579	$ 384,257

See accompanying notes to Consolidated Financial Statements.

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

For the Year Ended December 31,	2022	2021
Cash flows from operating activities:		
Net (loss) income	$ (60,041)	$ 26,645
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation, amortization and share-based compensation	(112)	8,224
Interest in loss (income) of equity method investments	205	(7,748)
Net realized and unrealized losses (gains) on investment	5,140	(12,648)
Foreign exchange and other gains, net	(8,255)	(7,685)
Changes in assets – (increase) decrease:		
Reinsurance balances receivable, net	8,530	(11,577)
Reinsurance recoverable on unpaid losses	10,822	594
Accrued investment income	1,245	5,390
Deferred commission and other acquisition expenses	11,601	15,013
Funds withheld receivable	3,926	15,749
Other assets	(1,915)	(1,834)
Changes in liabilities – increase (decrease):		
Reserve for loss and loss adjustment expenses	(154,974)	(377,706)
Unearned premiums	(32,655)	(43,416)
Deferred gain on retroactive reinsurance	2,335	3,100
Accrued expenses and other liabilities	18,220	(6,531)
Net cash used in operating activities	(195,928)	(394,430)
Cash flows from investing activities:		
Purchases of fixed maturities	(79,027)	(247,553)
Purchases of other investments	(39,928)	(55,165)
Purchases of equity method investments	(55,629)	(44,050)
Purchases of equity securities	(17,281)	(20,523)
Proceeds from sales of fixed maturities	213,944	477,920
Proceeds from maturities, paydowns and calls of fixed maturities	98,462	344,989
Proceeds from sale and redemption of other investments	4,403	832
Proceeds from sale and redemption of equity method investments	61,209	6,777
Proceeds from sale and redemption of equity securities	—	441
Net proceeds from acquisition of a subsidiary	2,725	421
Others, net	(88)	(25)
Net cash provided by investing activities	188,790	464,064
Cash flows from financing activities:		
Repurchase of preference shares	(9,984)	(136,255)
Cash settlement of restricted shares granted and options exercised	10	(166)
Repurchase of common shares	(1,009)	(2,482)
Net cash used in financing activities	(10,983)	(138,903)
Effect of exchange rate changes on foreign currency cash	(1,342)	(470)
Net decrease in cash, cash equivalents and restricted cash	(19,463)	(69,739)
Cash, cash equivalents and restricted cash - beginning of year	66,087	135,826
Cash, cash equivalents and restricted cash - end of year	$ 46,624	$ 66,087
Reconciliation of cash and restricted cash reported within Consolidated Balance Sheets:		
Cash and cash equivalents, end of year	$ 30,986	$ 26,668
Restricted cash and cash equivalents, end of year	15,638	39,419
Total cash and cash equivalents and restricted cash and equivalents, end of year	$ 46,624	$ 66,087
Supplemental cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 19,106	$ 19,106
Cash paid for income taxes	1,149	109

See accompanying notes to Consolidated Financial Statements.

1. Organization

Maiden Holdings, Ltd. (sometimes referred to as "Maiden Holdings" or "Parent Company") is a Bermuda-based holding company. Together with its subsidiaries (collectively referred to as the "Company", "we" or "Maiden"), Maiden creates shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets primarily in the insurance and related financial services industries where we can leverage our deep knowledge of those markets. We are currently underwriting reinsurance risks on a retroactive basis through our indirect wholly owned subsidiary Genesis Legacy Solutions ("GLS") which provides a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core to those companies operations. GLS works with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. We expect this legacy solutions business to contribute to our active asset and capital management strategies. The Company does not presently underwrite prospective reinsurance risks.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets. Insurance support services are provided to Maiden LF and Maiden GF by our wholly owned subsidiary services company, Maiden Global Holdings Ltd. (“Maiden Global”), which is also a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in the European Union ("EU") and other global markets ("IIS business"). These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance Ltd. (“Maiden Reinsurance”).

We also have various historic reinsurance programs underwritten by Maiden Reinsurance which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") reinsurance agreements which were terminated in 2019 as discussed in *"Note 10 — Related Party Transactions"*. In addition, we have a retroactive reinsurance agreement and a commutation agreement that further reduces our exposure and limits the potential volatility related to AmTrust liabilities, which are discussed in "*Note 8 — Reinsurance*" of the Notes to Consolidated Financial Statements.

Genesis Legacy Solutions

Effective October 1, 2021, GLS completed its first loss portfolio transfer transaction which included an adverse development cover. GLS continues to write additional retroactive reinsurance transactions and in 2022 has acquired insurance companies for run-off purposes, both consistent with its business plan. As of December 31, 2022, GLS related companies and its subsidiaries have insurance liabilities that it assumed through retroactive reinsurance contracts of $45,089 which included total reserves of $28,230, an underwriting-related derivative liability of $14,559, and deferred gains on retroactive reinsurance of $2,300. In addition to producing returns that exceed the target cost of capital, on a longer-term basis we expect business produced through GLS to further enhance our ability to pursue the asset and capital management pillars of our business strategy.

Exchange of Preference Shares

On December 27, 2022 (the "Exchange Date"), the Company exchanged all of its outstanding 8.250% Non-Cumulative Preference Shares, Series A (the “Series A Preference Shares”), 7.125% Non-Cumulative Preference Shares, Series C (the “Series C Preference Shares”) and 6.700% Non-Cumulative Preference Shares, Series D (the “Series D Preference Shares” and, together with the Series A Preference Shares and the Series C Preference Shares, the “Preference Shares”) for its common shares, $0.01 par value per share (the "Exchange"). To effectuate the Exchange under the terms of each series of the Preference Shares, the affirmative vote of holders of two-thirds of the issued shares of each series of Preference Shares was required. Maiden Reinsurance, which owned approximately 74% of each series of Preference Shares immediately preceding the Exchange Date, consented to the variation in order to effectuate the Exchange. The Exchange was approved by a special committee of the Board of the Company consisting of disinterested directors and, upon advice of the special committee's financial advisor, approved a conversion ratio of three common shares per preference share for record holders of the Preference Shares. Under the terms of the Exchange, preference shareholders received common shares of the Company having a fair value that meets the “Minimum Price” as determined in accordance with the rules of the Nasdaq and as described in an information statement that the Company filed with the Securities and Exchange Commission (the “SEC”) and distributed to preference shareholders. As a result of the Exchange, the Preference Shares were delisted and no longer trade on the New York Stock Exchange, and there are no remaining issued and outstanding Preference Shares as at December 31, 2022. All rights of the former holders related to ownership of the Preference Shares terminated upon completion of the Exchange.

As of December 27, 2022, Maiden Reinsurance owns 29% of the Company's total outstanding common shares as described above, which is eliminated for accounting and financial reporting purposes on the Company’s consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares, will be capped at 9.5% pursuant to the bye-laws of the Company. The Exchange and the ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy which was approved by the Vermont Department of Financial Regulation ("Vermont DFR"). The Vermont DFR additionally specifically approved the ownership of the Company's common shares by Maiden Reinsurance related to the Exchange.

The Company recorded a gain of approximately $87,240 as a result of the Exchange. Please see *"Note 6 — Shareholders' Equity"* for further discussion.

2. Significant Accounting Policies

Basis of Reporting and Consolidation — These Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP") and include the accounts of Maiden Holdings and all of its subsidiaries. These Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the period and all such adjustments are of a normal recurring nature. All significant intercompany transactions and accounts have been eliminated. Certain prior year comparatives have been reclassified to conform to the current year presentation. The effect of these reclassifications had no impact on previously reported shareholders' equity or net income.

Estimates — The preparation of U.S. GAAP Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. The significant estimates include, but are not limited to, reserve for loss and loss adjustment expenses ("loss and LAE"), deferred gain on retroactive reinsurance; recoverability of reinsurance balances receivable, reinsurance recoverable on unpaid losses, funds withheld and deferred commission and other acquisition expenses; valuation of financial instruments and deferred tax assets; and the determination of other-than-temporary impairment ("OTTI") of investments.

Fixed Maturity Investments — The Company classifies its fixed maturity investments as available-for-sale ("AFS"). The AFS portfolio is reported at fair value and any unrealized gains or losses are reported as a component of accumulated other comprehensive income ("AOCI") in shareholders' equity. The fair value of fixed maturity investments is generally determined from quotations received from third-party nationally recognized pricing services ("Pricing Service"), or when such prices are not available, by reference to broker or underwriter bid indications.

Short-term investments - These investments are comprised of securities due to mature within one year of the date of purchase. The Company held no short-term investments as at December 31, 2022 and 2021.

Equity securities - Equity securities include publicly traded common and preferred stocks, and privately held common and preferred stocks. The fair value of publicly traded common and preferred stocks is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. These investments are carried at fair value using a combination of observable and unobservable inputs including but not limited to market pricing data and quarterly financial statements. Any unrealized gains or losses on the investment, including the portion attributable to changes in foreign exchange rates, are recorded in net income in the reporting period in which it occurs. The privately held common and preferred stocks are valued using significant inputs that are unobservable where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine their fair values.

Other investments — The Company accounts for its other investments at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 944-325, *"Financial Services - Insurance - Investments - Other"* ("ASC 944-325"). Other investments are comprised of the following types of investments:

- Privately held investments: These are direct equity investments in common and preferred stock of privately held entities. The fair values are estimated using guideline public company data to determine a price-to-book ratio trading multiple which was applied to book values shown on the quarterly financial statements as well as recent private market transactions. These investments are also comprised of investments in insurtech and other insurance focused companies. The fair value of start-up insurance entities are determined using recent private market transactions where applicable. Any changes in fair value are reported in net realized and unrealized gains (losses) and recognized in net earnings.

- Private credit funds: These are privately held equity investments in limited partnerships or common stock of entities that lend money valued using the most recently available or quarterly net asset value ("NAV") statements as provided by the external fund manager or third-party administrator. Any changes in fair value are reported in realized gains (losses) and recognized in net earnings.

- Private equity funds: These are comprised of private equity funds, private equity co-investments with sponsoring entities and investments in real estate limited partnerships and joint ventures. The fair value is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator. Any changes in fair value are reported in realized gains (losses) and recognized in net earnings.

- Investments in direct lending entities: These investments are carried at cost less impairment, if any, with any indication of impairment recognized in income when determined.

The valuation of other investments is further described in *Note 5 — Fair Value Measurements*. Due to a lag in the valuations of certain funds reported by the investment managers, the Company may record changes in valuation with up to a three-month lag. The Company regularly reviews and discusses fund performance with the investment managers or sponsors to corroborate the reasonableness of the reported NAV and to assess whether any events have occurred within the lag period that would affect the valuation of the investments.

Equity Method Investments — Investments in which the Company has significant influence over the operating and financial policies of the investee are classified as equity method investments and accounted for using the equity method of accounting. In applying the equity method of accounting, investments are initially recorded at cost and are subsequently adjusted based on the Company’s proportionate share of the investee's net income or loss, net of any contributions and distributions received.

2. Significant Accounting Policies (continued)

Adjustments are based on the most recent available financial information from the investee. Changes in the carrying value of these investments are recorded in net income (loss) as the interest in income (loss) of equity method investments. The Company records its share of the investee’s other comprehensive income ("OCI") activity based on its proportionate share of the investee's common stock or capital, and books any OCI activity directly to the equity method investments account, with the offset recorded to the Company's AOCI.

Purchases and sales of investments are recorded on a trade date basis. Realized gains or losses on investment sales are determined based on the first in first out cost method. Net investment income is recognized when earned and includes accrued interest and dividend income together with amortization of market premiums and discounts using the constant yield method, net of investment management fees. For U.S. government agency mortgage-backed securities ("Agency MBS") and any other holdings for which there is a prepayment risk, prepayment assumptions are evaluated and revised as necessary. Any changes required due to movements in effective yields and maturities are recognized on a prospective basis through yield adjustments.

A security is potentially impaired when its fair value falls below its amortized cost. On a quarterly basis, all potentially impaired securities are reviewed to determine whether the impairment is temporary or OTTI. OTTI assessments are inherently judgmental, especially where securities have experienced severe declines in fair value over a short period. The Company's review process begins with a quantitative analysis to identify securities to be further evaluated for potential classification as OTTI. For all identified securities, further fundamental analysis is performed that considers, but is not limited to, the following quantitative and qualitative factors: historic and implied volatility of the security; length of time and extent to which the fair value has been less than amortized cost; adverse conditions specifically related to the security or to specific conditions in an industry or geographic area; failure, if any, of the issuer of the security to make scheduled payments; and recoveries or additional declines in fair value subsequent to the balance sheet date.

The Company recognizes OTTI losses within earnings for its impaired fixed maturity securities (i) for which the Company has the intent to sell the security or (ii) it is more likely than not that the Company will be required to sell the debt security before its anticipated recovery and (iii) for those securities which have a credit loss. In assessing whether a credit loss exists, the Company compares the present value of the cash flows expected to be collected from the security with the amortized cost basis of the security. In instances in which a determination is made that an impairment exists but the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before the anticipated recovery of its remaining amortized cost basis, the impairment is separated into (i) the amount of the total impairment related to the credit loss and (ii) the amount of the total impairment related to all other factors.

The amount of the total OTTI related to the credit loss is recognized in earnings. The amount of the total OTTI related to all other factors is recognized in OCI. In periods after the recognition of OTTI on the fixed maturity securities, the Company accounts for such securities as if they had been purchased on the measurement date of the OTTI at an amortized cost basis equal to the previous amortized cost basis less the OTTI recognized in earnings. For fixed maturity securities in which an OTTI loss was recognized in earnings, the difference between the new amortized cost basis and the cash flows expected to be collected will be amortized into net investment income.

As the Company's fixed maturity investment portfolio is one of the largest component of its consolidated assets, any OTTI on fixed maturity securities could be material to the Company's financial condition and results particularly during periods of dislocation in the financial markets.

Fair Value Measurements — ASC Topic 820, *"Fair Value Measurements and Disclosures"* ("ASC 820") defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs:

- *Level 1* — Valuations based on unadjusted quoted market prices for identical assets or liabilities that we have the ability to access. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples of assets and liabilities utilizing Level 1 inputs include: U.S. Treasury bonds;
- *Level 2* — Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severity, etc.) or can be corroborated by observable market data. Examples of assets and liabilities utilizing Level 2 inputs include: U.S. government-sponsored agency securities; non-U.S. government and supranational obligations; commercial mortgage-backed securities ("CMBS"); collateralized loan obligations ("CLO"); corporate and municipal bonds; and
- *Level 3* — Valuations based on models where significant inputs are not observable. The unobservable inputs reflect our own assumptions about assumptions that market participants would use, developed on the basis of the best information available in the particular circumstances. Examples of assets and liabilities utilizing Level 3 inputs include: an investment in preference shares of a start-up insurance producer.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction.

2. Significant Accounting Policies (continued)

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in the Level 3 hierarchy.

The Company uses prices and inputs that are current as at the measurement date. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause a financial instrument to be reclassified between hierarchy levels.

For investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these in the Level 1 hierarchy. The Company receives quoted market prices from a third party nationally recognized Pricing Service. When quoted market prices are unavailable, the Company utilizes the Pricing Service to determine an estimate of fair value. The fair value estimates are included in the Level 2 hierarchy. The Company will challenge any prices for its investments which are considered not to be representative of fair value. If quoted market prices and an estimate from the Pricing Service are unavailable, the Company produces an estimate of fair value based on dealer quotations for recent activity in positions with the same or similar characteristics to that investment being valued. The Company determines whether the fair value estimate is in the Level 2 or Level 3 hierarchy depending on the level of observable inputs available when estimating the fair value. The Company bases its estimates of fair values for assets on the bid price as it represents what a third party market participant would be willing to pay in an orderly transaction.

Cash and Cash Equivalents — The Company maintains cash accounts in several banks and brokerage institutions. Cash equivalents consist of investments in money market funds and short-term investments with an original maturity of 90 days or less and are stated at cost, which approximates fair value. Restricted cash and cash equivalents are separately reported in the Consolidated Balance Sheets. The Company maintains certain cash and investments in trust accounts used primarily as collateral for unearned premiums and loss and LAE reserves owed to insureds. The Company is required to maintain minimum balances in these restricted accounts based on pre-determined formulas. Please see "*Note 4. (e) Investments*" for further details.

Premiums and Related Expenses — For pro-rata contracts and excess-of-loss contracts where no deposit or minimum premium is specified in the contract, premium written is recognized based on estimates of ultimate premiums provided by the ceding companies. Initial estimates of premium written are recognized in the period in which the underlying risks are incepted. Subsequent adjustments, based on reports of actual premium by the ceding companies, or revisions in estimates, are recorded in the period in which they are determined. Reinsurance premiums assumed are generally earned on a pro-rata basis over the terms of the underlying policies or reinsurance contracts. Contracts and policies written on a "losses occurring" basis cover claims that may occur during the term of the contract or policy, which is typically twelve months. Accordingly, the premium is earned evenly over the term. Contracts which are written on a "risks attaching" basis cover claims which attach to the underlying insurance policies written during the terms of such contracts. Premiums earned on such contracts usually extend beyond the original term of the reinsurance contract, typically resulting in recognition of premiums earned over a 24-month period.

Reinsurance premiums on specialty risk and extended warranty are earned based on the estimated program coverage period. These estimates are based on the expected distribution of coverage periods by contract at inception, because a single contract may contain multiple coverage period options, and these estimates are revised based on the actual coverage period selected by the original insured. Unearned premiums represent the portion of premiums written which is applicable to the unexpired term of the contract or policy in force. These premiums can be subject to estimates based upon information received from ceding companies and any subsequent differences arising on such estimates are recorded in the period in which they are determined.

Assumed and ceded reinsurance contracts that lack a significant transfer of risk are treated as deposits. No deposit contracts are held as at December 31, 2022 and 2021.

Acquisition expenses represent the costs of writing business that vary with, and are primarily related to, the production of that business. Policy and contract acquisition expenses, including assumed commissions, are deferred and recognized as expense as the related premiums are earned.

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

Loss and LAE — Loss and LAE represent the estimated ultimate net costs of all reported and unreported losses incurred through December 31 of the latest fiscal year. The reserve for loss and LAE is estimated using a statistical analysis of actuarial data and is not discounted for the time value of money. Although considerable variability is inherent in the estimates of reserves for loss and LAE, management believes that the reserve for loss and LAE is adequate based on known information to date. In estimating loss reserves, the Company utilizes a variety of standard actuarial methods. These estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes available. Such adjustments are included and reported in current operations as favorable or unfavorable prior period development.

Reinsurance — Reinsurance premiums and loss and LAE ceded to other companies are accounted for on a basis consistent with those used in accounting for original policies issued and pursuant to the terms of the reinsurance contracts. The Company records premiums earned and loss and LAE incurred and ceded to other companies as reduction of premium revenue and loss and LAE, respectively. The unexpired portion of reinsurance purchased by the Company (retrocession or reinsurance premiums ceded) is included in other assets and amortized over the contract period in proportion to the amount of insurance protection provided. The ultimate amount of premiums, including adjustments, is recognized as premiums ceded and amortized over the applicable contract period to which they apply.

2. Significant Accounting Policies (continued)

Premiums earned are reported net of reinsurance in the Consolidated Statements of Income. Reinsurance recoverable on unpaid losses relate to the portion of reserves and paid losses and LAE that are ceded to other companies. Reinsurance recoverable on unpaid losses are separately recorded as an asset in the Consolidated Balance Sheets. The Company remains contingently liable for all loss payments in the event of failure to collect from reinsurers.

Retroactive Reinsurance - Retroactive reinsurance agreements are those in which a reinsurer agrees to reimburse the ceding company for liabilities incurred as a result of past insurable loss events. We do not record any income or expense on recognition of the reinsurance contract's assets and liabilities at inception, except for any gains realized as a result of bargain purchase acquisitions which are recorded as part of foreign exchange and other gains (losses) immediately in income. Any subsequent remeasurement of the value of liabilities is recorded to net loss and LAE within the Consolidated Statements of Income.

For ceded retroactive agreement, the excess of the amounts ultimately collectible under the agreement over the consideration paid is recognized as a deferred gain liability which is amortized into income over the settlement period of the ceded reserves once the paid losses have exceeded the minimum retention. The amount of the deferral is recalculated each period based on actual loss payments and updated estimates of ultimate losses. If the consideration paid exceeds the ultimate losses collectible under the agreement, the net loss on the retroactive reinsurance agreement is recognized within income immediately.

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

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

Debt Obligations and Deferred Debt Issuance Costs — Costs incurred in issuing debt are capitalized and amortized over the contractual life of the debt. The amortization of these costs are included in interest and amortization expenses in the Consolidated Statements of Income. The unamortized amount of issuance costs is presented as a deduction from the related principal liability for senior notes in the Consolidated Balance Sheets.

Leases — The Company's leases are all currently classified as operating leases and none of them have non-lease components. For operating leases that have a lease term of more than twelve months, the Company recognized a lease liability (presented as part of accrued expenses and other liabilities) and a right-of-use asset (presented as part of other assets) in the Consolidated Balance Sheets at the present value of the remaining lease payments until expiration. As the lease contracts generally do not provide an implicit discount rate, the Company used a weighted-average discount rate of 10%, representing its estimated secured incremental borrowing rate, in calculating the present value of the lease liability. The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company recognizes the related leasing expense on a straight-line basis over the lease term in the Company's Consolidated Statements of Income.

Derivative Instruments — The Company has certain reinsurance contracts that are accounted for as derivatives. These reinsurance contracts provide indemnification to an insured or cedant as a result of a change in a variable as opposed to an identifiable insurable event. The Company considers these contracts to be part of its underwriting operations. The derivatives are initially valued at cost which approximates fair value. In subsequent measurement periods, the fair values of the underwriting-related derivatives are determined using internally developed discounted cash flow models using appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of these derivatives. A significant increase (decrease) in this input in isolation could result in a significantly lower (higher) fair value measurement for the derivative contract. The fair value changes in underwriting-related derivative instruments is included within other insurance (expense) revenue. The underwriting-related derivative liability is presented as part of accrued expenses and other liabilities in the Consolidated Balance Sheets and adjusted as a non-cash item in net cash flows from operating activities in the Consolidated Statement of Cash Flows.

Income Taxes — The Company accounts for income taxes using ASC Topic 740 "*Income Taxes"* for subsidiaries operating in taxable jurisdictions. Deferred income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. A valuation allowance is recorded if it is more likely than not that some or all of a deferred tax asset may not be realized. The Company considers future taxable income and feasible tax planning strategies in assessing the need for a valuation allowance. In the event the Company determines that it will not be able to realize all or part of its deferred income tax assets in the future, an adjustment to the deferred income tax assets would be charged to income in the period in which such determination is made.

2. Significant Accounting Policies (continued)

In addition, if the Company subsequently assesses that the valuation allowance is no longer needed, a benefit would be recorded to income in the period in which such determination is made. U.S. GAAP allows for the recognition of tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. A liability is established for any tax benefit claimed in a tax return in excess of this threshold. Income tax related interest and penalties would be included as income tax expense. The Company has not recorded or accrued any interest or penalties during the years ended December 31, 2022 and 2021.

Share-Based Compensation Expense — Pursuant to the 2019 Omnibus Incentive Plan, the Company is authorized to issue restricted share awards and performance-based restricted shares, share options and other equity-based awards to its employees and directors. The Company recognizes the compensation expense for share options and restricted share grants based on the fair value of the award on the date of grant, over the requisite service vesting period. Forfeitures are accounted for if and when they occur. The estimated fair value of the grant is amortized ratably over its vesting period as a charge to compensation expense (as a component of general and administrative expenses) and an increase to additional paid-in capital in the Consolidated Shareholders' Equity.

Earnings Per Share — Basic earnings per share are computed based on the weighted-average number of common shares outstanding and exclude any dilutive effects of share options, and unvested restricted shares units. Dilutive earnings per share are computed using the weighted-average number of common shares outstanding during the period adjusted for the dilutive impact of share options. The two-class method is used to determine earnings per share based on dividends declared on common shares and participating securities (i.e. distributed earnings) and participation rights of participating securities in any undistributed earnings. Each unvested restricted share granted by the Company to certain employees and directors is considered a participating security and the two-class method is used to calculate net income attributable to Maiden common shareholders per common share – basic and diluted. However, any undistributed losses are not allocated to the participating securities.

Net income available to Maiden common shareholders per common share – basic and diluted is also adjusted for any gain or loss from the redemption or extinguishment of the Company's preference shares. The gain on the repurchase and exchange of preference shares had an impact of $1.33 per common share for the year ended December 31, 2022.

Treasury Shares — Treasury shares include common shares repurchased by the Company and not subsequently cancelled as well as share repurchases from employees, which represent withholding in respect of tax obligations on the vesting of restricted shares and performance based shares. Treasury shares are recorded at cost and result in a reduction of the total Maiden shareholders' equity in the Consolidated Balance Sheets.

Treasury shares also include common shares owned by Maiden Reinsurance due to the Exchange which are eliminated for accounting and financial reporting purposes in the Company's consolidated financial statements. The common shares held by Maiden Reinsurance are presented as treasury shares on the Consolidated Balance Sheet at December 31, 2022. Since treasury shares are not considered outstanding for share count purposes, the common shares held by Maiden Reinsurance are excluded from the average number of common shares outstanding for basic and diluted earnings per share.

Common share issuance costs incurred directly as a result of the Exchange have been deferred and offset against additional paid-in capital of the new common shares issued to non-affiliates.

Foreign Currency Transactions — The functional currency of the Company and many of its subsidiaries is the U.S. dollar. For these companies, monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates, with resulting foreign exchange gains and losses recognized in the Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at average exchange rates during the year. Monetary assets and liabilities include cash and cash equivalents, reinsurance balances receivable, reinsurance recoverable on unpaid losses, funds withheld receivable, reserve for loss and LAE and accrued expenses and other liabilities. Accounts that are classified as non-monetary such as deferred commission and other acquisition expenses and unearned premiums are not revalued.

Assets and liabilities of foreign subsidiaries and divisions, whose functional currency is not the U.S. dollar, are translated at year-end exchange rates. Revenues and expenses of these entities are translated at average exchange rates during the year. The effects of the foreign currency translation adjustment for foreign entities are included in AOCI. The amount of the cumulative translation adjustment at December 31, 2022 was $(25,566) (2021 - $(9,522)).

Recently Adopted Accounting Standards Updates

No new accounting standards have been recently adopted for the year ended December 31, 2022.

Recently Issued Accounting Standards Not Yet Adopted

Accounting for Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13 *"Financial Instruments: Credit Losses (Topic 326)"* replacing the "incurred loss" impairment methodology with an approach based on "expected losses" to estimate credit losses on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance requires financial assets to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the cost of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset.

2. Significant Accounting Policies (continued)

ASU 2016-13 also modified the accounting for AFS debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with *Subtopic 326-30, Financial Instruments: Credit Losses Available-for-Sale Debt Securities*. Credit losses relating to AFS debt securities will be recorded through an allowance for credit losses rather than under the current OTTI methodology.

In April 2019, the FASB issued ASU 2019-04 for targeted improvements related to ASU 2016-13 which clarify that an entity should include all expected recoveries in its estimate of the allowance for credit losses. In addition, for collateral dependent financial assets, the amendments mandate that an allowance for credit losses that is added to the amortized cost basis of the financial asset should not exceed amounts previously written off. It also clarifies FASB's intent to include all reinsurance recoverables within the scope of *Topic 944* to be within the scope of *Subtopic 326-20*, regardless of the measurement basis of those recoverables. The Company's reinsurance recoverable on unpaid losses is currently the most significant financial asset within the scope of ASU 2016-13.

The guidance is effective for public business entities, excluding entities eligible to be smaller reporting companies ("SRCs") as defined by the SEC, for annual periods beginning after December 15, 2019, and interim periods therein. The guidance is effective for all other entities, including public entities eligible to be SRCs, for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. As of December 31, 2022, the Company qualified for SRC status, as determined on the last business day of its most recent second quarter, and thus remains eligible to follow the reporting deadlines and effective dates applicable to SRCs. Therefore, *Topic 326* will be adopted by the Company on January 1, 2023.

The Company has evaluated the impact of this guidance on its results of operations, financial condition and liquidity and has determined that a $5,586 allowance for expected credit losses will be necessary on the reinsurance recoverable on unpaid losses and other investments held at the time of adoption on January 1, 2023.

Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

In June 2022, FASB issued Accounting Standards Update ("ASU") 2022-03 "*Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions"* an amendment of Fair Value Measurement (Topic 820). The amendments in this ASU require the Company to provide disclosures for equity securities subject to contractual sale restrictions under 820-10-50-6B including the fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; the nature and remaining duration of the restrictions; and any circumstances that could cause a lapse in the restrictions. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.

Certain of the Company's equity securities are subject to restrictions on redemptions and sales that are determined by the governing documents, which could limit our ability to liquidate those investments. These restrictions may include lock-ups, redemption gates, restricted share classes, restrictions on the frequency of redemption and notice periods as described in "*Note 4. (b) Investments"*. The Company is currently assessing the required disclosures for equity securities that may be subject to contractual sales restrictions. These amendments only impact disclosures made in *"Note 4. Investments"* therefore, the adoption of this standard will not impact the Company's consolidated balance sheets, results of operations or statement of cash flows.

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information

The Company currently has two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. This segment also includes transactions entered into by GLS which was formed in November 2020 as described in "*Note 1 — Organization"*. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement ("AmTrust Quota Share") between Maiden Reinsurance and AmTrust's wholly owned subsidiary, AmTrust International Insurance, Ltd. ("AII"), and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust's wholly owned subsidiaries, AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC"), which are both in run-off effective January 1, 2019. Please refer to "*Note 10 — Related Party Transactions*" for additional information regarding the AmTrust Reinsurance segment.

The Company evaluates segment performance based on segment profit separately from the results of our investment portfolio. General and administrative expenses are allocated to the reportable segments on an actual basis except salaries and benefits where management's judgment is applied; however general corporate expenses are not allocated to the segments. In determining total assets by reportable segment, the Company identifies those assets that are attributable to a particular segment such as reinsurance balances receivable, reinsurance recoverable on unpaid losses, deferred commission and other acquisition expenses, funds withheld receivable, loan to related party, and restricted cash and investments. All remaining assets are allocated to Corporate.

The following tables summarize the underwriting results of our reportable segments and the reconciliation of our reportable segments' underwriting results to consolidated net income:

For the Year Ended December 31, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 24,017	$ (18,538)	$ 5,479
Net premiums written	$ 23,620	$ (18,538)	$ 5,082
Net premiums earned	$ 27,983	$ 9,749	$ 37,732
Other insurance expense	(4,530)	—	(4,530)
Net loss and LAE	(12,483)	(45,508)	(57,991)
Commission and other acquisition expenses	(14,164)	(4,347)	(18,511)
General and administrative expenses	(8,857)	(2,777)	(11,634)
Underwriting loss	$ (12,051)	$ (42,883)	(54,934)
Reconciliation to net loss			
Net investment income and net realized and unrealized losses on investment			24,930
Interest and amortization expenses			(19,331)
Foreign exchange and other gains, net			8,255
Other general and administrative expenses			(19,313)
Income tax expense			557
Interest in loss from equity method investments			(205)
Net loss			$ (60,041)

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Year Ended December 31, 2021	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 16,633	$ (5,695)	$ 10,938
Net premiums written	$ 16,098	$ (5,695)	$ 10,403
Net premiums earned	$ 27,681	$ 25,312	$ 52,993
Other insurance revenue	1,067	—	1,067
Net loss and LAE	(4,286)	(3,021)	(7,307)
Commission and other acquisition expenses	(15,093)	(9,747)	(24,840)
General and administrative expenses	(7,827)	(2,514)	(10,341)
Underwriting income	$ 1,542	$ 10,030	11,572
Reconciliation to net income			
Net investment income and net realized and unrealized gains on investment			44,661
Interest and amortization expenses			(19,327)
Foreign exchange and other gains, net			7,685
Other general and administrative expenses			(25,679)
Income tax expense			(15)
Interest in income from equity method investments			7,748
Net income			$ 26,645

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following tables summarize the financial position of our reportable segments including the reconciliation to the Company's consolidated total assets at December 31, 2022 and 2021:

December 31, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Reinsurance balances receivable, net	$ 2,213	$ 8,395	$ 10,608
Reinsurance recoverable on unpaid losses	5,596	490,408	496,004
Deferred commission and other acquisition expenses	1,344	23,632	24,976
Loan to related party	—	167,975	167,975
Restricted cash and cash equivalents and investments	61,223	235,607	296,830
Funds withheld receivable	24,577	416,835	441,412
Other assets	2,337	—	2,337
Total assets - reportable segments	97,290	1,342,852	1,440,142
Corporate assets	—	—	406,724
Total Assets	$ 97,290	$ 1,342,852	$ 1,846,866

December 31, 2021	Diversified Reinsurance	AmTrust Reinsurance	Total
Reinsurance balances receivable, net	$ 1,927	$ 17,471	$ 19,398
Reinsurance recoverable on unpaid losses	2,979	490,860	493,839
Deferred commission and other acquisition expenses	2,533	34,170	36,703
Loan to related party	—	167,975	167,975
Restricted cash and cash equivalents and investments	83,143	499,004	582,147
Funds withheld receivable	34,952	601,460	636,412
Other assets	582	—	582
Total assets - reportable segments	126,116	1,810,940	1,937,056
Corporate assets	—	—	385,554
Total Assets	$ 126,116	$ 1,810,940	$ 2,322,610

The following table shows an analysis of gross and net premiums written and net premiums earned by geographic location for the years ended December 31, 2022 and 2021. In the case of reinsurance business assumed from AmTrust, the table refers to the location of the relevant AmTrust subsidiaries.

For the Year Ended December 31,	2022	2021
Gross premiums written – North America	$ (14,600)	$ (7,649)
Gross premiums written – Other (predominantly Europe)	20,079	18,587
Gross premiums written – Total	$ 5,479	$ 10,938
Net premiums written – North America	$ (14,396)	$ (7,320)
Net premiums written – Other (predominantly Europe)	19,478	17,723
Net premiums written – Total	$ 5,082	$ 10,403
Net premiums earned – North America	$ (14,383)	$ (6,948)
Net premiums earned – Other (predominantly Europe)	52,115	59,941
Net premiums earned – Total	$ 37,732	$ 52,993

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following table sets forth financial information relating to net premiums written by major line of business and reportable segment for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021
Diversified Reinsurance		
International	$ 23,620	$ 16,098
Total Diversified Reinsurance	23,620	16,098
AmTrust Reinsurance		
Small Commercial Business	(15,143)	(6,445)
Specialty Program	747	(876)
Specialty Risk and Extended Warranty	(4,142)	1,626
Total AmTrust Reinsurance	(18,538)	(5,695)
Total Net Premiums Written	$ 5,082	$ 10,403

The following table sets forth financial information relating to net premiums earned by major line of business and reportable segment for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022		2021	
	Total	% of Total	Total	% of Total
Diversified Reinsurance				
International	$ 27,983	74.2 %	$ 27,681	52.2 %
Total Diversified Reinsurance	27,983	74.2 %	27,681	52.2 %
AmTrust Reinsurance				
Small Commercial Business	(15,131)	(40.1)%	(6,095)	(11.5)%
Specialty Program	748	2.0 %	(853)	(1.6)%
Specialty Risk and Extended Warranty	24,132	63.9 %	32,260	60.9 %
Total AmTrust Reinsurance	9,749	25.8 %	25,312	47.8 %
Total Net Premiums Earned	$ 37,732	100.0 %	$ 52,993	100.0 %

(In thousands of U.S. dollars, except share and per share data)

4. Investments

As discussed in *Note 2 — Significant Accounting Policies,* the Company holds: (i) AFS portfolios of fixed maturity securities, carried at fair value; (ii) other investments, of which certain investments are carried at fair value and investments in direct lending entities are carried at cost less impairment; (iii) equity method investments; and (iv) funds held - directly managed.

a) Fixed Maturities

The amortized cost, gross unrealized gains and losses, and fair value of fixed maturities at December 31, 2022 and 2021 are as follows:

December 31, 2022	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	$ 55,647	$ 1	$ (116)	$ 55,532
U.S. agency bonds – mortgage-backed	38,767	—	(4,402)	34,365
Collateralized mortgage-backed securities	7,199	—	(432)	6,767
Non-U.S. government bonds	12,643	—	(825)	11,818
Collateralized loan obligations	119,120	—	(5,028)	114,092
Corporate bonds	97,063	—	(5,110)	91,953
Total fixed maturity investments	$ 330,439	$ 1	$ (15,913)	$ 314,527

December 31, 2021	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	$ 59,989	$ —	$ (110)	$ 59,879
U.S. agency bonds – mortgage-backed	96,554	2,429	(193)	98,790
Collateralized mortgage-backed securities	14,972	565	—	15,537
Non-U.S. government bonds	3,163	113	—	3,276
Collateralized loan obligations	183,974	140	(5,093)	179,021
Corporate bonds	236,692	10,094	(6,144)	240,642
Total fixed maturity investments	$ 595,344	$ 13,341	$ (11,540)	$ 597,145

The contractual maturities of our fixed maturities are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Fixed maturities	
December 31, 2022	Amortized cost	Fair value
Maturity		
Due in one year or less	$ 72,870	$ 72,571
Due after one year through five years	76,439	72,883
Due after five years through ten years	16,044	13,849
	165,353	159,303
U.S. agency bonds – mortgage-backed	38,767	34,365
Collateralized mortgage-backed securities	7,199	6,767
Collateralized loan obligations	119,120	114,092
Total fixed maturities	$ 330,439	$ 314,527

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The following tables summarize fixed maturities in an unrealized loss position and the aggregate fair value and gross unrealized loss by length of time the security has continuously been in an unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
December 31, 2022	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**
U.S. treasury bonds	$ 53,094	$ (114)	$ 148	$ (2)	$ 53,242	$ (116)
U.S. agency bonds – mortgage-backed	31,394	(3,697)	2,971	(705)	34,365	(4,402)
Collateralized mortgage-backed securities	6,768	(432)	—	—	6,768	(432)
Non-U.S. government bonds	11,818	(825)	—	—	11,818	(825)
Collateralized loan obligations	17,959	(1,032)	96,133	(3,996)	114,092	(5,028)
Corporate bonds	87,212	(4,325)	4,740	(785)	91,952	(5,110)
Total temporarily impaired fixed maturity securities	$ 208,245	$ (10,425)	$ 103,992	$ (5,488)	$ 312,237	$ (15,913)

At December 31, 2022, there were 88 securities in an unrealized loss position with a fair value of $312,237 and unrealized losses of $15,913. Of these securities in an unrealized loss position, there were 26 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of $103,992 and unrealized losses of $5,488.

	Less than 12 Months		12 Months or More		Total	
December 31, 2021	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**
U.S. treasury bonds	$ 59,879	$ (110)	$ —	$ —	$ 59,879	$ (110)
U.S. agency bonds – mortgage-backed	4,415	(193)	—	—	4,415	(193)
Collateralized loan obligations	117,148	(5,057)	5,064	(36)	122,212	(5,093)
Corporate bonds	38,537	(2,775)	27,852	(3,369)	66,389	(6,144)
Total temporarily impaired fixed maturity securities	$ 219,979	$ (8,135)	$ 32,916	$ (3,405)	$ 252,895	$ (11,540)

At December 31, 2021, there were 44 securities in an unrealized loss position with a fair value of $252,895 and unrealized losses of $11,540. Of these securities in an unrealized loss position, there were 8 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of $32,916 and unrealized losses of $3,405.

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The Company performs quarterly reviews of its fixed maturities in order to determine whether declines in fair value below the amortized cost basis were considered other-than-temporary in accordance with applicable guidance. At December 31, 2022, we determined that unrealized losses on fixed maturities were primarily due to changes in interest rates since their date of purchase. All fixed maturity securities continue to pay the expected coupon payments under the contractual terms of the securities. Any credit-related impairment related to fixed maturity securities that the Company does not intend to sell or is not more likely than not that the Company will be required to sell before its anticipated recovery of their amortized cost basis is recognized in net income, with the non-credit related impairment recognized in comprehensive income.

Based on the Company's analysis, our fixed maturity portfolio is of high credit quality and we believe the amortized cost basis of the securities will ultimately be recovered. The Company continually monitors the credit quality of the fixed maturity investments to assess if it is probable that it will receive the contractual or estimated cash flows in the form of principal and interest. For the years ended December 31, 2022 and 2021, there was no impairment recognized on the Company's portfolio of fixed maturity securities.

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The following tables summarize the credit ratings of our fixed maturity securities as at December 31, 2022 and 2021:

December 31, 2022	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 55,647	$ 55,532	17.7 %
U.S. agency bonds	38,767	34,365	10.9 %
AAA	112,775	108,136	34.4 %
AA+, AA, AA-	23,974	22,640	7.2 %
A+, A, A-	38,549	35,996	11.4 %
BBB+, BBB, BBB-	55,374	53,094	16.9 %
BB+ or lower	5,353	4,764	1.5 %
Total fixed maturities[1]	$ 330,439	$ 314,527	100.0 %

December 31, 2021	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 59,989	$ 59,879	10.0 %
U.S. agency bonds	96,554	98,790	16.6 %
AAA	161,179	156,706	26.2 %
AA+, AA, AA-	38,999	39,140	6.6 %
A+, A, A-	99,748	99,962	16.7 %
BBB+, BBB, BBB-	126,770	129,618	21.7 %
BB+ or lower	12,105	13,050	2.2 %
Total fixed maturities[1]	$ 595,344	$ 597,145	100.0 %

[1] Based on Standard & Poor's ("S&P"), or equivalent, ratings

b) Other Investments, Equity Securities and Equity Method Investments

Certain of the Company's other investments and equity method investments are subject to restrictions on redemptions and sales that are determined by the governing documents, which could limit our ability to liquidate those investments. These restrictions may include lock-ups, redemption gates, restricted share classes, restrictions on the frequency of redemption and notice periods. A gate is the ability to deny or delay a redemption request. Certain other investments and equity method investments may not have any restrictions governing their sale, but there is no active market and no assurance that we will be able to execute a sale in a timely manner. In addition, even if certain other investments and equity method investments are not eligible for redemption or sales are restricted, the Company may still receive income distributions from those investments.

Other investments

The table below shows the composition of the Company's other investments as at December 31, 2022 and 2021:

December 31,	2022		2021	
	Carrying Value	% of Total	Carrying Value	% of Total
Privately held equity investments	$ 34,014	22.9 %	$ 30,500	25.9 %
Private credit funds	24,374	16.4 %	20,922	17.8 %
Private equity funds	34,278	23.0 %	23,324	19.8 %
Total other investments at fair value	92,666	62.3 %	74,746	63.5 %
Investments in direct lending entities (at cost)	56,087	37.7 %	42,976	36.5 %
Total other investments	$ 148,753	100.0 %	$ 117,722	100.0 %

The Company's investments in direct lending entities of $56,087 at December 31, 2022 (2021 - $42,976) are carried at cost less impairment, if any, with any indication of impairment recognized in net income when determined. No impairment was recognized for the year ended December 31, 2022 and 2021. Please see *"Note 5(d) - Fair Value Measurements"* for additional information regarding this investment.

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

Equity Securities

Equity securities include publicly traded equity investments in common stocks and privately held equity investments in common and preferred stocks. The Company's publicly traded equity investments in common stocks trade on major exchanges. The Company's privately held equity investments in common and preferred stocks are direct investments in companies that the Company believes offer attractive risk adjusted returns or offer other strategic advantages. Each investment may have its own unique terms and conditions and there may be restrictions on disposals. There is no active market for these investments. The following table provides the cost and fair values of the equity securities held at December 31, 2022 and 2021:

December 31,	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Publicly traded equity investments in common stocks	$ 559	$ 386	$ 559	$ 1,174
Privately held common stocks	32,775	32,290	21,869	22,029
Privately held preferred stocks	7,175	10,945	800	800
Total equity securities	$ 40,509	$ 43,621	$ 23,228	**$ 24,003**

Equity Method Investments

The equity method investments include real estate investments, hedge fund investments and other investments. The table below shows the carrying value of the Company's equity method investments as of December 31, 2022 and 2021:

December 31,	2022		2021	
	Carrying Value	% of Total	Carrying Value	% of Total
Real estate investments	$ 40,944	51.1 %	$ 44,050	52.6 %
Hedge fund investments	5,376	6.7 %	32,929	39.3 %
Other investments	33,839	42.2 %	6,763	8.1 %
Total equity method investments	$ 80,159	100.0 %	$ 83,742	100.0 %

The equity method investments above include limited partnerships which are variable interests issued by variable interest entities ("VIEs"). The Company does not have the power to direct the activities that are most significant to the economic performance of these VIEs, therefore, the Company is not the primary beneficiary of these VIEs. The Company is deemed to have limited influence over the operating and financial policies of the investee and accordingly, these investments are reported under the equity method of accounting. In applying the equity method of accounting, the investments are initially recorded at cost and are subsequently adjusted based on the Company's proportionate share of the investee's net income or loss. Generally, the maximum exposure to loss on these interests is limited to the amount of commitment made by the Company as more fully described in *"Note 11 - Commitments, Contingencies and Guarantees"* in these consolidated financial statements.

c) Net Investment Income

Net investment income was derived from the following sources for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021
Fixed maturities	$ 9,736	$ 19,146
Income on funds withheld	11,117	10,623
Interest income from loan to related party	6,202	3,492
Cash and cash equivalents and other investments	3,415	1,100
	30,470	34,361
Investment expenses	(400)	(2,348)
Net investment income	$ 30,070	$ 32,013

d) Net Realized and Unrealized Investment Gains (Losses)

Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method. The following tables show the net realized and unrealized investment gains (losses) included in the Consolidated Statements of Income for the years ended December 31, 2022 and 2021:

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

For the Year Ended December 31, 2022	Gross gains	Gross losses	Net
Fixed maturities	$ 1,829	$ (4,812)	$ (
Equity securities	3,770	(1,434)	
Other investments	1,543	(6,036)	(
Net realized and unrealized investment gains (losses)	$ 7,142	$ (12,282)	$ (

For the Year Ended December 31, 2021	Gross gains	Gross losses	Net
Fixed maturities	$ 9,838	$ (741)	$ 9,097
Equity securities	5,168	(4,392)	776
Other investments	3,002	(227)	2,775
Net realized and unrealized investment gains (losses)	$ 18,008	$ (5,360)	$ 12,648

Realized and unrealized investment gains and losses from equity securities detailed above include both sales of equity securities and unrealized gains and losses stemming from fair value changes. The unrealized gains recognized in net income for investments still held at December 31, 2022 and 2021, respectively, were as follows:

For the Year Ended December 31,	2022	2021
Net gains recognized for equity securities	$ 2,336	$ 776
Net gains recognized for equity securities divested	(111)	(441)
Net unrealized gains recognized for equity securities still held at reporting date	$ 2,225	$ 335

Proceeds from sales of fixed maturities were $213,944 and $477,920 for the years ended December 31, 2022, and 2021, respectively. Net unrealized gains (losses) included in AOCI were as follows at December 31, 2022 and 2021, respectively:

December 31,	2022	2021
Fixed maturity investments	$ (15,912)	$ 1,801
Equity method investments	—	(4,414)
Total net unrealized losses	(15,912)	(2,613)
Deferred income tax	244	(80)
Net unrealized losses, net of deferred income tax	$ (15,668)	$ (2,693)
Change in net unrealized losses, net of deferred income tax	$ (12,975)	$ (52,050)

e) Restricted Cash and Cash Equivalents and Investments

The Company is required to provide collateral for its reinsurance liabilities under various reinsurance agreements and utilizes trust accounts to collateralize business with reinsurance counterparties. The assets in trust as collateral are primarily cash and highly rated fixed maturities. The fair values of restricted assets were as follows at December 31, 2022 and 2021:

December 31,	2022	2021
Restricted cash – third party agreements	$ 13,122	$ 19,177
Restricted cash – related party agreements	2,516	20,242
Total restricted cash	15,638	39,419
Restricted investments – in trust for third party agreements at fair value (amortized cost: 2022 – $48,181; 2021 – $48,860)	48,101	48,845
Restricted investments – in trust for related party agreements at fair value (amortized cost: 2022 – $246,325; 2021 – $493,128)	233,091	493,883
Total restricted investments	281,192	542,728
Total restricted cash and investments	$ 296,830	$ 582,147

5. Fair Value Measurements

a) Fair Values of Financial Instruments measured at fair value

ASC 825, *"Disclosure About Fair Value of Financial Instruments"*, requires all entities to disclose the fair value of their financial instruments for both assets and liabilities recognized and not recognized within the balance sheet, and for which it is practicable to estimate fair value. The following describes the valuation techniques used by the Company to determine the fair value of financial instruments measured at fair value held at December 31, 2022 and 2021.

U.S. government and U.S. agency bonds — Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association and the Federal Farm Credit Banks Funding Corporation. The fair values of U.S. treasury bonds are based on quoted market prices in active markets, and are included in the Level 1 fair value hierarchy. We believe the market for U.S. treasury bonds is an actively traded market given the high level of daily trading volume. The fair values of U.S. agency bonds are determined using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of U.S. agency bonds are included in the Level 2 fair value hierarchy.

Non-U.S. government bonds — These securities are generally priced by independent pricing services. The Pricing Service may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the Pricing Service typically uses analytical models which may incorporate spreads, interest rate data and market/sector news. As the significant inputs used to price non-U.S. government bonds are observable market inputs, the fair values of non-U.S. government and bonds are included in the Level 2 fair value hierarchy.

Collateralized loan obligations ("CLO") - These asset backed securities are originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CLO are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Commercial mortgage-backed securities ("CMBS") - These asset backed securities are originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CMBS are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Corporate and municipal bonds — Bonds issued by corporations, U.S. state and municipality entities or agencies. that on acquisition are rated BBB-/Baa3 or higher. These securities are generally priced by independent pricing services. The credit spreads are sourced from broker/dealers, trade prices and new issue market. Where pricing is unavailable from pricing services, custodian pricing or non-binding quotes are obtained from broker-dealers to estimate fair values. As significant inputs used to price corporate and municipal bonds are observable market inputs, fair values are included in the Level 2 fair value hierarchy.

Equity securities - Equity securities include publicly traded common and preferred stocks, and privately held common and preferred stocks. The fair value of publicly traded common and preferred stocks is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. These investments are carried at fair value using observable market pricing data and is included in the Level 1 fair value hierarchy. Any unrealized gains or losses on the investment is recorded in net income in the reporting period in which it occurs. The privately held common and preferred stocks are valued using significant inputs that are unobservable where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine the fair values, therefore, these investments are classified as Level 3 in the fair value hierarchy.

Other investments — These investments are comprised of the following types of investments:

- Privately held investments: These are direct equity investments in common and preferred shares of privately held entities. The fair values are estimated using quarterly financial statements and/or recent private market transactions and thus included under Level 3 of the fair value hierarchy due to unobservable market data used for valuation.
- Private credit funds: These are privately held equity investments in common stock of entities that lend money valued using the most recently available or quarterly NAV statements as provided by the external fund manager or third-party administrator and therefore measured using the NAV as a practical expedient.
- Private equity funds: These are comprised of private equity funds, private equity co-investments with sponsoring entities and investments in real estate limited partnerships and joint ventures. The fair value is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator. The fair values are therefore measured using the NAV as a practical expedient.

Derivative Instruments - The Company has recently entered into retroactive reinsurance contracts that are accounted for as derivatives. These reinsurance contracts provide indemnification to an insured or cedant as a result of a change in a variable as opposed to an identifiable insurable event. The Company considers these contracts to be part of its underwriting operations. The derivatives are initially valued at cost which approximates fair value. In subsequent measurement periods, the fair values of these derivatives are determined using internally developed discounted cash flow models using appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of these derivatives.

(In thousands of U.S. dollars, except share and per share data)

5. Fair Value Measurements (continued)

The fair value changes in underwriting-related derivative instruments is included within other insurance revenue (expense), net. The derivative liability on retroactive reinsurance is presented as part of accrued expenses and other liabilities. A significant increase (decrease) in this input in isolation may result in a significantly lower (higher) fair value measurement for the derivative contract. As the significant inputs used to price these derivatives are unobservable, the fair values of these contracts are classified as Level 3 in the fair value hierarchy.

b) Fair Value Hierarchy

The Company's estimates of fair value for its financial assets and financial liabilities are based on the framework established in ASC 820. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuation methodology whenever available. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active trading markets and the lowest priority to unobservable inputs that reflect significant market assumptions.

At December 31, 2022 and 2021, the Company classified its financial instruments measured at fair value on a recurring basis in the following valuation hierarchy:

December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	$ 55,532	$ —	$ —	$ —	$ 55,532
U.S. agency bonds – mortgage-backed	—	34,365	—	—	34,365
Collateralized mortgage-backed bonds	—	6,767	—	—	6,767
Non-U.S. government bonds	—	11,818	—	—	11,818
Collateralized loan obligations	—	114,092	—	—	114,092
Corporate bonds	—	91,953	—	—	91,953
Equity securities	386	—	17,806	25,429	43,621
Other investments	—	1,000	1,000	90,666	92,666
Total	$ 55,918	$ 259,995	$ 18,806	$ 116,095	$ 450,814
As a percentage of total assets	3.0 %	14.1 %	1.0 %	6.3 %	24.4 %
Underwriting-related derivative liability	$ —	$ —	$ 14,559	$ —	$ 14,559

December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	$ 59,879	$ —	$ —	$ —	$ 59,879
U.S. agency bonds – mortgage-backed	—	98,790	—	—	98,790
Collateralized mortgage-backed bonds	—	15,537	—	—	15,537
Non-U.S. government bonds	—	3,276	—	—	3,276
Collateralized loan obligations	—	179,021	—	—	179,021
Corporate bonds	—	240,642	—	—	240,642
Equity investments	1,174	—	5,094	17,735	24,003
Other investments	—	—	2,000	72,746	74,746
Total	$ 61,053	$ 537,266	$ 7,094	$ 90,481	$ 695,894
As a percentage of total assets	2.6 %	23.1 %	0.3 %	3.9 %	29.9 %

The Company utilizes the Pricing Service to assist in determining the fair value of its investments; however, management is ultimately responsible for all fair values presented in the Company's financial statements. This includes responsibility for monitoring the fair value process, ensuring objective and reliable valuation practices, and pricing of assets and liabilities and use of pricing sources. The Company analyzes and reviews the information and prices received from the Pricing Service to ensure that the prices provided represent a reasonable estimate of fair value.

(In thousands of U.S. dollars, except share and per share data)

5. Fair Value Measurements (continued)

The Pricing Service was utilized to estimate fair value measurements for 98.5% and 99.0% of our fixed maturities at December 31, 2022 and 2021, respectively. The Pricing Service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturities other than U.S. treasury bonds generally do not trade actively on a daily basis, the Pricing Service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing and these have been classified as Level 2 within the fair value hierarchy.

At December 31, 2022 and 2021, approximately 1.5% and 1.0%, respectively, of our fixed maturities were valued using the market approach. At December 31, 2022, one security or $4,764 (2021 - one security or $6,225) of fixed maturities classified as Level 2 was priced using a quotation from a broker and/or custodian as opposed to the Pricing Service due to lack of information available. At December 31, 2022 and 2021, the Company has not adjusted any pricing provided to it based on the review performed by its investment managers.

During the year ended December 31, 2021, the Company transferred its equity investment in an insurtech start-up company focused on technological advancement in the automobile insurance industry out of Level 3 within the fair value hierarchy and into Level 1 due to the recent completion of its initial public offering. There were no transfers to or from Level 3 during the year ended December 31, 2022.

c) Level 3 Financial Instruments

At December 31, 2022, the Company holds Level 3 financial instruments which include privately held equity investments of $18,806 (2021 - $7,094) which are included in total investments and an underwriting-related derivative liability of $14,559 on a reinsurance contract written by GLS which is included in accrued expenses and other liabilities.

The fair value of privately held equity securities are estimated using quarterly unaudited capital or financial statements provided by the investee or recent private market transactions, where applicable. Any changes to the financial information provided by the investee could result in a significantly higher or lower valuation at the reporting date. The fair value of underwriting-related derivative instruments is determined using a discounted cash flow model in which the Company examines current market conditions, historical results as well as contract specific information that may impact future cash flows in order to assess the reasonableness of inputs used in the valuation model. Due to significant unobservable inputs in these valuations, the Company classifies the fair values as Level 3 within the fair value hierarchy.

The following table provides a summary of quantitative information regarding the significant unobservable inputs used in determining the fair value of other investments measured at fair value on a recurring basis under the Level 3 classification at December 31, 2022:

	Fair Value	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs
Privately held equity securities - common shares	$ 6,861	Quarterly financial statements	Price/book ratios of comparable public companies	
Privately held equity securities - preferred shares	11,945	Quarterly financial statements	Privately calculated enterprise valuations	
Total Level 3 investments	$ 18,806			
Underwriting-related derivative liability	$ 14,559	Discounted cash flows	Duration matched discount rates	2.0% to 3.0%

The following table shows the reconciliation of the beginning and ending balances for other investments measured at fair value on a recurring basis using Level 3 inputs for the years ended December 31, 2022 and 2021. The Company includes any related interest and dividend income in net investment income and thus, are excluded from the reconciliation in the table below:

For the Year Ended December 31,	2022	2021
Balance - beginning of period	$ 7,094	$ 2,844
Sales	(2,000)	—
Net unrealized gains recognized in the statement of income	3,770	—
Purchases	9,942	5,250
Transfers out of Level 3	—	(1,000)
Total Level 3 investments - end of period	$ 18,806	$ 7,094

(In thousands of U.S. dollars, except share and per share data)

5. Fair Value Measurements (continued)

d) Financial Instruments Disclosed, But Not Carried, at Fair Value

The fair value of financial instruments accounting guidance also applies to financial instruments disclosed, but not carried at fair value, except for certain financial instruments related to insurance contracts.

At December 31, 2022, the carrying values of cash and cash equivalents (including restricted amounts), accrued investment income, reinsurance balances receivable, loan to related party and certain other assets and liabilities approximate their fair values due to their inherent short duration. As these financial instruments are not actively traded, the fair values of these financial instruments are classified as Level 2.

The investments made by direct lending entities are carried at cost less impairment, if any, which approximates fair value. The fair value estimates of these investments are not based on observable market data and, as a result, have been categorized as Level 3.

The fair values of the Senior Notes (as defined in *Note 7 — Long-Term Debt*) are based on indicative market pricing obtained from a third-party pricing service which uses observable market inputs, and therefore the fair values of these liabilities are classified as Level 2. The following table presents the respective carrying value and fair value for the Senior Notes as at December 31, 2022 and 2021:

December 31,	**2022**		**2021**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
2016 Senior Notes – 6.625%	$ 110,000	$ 76,560	$ 110,000	$ 94,820
2013 Senior Notes – 7.75%	152,500	113,826	152,500	140,300
Total Senior Notes	$ 262,500	$ 190,386	$ 262,500	$ 235,120

6. Shareholders' Equity

At December 31, 2022, the aggregate authorized share capital of the Company is 150,000,000 shares from which 149,224,080 common shares were issued, of which 101,532,151 common shares are outstanding, and 47,691,929 shares are treasury shares. Included in treasury shares are 41,439,348 common shares issued to Maiden Reinsurance in the Exchange which are not treated as outstanding shares on the Consolidated Balance Sheet on December 31, 2022.

The remaining 775,920 shares are undesignated at December 31, 2022. At December 31, 2022, 492,463 common shares will be issued and outstanding upon vesting of restricted shares.

a) Common shares

The Company's common shares have a par value of $0.01 per share. Our common shareholders are entitled to receive dividends and allocated one vote per common share subject to downward adjustment under certain circumstances. For the years ended December 31, 2022 and 2021, the Company's Board of Directors did not declare any dividends to common shareholders.

The following table shows the summary of changes in the Company's common shares outstanding for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	**2022**	**2021**
Outstanding shares – January 1	86,467,242	84,801,16
Shares issued pursuant to the Exchange	55,800,000	—
Issuance of vested restricted shares and exercised common share options	1,107,973	2,500,93
Shares repurchased for tax purposes	(403,716)	(834,85
Less: Common shares held by Maiden Reinsurance as treasury shares	(41,439,348)	—
Outstanding shares – December 31[(1)]	101,532,151	86,467,24

(1) Outstanding shares at December 31, 2022 exclude 41,439,348 common shares issued to Maiden Reinsurance in exchange for the preference shares previously held which are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding common shares.

b) Preference shares

Exchange of Preference Shares

On December 27, 2022, the Company completed the Exchange, as fully described in *"Note 1. Organization"*, with record holders of the Series A, C and D Preference Shares. The Company offered three common shares as consideration for each share of the Series A, C and D Preferred Shares tendered.

(In thousands of U.S. dollars, except share and per share data)

6. Shareholders' Equity (continued)

A total of 1,500,050 shares of Series A Preference Shares, 1,744,028 shares of Series C Preference Shares, and 1,542,806 shares of Series D Preference Shares were accepted, resulting in the issuance of 14,360,652 common shares to non-affiliates at a fair value of $28,434. The Exchange was accounted for as an extinguishment resulting in derecognition of the $119,672 carrying amount of Series A, C and D Preference Shares tendered, elimination of $3,998 of original issuance costs, recognition of the $25,915 excess of the fair value of the common shares issued over par value, net of $2,375 issuance costs, as additional paid in capital, and recognition of the $87,240 excess of the carrying amount of the Preference Shares extinguished over the fair value of the common shares issued as an increase to retained earnings.

The number of the Company's Series A, C and D Preference Shares held by Maiden Reinsurance pursuant to the 2020 Tender Offer and the 2021 Preference Share Repurchase Program was 13,813,116 at the Exchange Date. Therefore, 41,439,348 common shares were issued to Maiden Reinsurance in exchange for the Preference Shares held which are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding common shares on December 31, 2022.

As a result of the Exchange, the Preference Shares were delisted from and no longer trade on the New York Stock Exchange as of the Exchange Date. No Preference Shares are issued or outstanding, and the Preference Shares were deregistered under the Securities Exchange Act of 1934, as amended. In addition, all rights of the former holders related to ownership of the Preference Shares have terminated.

Prior to the Exchange, on March 3, 2021 and May 6, 2021, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100,000 and $50,000, respectively, of the Company's preference shares from time to time at market prices in open market purchases or as may be privately negotiated. The authorizations are collectively referred to as the "2021 Preference Share Repurchase Program". The following table shows the summary of the Company's preference shares repurchases made during the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022		2021	
	Number of shares purchased	Average price of shares purchased	Number of shares purchased	Average price of shares purchased
Series A	435,639	$ 5.27	3,519,093	$ 14.74
Series C	625,742	7.08	3,026,764	14.36
Series D	520,128	6.26	2,858,155	14.27
Total	1,581,509	6.31	9,404,012	14.48
Total price paid for preference shares	$ 9,983		$ 136,155	
Gain on purchase of preference shares	$ 28,233		$ 90,998	

The following table shows the Company's preference shares (including the total preference shares previously held by Maiden Reinsurance pursuant to the 2020 Tender Offer and the 2021 Preference Share Repurchase Program) prior to the Exchange that occurred on December 27, 2022:

	Series A	Series C	Series D	Total
Outstanding shares issued by Maiden Holdings	6,000,000	6,600,000	6,000,000	18,600,000
Less: Total shares previously held by Maiden Reinsurance	4,499,950	4,855,972	4,457,194	13,813,116
Total shares previously held by non-affiliates	1,500,050	1,744,028	1,542,806	4,786,884
Percentage previously held by Maiden Reinsurance	**75.0 %**	**73.6 %**	**74.3 %**	**74.3 %**

c) Treasury Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100,000 of the Company's common shares from time to time at market prices. At December 31, 2022 and 2021, the Company has a remaining authorization of $74,245 for common share repurchases. No repurchases were made during the years ended December 31, 2022 and 2021 under the common share repurchase plan.

During the year ended December 31, 2022, the Company repurchased 403,716 (2021 - 834,851) common shares at an average price per share of $2.50 (2021 - $2.97) from employees which represent tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

The 41,439,348 common shares issued to Maiden Reinsurance as part of the Exchange are reflected as treasury shares and are not treated as outstanding common shares at December 31, 2022.

(In thousands of U.S. dollars, except share and per share data)

6. Shareholders' Equity (continued)

The table below includes the total number of treasury shares outstanding at December 31, 2022 and 2021:

December 31,	2022	2021
Number of treasury shares held by Maiden Reinsurance due to the Exchange	41,439,348	—
Number of treasury shares due to common share repurchases for tax purposes	6,252,581	5,848,865
Total number of treasury shares at the end of the reporting period	47,691,929	5,848,865

d) Accumulated Other Comprehensive Income (Loss)

The following tables set forth financial information regarding the changes in the balances of each component of AOCI for the years ended December 31, 2022 and 2021:

For the Year Ended December 31, 2022	Change in net unrealized gains on investment	Foreign currency translation adjustments	Total
Beginning balance	$ (2,693)	$ (9,522)	$ (12,215)
Other comprehensive loss before reclassifications	(6,168)	(16,044)	(22,212)
Amounts reclassified from AOCI to net income, net of tax	(6,807)	—	(6,807)
Net current period other comprehensive loss	(12,975)	(16,044)	(29,019)
Ending balance, Maiden shareholders	$ (15,668)	$ (25,566)	$ (41,234)

For the Year Ended December 31, 2021	Change in net unrealized gains on investment	Foreign currency translation adjustments	Total
Beginning balance	$ 49,357	$ (25,500)	$ 23,857
Other comprehensive (loss) income before reclassifications	(33,263)	15,978	(17,285)
Amounts reclassified from AOCI to net income, net of tax	(18,787)	—	(18,787)
Net current period other comprehensive (loss) income	(52,050)	15,978	(36,072)
Ending balance, Maiden shareholders	$ (2,693)	$ (9,522)	$ (12,215)

(In thousands of U.S. dollars, except share and per share data)

7. Long-Term Debt

Senior Notes

At December 31, 2022 and 2021, Maiden Holdings had outstanding publicly-traded senior notes which were issued in 2016 ("2016 Senior Notes") and its wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA") had outstanding publicly-traded senior notes which were issued in 2013 ("2013 Senior Notes"(collectively "Senior Notes"). The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

The following tables detail the issuances outstanding at December 31, 2022 and 2021:

December 31, 2022	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,500	$ 262,500
Less: unamortized issuance costs	3,406	3,522	6,928
Carrying value	$ 106,594	$ 148,978	$ 255,572

December 31, 2021	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,500	$ 262,500
Less: unamortized issuance costs	3,463	3,690	7,153
Carrying value	$ 106,537	$ 148,810	$ 255,347

	2016 Senior Notes	2013 Senior Notes
Other details:		
Original debt issuance costs	$ 3,715	$ 5,054
Maturity date	June 14, 2046	December 1, 2043
Earliest redeemable date (for cash)	June 14, 2021	December 1, 2018
Coupon rate	6.625 %	7.75 %
Effective interest rate	7.07 %	8.04 %

The interest expense incurred on the Senior Notes for the year ended December 31, 2022 was $19,106 (2021 - $19,106), of which $1,342 was accrued at both December 31, 2022 and 2021, respectively. The issuance costs related to the Senior Notes were capitalized and are being amortized over the effective life of the Senior Notes. The amortization expense was $225 for the year ended December 31, 2022 (2021 - $221).

Under the terms of the 2013 Senior Notes, the 2013 Senior Notes can be redeemed, in whole or in part, at Maiden NA's option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden NA is required to give at least thirty days and not more than sixty days' notice prior to the redemption date.

Under the terms of the 2016 Senior Notes, the 2016 Senior Notes can be redeemed, in whole or in part, at Maiden Holdings' option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden Holdings is required to give at least thirty days and not more than sixty days notice prior to the redemption date.

(In thousands of U.S. dollars, except share and per share data)

8. Reinsurance

The Company uses reinsurance and retrocessional agreements ("ceded reinsurance") to mitigate volatility, reduce its exposure to certain risks and provide capital support. Ceded reinsurance provides for the recovery of a portion of loss and LAE under certain circumstances without relieving the Company of its obligations to the policyholders. The Company remains liable to the extent that any of its reinsurers or retrocessionaires fails to meet their obligations. Loss and LAE incurred and premiums earned are reported after deduction for ceded reinsurance. In the event that one or more of our reinsurers or retrocessionaires are unable to meet their obligations under these agreements, the Company would not realize the full value of the reinsurance recoverable balances.

The effect of ceded reinsurance on net premiums written and earned and on net loss and LAE for the years ended December 31, 2022 and 2021 was as follows:

For the Year Ended December 31,	2022	2021
Premiums written		
Direct	$ 24,553	$ 21,866
Assumed	(19,074)	(10,928)
Ceded	(397)	(535)
Net	$ 5,082	$ 10,403
Premiums earned		
Direct	$ 24,534	$ 22,857
Assumed	13,599	31,497
Ceded	(401)	(1,361)
Net	$ 37,732	$ 52,993
Loss and LAE		
Gross loss and LAE	$ 53,508	$ 9,344
Loss and LAE ceded	4,483	(2,037)
Net	$ 57,991	$ 7,307

The Company's reinsurance recoverable on unpaid losses balance as at December 31, 2022 was $556,116 (2021 - $562,845) presented in the Consolidated Balance Sheets. At December 31, 2022 and 2021, the Company had no valuation allowance against reinsurance recoverable on unpaid losses.

On December 27, 2018, Cavello Bay Reinsurance Limited ("Cavello") and Maiden Reinsurance entered into a retrocession agreement pursuant to which certain assets and liabilities associated with the U.S. treaty reinsurance business held by Maiden Reinsurance were 100.0% retroceded to Cavello in exchange for a ceding commission. The reinsurance recoverable on unpaid losses due from Cavello under this retrocession agreement was $60,112 at December 31, 2022 (2021 - $69,006).

On July 31, 2019, Maiden Reinsurance and Cavello entered into a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement"), pursuant to which Cavello assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share in excess of a $2,178,535 retention up to $600,000, in exchange for a retrocession premium of $445,000. The $2,178,535 retention is subject to adjustment for paid losses subsequent to December 31, 2018. The LPT/ADC Agreement provides Maiden Reinsurance with $155,000 in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. The LPT/ADC Agreement meets the criteria for risk transfer and is thus accounted for as retroactive reinsurance. Cumulative ceded losses exceeding $445,000 are recognized as a deferred gain liability and amortized into income over the settlement period of the ceded reserves in proportion to cumulative losses collected over the estimated ultimate reinsurance recoverable. The amount of the deferral is recalculated each period based on loss payments and updated estimates. Consequently, cumulative adverse development subsequent to December 31, 2018 may result in significant losses from operations until periods when the deferred gain is recognized as a benefit to earnings. As of December 31, 2022, the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement was $490,408 while the deferred gain liability under the LPT/ADC Agreement was $45,408 (December 31, 2021 - $490,860 and $45,860, respectively). Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is presently estimated to be in 2025.

Cavello provided collateral in the form of a letter of credit in the amount of $445,000 to AmTrust under the LPT/ADC Agreement. Cavello is subject to additional collateral funding requirements as explained in *"Note 10 — Related Party Transactions"*. As of December 31, 2022, the amount of collateral required was $461,563. Under the terms of the LPT/ADC Agreement, the covered losses associated with the Commutation and Release Agreement with AmTrust are eligible to be covered but recoverable only when such losses are paid or settled by AII or its affiliates, provided such losses and other related amounts shall not exceed $312,786. Cavello's parent company, Enstar Group Limited ("Enstar"), has credit ratings of BBB from both Standard & Poor's and Fitch Ratings at December 31, 2022.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses

General

The Company uses both historical experience and industry-wide loss development factors to provide a reasonable basis for estimating future losses. In the future, certain events may be beyond the control of management, such as changes in law, judicial interpretations of law, and rates of inflation, which may favorably or unfavorably impact the ultimate settlement of the Company’s loss and LAE reserves.

The anticipated effect of inflation is implicitly considered when estimating liabilities for loss and LAE. While anticipated changes in claim costs due to inflation are considered in estimating the ultimate claim costs, changes in the average severity of claims are caused by a number of factors that vary with the individual type of policy written. Ultimate losses are projected based on historical trends adjusted for implemented changes in underwriting standards, claims handling, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

The reserving process begins with the collection and analysis of paid losses and incurred claims data for each of the Company's contracts. While reserves are mostly reviewed on a contract by contract basis, paid loss and incurred claims data is also aggregated into reserving segments. The segmental data is disaggregated by reserving class and further disaggregated by either accident year (i.e. the year in which the loss event occurred) or by underwriting year (i.e. the year in which the contract generating the premium and losses incepted). In cases where the Company uses underwriting year information, reserves are subsequently allocated to the respective accident year. The reserve for loss and LAE comprises:

December 31,	**2022**	**2021**
Reserve for reported loss and LAE	$ 702,691	$ 851,950
Reserve for losses incurred but not reported ("IBNR")	428,717	637,423
Reserve for loss and LAE	$ 1,131,408	$ 1,489,373

The following table represents a reconciliation of the beginning and ending gross and net loss and LAE reserves:

For the Year Ended December 31,	**2022**	**2021**
Gross loss and LAE reserves, January 1	$ 1,489,373	$ 1,893,299
Less: reinsurance recoverable on unpaid losses, January 1	562,845	592,571
Net loss and LAE reserves, January 1	926,528	1,300,728
Net incurred losses related to:		
Current year	25,355	34,912
Prior years	32,636	(27,605)
	57,991	7,307
Net paid losses related to:		
Current year	(701)	(10,026)
Prior years	(398,499)	(389,231)
	(399,200)	(399,257)
Change in deferred gain on retroactive reinsurance	3,587	29,081
GLS run-off business acquired or assumed	10,905	14,825
Effect of foreign exchange rate movements	(24,519)	(26,156)
Net loss and LAE reserves, December 31	575,292	926,528
Reinsurance recoverable on unpaid losses, December 31	556,116	562,845
Gross loss and LAE reserves, December 31	$ 1,131,408	$ 1,489,373

Actuarial Methods Used to Estimate Loss and LAE Reserves

The Company utilizes a variety of standard actuarial methods in its analysis of loss reserves. The selections from these various methods are based on the loss development characteristics of the specific line of business and significant actuarial judgment. The actuarial methods utilized include:

The Expected Loss Ratio ("ELR") method is a technique that is multiplicative and applies an expected loss ratio to premium earned to yield the estimated ultimate losses. The ELR assumption is generally derived from pricing information and historical experience of the business. This method is frequently used for the purpose of stability in the early valuations of an underwriting year with large and uncertain loss development factors. This technique does not take into account actual loss emergence for the underwriting year being projected. As an underwriting year matures and actual loss experience becomes more credible, other methods may be applied in determining the estimated ultimate losses.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

The Loss Development ("LD") method is a reserving method in which ultimate losses are estimated by applying a loss development factor to actual reported (or paid) loss experience. This method fully utilizes actual experience. Multiplication of underwriting year actual reported (or paid) losses by its respective development factor produces the estimated ultimate losses. The LD method is based upon the assumption that the relative change in a given underwriting year's losses from one evaluation point to the next is similar to the relative change in prior underwriting years' losses at similar evaluation points. In addition, this method is based on the assumption that the reserving and payment patterns as well as the claim handling procedures have not changed substantially over time. In the case where changes to the payment patterns or the claim handling procedures are identified, historical losses are adjusted to the current basis, and development factors are selected based on the relative change of the adjusted losses (the Berquist Sherman method is one example of this approach). When a company has a sufficiently reliable loss development history, a development pattern based on the company's historical indications may be used to develop losses to ultimate values.

The Bornhuetter-Ferguson ("BF") reserving technique is used for long-tailed or lower frequency, more volatile lines. It is also useful in situations where the reported loss experience is relatively immature and/or lacks sufficient credibility for the application of methods that are more heavily reliant on emerged experience. The BF method is an additive IBNR method that combines the ELR and LD techniques by splitting the expected loss into two pieces - expected reported (or paid) losses and expected unreported (or unpaid) losses. Expected unreported (unpaid) losses, estimated by the use of loss development factors, are added to the current actual reported (or paid) losses to produce an estimate of ultimate losses by underwriting year. The BF method introduces an element of stability that moderates the impact of inconsistent changes in paid and reported losses.

The average frequency and severity ("FS") reserving technique is used for lines where claim count is available, and the estimate of loss development factors is more difficult due to volatility in historical data. The available data for such lines is usually more volatile in the estimation of future losses using the LD and BF reserving methods. The FS method uses historical data to estimate the average number of ultimate claims (frequency) and the average costs of closed claims (severity). The estimate of ultimate losses by underwriting year is the result of the multiplication of the ultimate number of claims and the average cost of a claim.

With the guidance of the methods above, actuarial judgment is applied in the determination of ultimate losses. In general, the Company's segments have varying levels of seasoning with which the Company has direct experience and as a result, differing methods are utilized to estimate loss and LAE reserves in each segment.

In the Diversified Reinsurance segment, the Company utilizes the ELR approach at the onset of reserving an account, the BF method for business with less but maturing loss experience, and as the experience matures the LD method. For proportional or pro-rata business, the Company typically relies heavily on the actual historical contract experience to estimate reserving parameters such as loss development factors, whereas for excess of loss business there will be more usage of industry and/or Company benchmark assumptions.

The Company underwrote the AmTrust Reinsurance segment from July 1, 2007 until January 30, 2019, when Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share on a run-off basis effective as of January 1, 2019, and Maiden Reinsurance, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019. A large proportion of the exposure in the underlying book of business has significant seasoning, and allows for a significant amount of credibility in using parameters derived from historical experience to calculate reserve estimates. Some segments of the book are a result of recent acquisitions or newer markets for AmTrust. These segments require a greater level of assumptions and professional judgment in deriving ultimate losses, which inherently implies a wider range of reasonable estimates. As a result, the Company has tended to rely on a weighted approach which primarily employs the LD method for aspects of the segment with ample historical data, while also considering the ELR or BF method for exposure resulting from recent acquisitions, or a relative business with a more limited level of experience. The FS method is also considered for segments of the AmTrust Reinsurance book of business for which claim count information is available. Additional data detailing items such as class of business, state, claim counts, frequency and severity is available, further enhancing the reserve analysis.

Prior Year Development

Prior period development arises from changes to loss estimates recognized in the current year that relate to loss reserves established in previous calendar years. The favorable or unfavorable development reflects changes in management's best estimate of the ultimate losses under the relevant reinsurance policies after considerable review of changes in actuarial assessments. The following table summarizes the (adverse) favorable prior period development experienced in each of our reportable segments for the years ended December 31, 2022 and 2021:

For the Year Ended	Diversified Reinsurance	AmTrust Reinsurance	Total
December 31, 2022	$ (4,552)	$ (28,084)	$ (32,636)
December 31, 2021	3,561	24,044	27,605

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

During 2022, the Company's incurred losses increased for 2021 and prior accident years by $32,636 or 3.5% of prior year net loss and LAE reserves. The Company had decreased incurred losses for 2020 and prior accident years of $27,605 or 2.1% during 2021. The net adverse prior year loss development of $32,636 for the year ended December 31, 2022 was primarily driven by adverse loss development of $28,084 in the AmTrust Reinsurance segment and net adverse loss development of $4,552 in the Diversified Reinsurance segment.

In the Diversified Reinsurance segment, net adverse prior year loss development of $4,552 for the year ended December 31, 2022 (2021 - favorable $3,561) was due to adverse development in GLS, European Capital Solutions and facultative reinsurance run-off business partly offset by favorable reserve development in German Auto Programs. The net favorable prior year loss development of $3,561 for the year ended December 31, 2021 was due to favorable development in facultative reinsurance run-off lines as well as auto programs in Australia, the U.K. and Germany. The table below details prior year loss development by line of business for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021
Prior Year Loss Development adverse (favorable)		
IIS business	$ (1,683)	$ (2,044)
GLS	1,825	—
Other run-off lines	4,410	(1,517)
Total Diversified Reinsurance Prior Year Development	$ 4,552	$ (3,561)

In the AmTrust Reinsurance segment, net adverse prior year development was $28,084 for the year ended December 31, 2022 (2021 - favorable $24,044). Net adverse prior year loss development of $28,084 during the year ended December 31, 2022 is driven by unfavorable movements in Commercial Auto Liability, General Liability, Other Specialty Risk & Extended Warranty and European Hospital Liability, partly offset by favorable development in Workers Compensation. European Hospital Liability was due in part to higher than expected loss emergence in Italian Hospital Liability policies as well as the agreed exit cost of $3,666 (€3,444) for the commutation of French Hospital Liability policies as described in *"Note 10. Related Party Transactions"*.

Net favorable prior year loss development in 2021 was largely due to Workers Compensation and Commercial Auto Liability partly offset by adverse development in General Liability and European Hospital Liability. The table below details prior year loss development by lines of business for the years ended December 31, 2022 and 2021:

For the Year Ended December 31,	2022	2021
Prior Year Loss Development adverse (favorable) before impact of LPT/ADC Agreement		
Workers Compensation	$ (38,131)	$ (22,242)
Commercial Auto Liability	19,088	(29,918)
General Liability	18,452	20,868
European Hospital Liability	13,247	7,885
Other Lines	(1,685)	(637)
Other Specialty Risk & Extended Warranty	17,113	—
Total AmTrust Reinsurance Prior Year Development	$ 28,084	$ (24,044)

The change in the deferred gain on retroactive reinsurance of $3,587 for the year ended December 31, 2022 (2021 - $29,081) relates to retroactive reinsurance in GLS and the LPT/ADC Agreement in the AmTrust Reinsurance Segment. The decrease in the deferred gain liability and related reinsurance recoverable on unpaid losses under the LPT/ADC Agreement with Cavello was $452 in the year ended December 31, 2022 (2021 - $29,081) due to favorable development on loss reserves covered under the LPT/ADC Agreement, specifically Workers Compensation. The deferred gain on retroactive reinsurance under the LPT/ADC Agreement represents the cumulative adverse development for covered risks under the AmTrust Quota Share as of December 31, 2022 and 2021. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is estimated to be in 2025.

9. Reserve for Loss and Loss Adjustment Expenses (continued)

a) Claims Development

The following is a summary of the Company's incurred and paid loss development by accident year, net of reinsurance, from the last ten calendar years including the total reserve for losses, IBNR, plus development on reported loss and LAE for specific lines of business in our reportable segments, Diversified Reinsurance and AmTrust Reinsurance, as of December 31, 2022. Information prior to 2022 is included as unaudited supplementary information. The incurred and paid amounts have been translated from the local currency to U.S. dollars using the December 31, 2022 spot rate for all years presented in the table below in order to isolate changes in foreign exchange rates from loss development. As a reinsurer of primarily quota share contracts, claim counts are available on a very limited basis. Therefore claim counts have not been provided in the tables below as it is impractical to do so.

Diversified Reinsurance segment incurred and paid losses are analyzed by following lines of business: (1) International; (2) GLS and (3) Other run-off lines. Loss development tables have not been presented for GLS and other run-off lines as loss development tables are not required for currently insignificant categories, therefore the GLS contracts and other run-off lines have been aggregated into two separate categories and included in the reconciliation disclosure only.

AmTrust Reinsurance segment incurred and paid losses are analyzed by the following lines of business: (1) Workers' Compensation; (2) Commercial Auto Liability; (3) General Liability; (4) European Hospital Liability; and (5) All Other Lines. There are a number of factors to consider when evaluating the information in these tables:

- In the Diversified Reinsurance segment, contracts in the International business are written on both an accident year and underwriting year basis, some are multi-line and the majority of the premium is associated with proportional contracts. Many proportional treaty reinsurance contracts are submitted using quarterly bordereau reporting by underwriting year. However, the remaining losses can generally only be allocated to accident years based on estimated premium earning and loss reporting patterns. Further estimates are required to allocate losses to line of business. Multi-line accounts are generally analyzed on an individual basis by line of business, but are booked in the Company's records to a contract, rather than to each individual line of business within a contract. For the purpose of this disclosure allocations are made to the various lines of business. Management's assumptions and allocation procedures for these tables may produce results that differ from the actual loss emergence reported by line of business each quarter;
- The AmTrust Reinsurance segment consists primarily of two contracts, the European Hospital Liability Quota Share and a much larger quota share that includes all other covered business, the AmTrust Quota Share. There is also a small amount of excess of loss business that has not been written since 2009 which is included as a reconciling item. Maiden receives several cession statements and uses these to report premiums in three categories - Small Business Commercial, Specialty Program and Specialty Risk and Extended Warranty in *Note 3. Segment Information*. The tables provided include allocations of IBNR reserves to line of business by accident year.
- Management's assumptions and allocation procedures for these tables may produce results that differ from the actual loss emergence reported by line of business each quarter; and
- For both segments, the premium and exposure for prior accident years is often reported to us in subsequent periods, as reporting lags exist from an insurer to a reinsurer. This leads to increases in the provision for loss and LAE in prior years, but does not reduce expected income (and in many cases can result in additional income).

<u>Diversified Reinsurance Segment: GLS</u>

GLS provides a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations. GLS works with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives.

Loss development tables have not been presented for GLS as the loss reserves and paid claims for each individual contract is currently insignificant, therefore the loss reserves for all the GLS contracts have been aggregated into a separate category and included in the reconciliation disclosure only. For GLS exposure, loss reserves are calculated primarily from utilizing the LD or FS methods. As the exposure being reinsured is typically retroactive in nature and covers more mature portfolios, the ELR or BF approach is not highly relied upon.

As of December 31, 2022, GLS related companies and its subsidiaries have insurance liabilities assumed primarily through a few retroactive reinsurance contracts which included total loss reserves of $28,230 and a loss recoverable of $4,669. Losses incurred for the year ended December 31, 2022 include paid losses of $7,129 and total loss reserves include IBNR reserves of $14,595 at December 31, 2022.

Also, please see *"Note 5 — Fair Value Measurements"* for the derivative liability of $14,559 on a reinsurance contract written by GLS which is included in accrued expenses and other liabilities. The fair value of this derivative instrument is determined using a discounted cash flow model in which the Company examines current market conditions, historical results as well as contract specific information that may impact future cash flows to assess the reasonableness of inputs used in the valuation model.

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Diversified Reinsurance Segment: IIS Business

The following tables represent information on the Company's incurred loss and LAE and cumulative paid loss and LAE, both net of reinsurance, since 2013 for the Company's IIS business in the Diversified Reinsurance segment. The development tables below included reserves acquired from the loss portfolio transfer agreement associated with the GMAC International Insurance Services ("IIS") business as at November 30, 2010 of $98,827. For the purposes of disclosure, the reserves from the loss portfolio transfer was allocated to the original accident year.

Many pro-rata contracts are big enough that specific company development patterns are used. The ELR from the pricing of the account is typically used for the first year or more until the data suggests an alternative result is likely. Use of the ELR method transitions to the BF and then the LD method. For smaller contracts, benchmark development patterns may be used in both the pricing to establish the ELR and the reserving. The use of benchmark patterns is more prevalent in excess of loss business and the movement to experience based methods is slower.

The IIS business written by the Company's IIS team is mainly proportional treaty business, a significant portion of which is Personal Auto quota share but also comprises credit life quota share. Life and personal accident business is also written on a direct basis by Maiden LF. The IIS business team works with insurance partners, automobile manufacturers and their related credit providers and other organizations to design and implement insurance programs in both auto distribution-related and other consumer insurance products.

For the auto quota share exposure, initial underwriting year loss projections are generally based on the ELR method, derived from account pricing analyses. Payment and reporting patterns are predominantly short-tailed, and the movement away from the ELR to BF or LD methods typically happens very rapidly. Credit life reserves are primarily a function of reporting lag, typically only one or several months on average. The reserves are calculated using a FS methodology, where the frequency is a function of the average claims lag and the average per claims severity.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Diversified Reinsurance - IIS business	Incurred loss and LAE, net of reinsurance										At December 31 2022
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total IBN
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2010	$ 74,743	$ 74,417	$ 72,469	$ 74,544	$ 76,544	$ 76,259	77,255	$ 77,373	$ 77,666	$ 77,870	$ (58
2011	45,794	45,974	45,931	45,762	46,140	46,391	46,349	46,310	46,310	46,422	10
2012	45,177	45,443	45,547	45,630	45,891	45,612	45,559	45,491	45,590	45,626	29
2013	42,423	47,521	48,835	48,337	48,937	48,770	49,138	49,073	49,173	49,219	(11
2014		42,353	48,084	47,947	47,843	47,641	47,705	47,464	47,354	47,401	6
2015			42,615	44,026	44,510	44,183	44,219	44,080	43,821	43,842	(12
2016				38,500	40,487	39,874	39,860	40,239	39,953	40,044	(6
2017					36,543	37,344	36,275	35,413	35,432	35,239	12
2018						41,124	39,484	39,659	39,689	39,854	(31
2019							34,665	36,632	35,713	35,869	1,47
2020								23,417	22,584	21,528	1,77
2021									6,337	6,433	5
2022										7,383	1,71
Total										$ 496,730	$ 4,41

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2010	$ 45,531	$ 47,263	$ 48,852	$ 50,367	$ 51,847	$ 53,423	$ 54,794	$ 55,834	$ 56,888	$ 57,801
2011	44,406	45,638	46,055	46,287	46,428	46,534	46,597	46,677	46,727	46,719
2012	38,237	40,608	41,692	42,017	42,599	42,706	42,719	42,799	42,891	42,808
2013	22,864	42,125	44,599	45,940	46,408	46,608	46,683	46,985	47,393	47,460
2014		23,559	41,807	44,070	45,292	45,531	45,632	45,742	45,801	45,800
2015			21,584	39,143	41,199	42,137	42,525	42,787	42,988	42,988
2016				22,112	36,206	37,912	38,612	39,199	39,685	40,466
2017					18,824	32,343	33,993	34,764	35,007	35,044
2018						19,613	35,506	37,472	38,454	38,999
2019							16,250	29,408	31,986	32,464
2020								11,192	18,898	19,848
2021									5,693	10,122
2022										1,175
Total										461,694
Total net reserves										$ 35,036

9. Reserve for Loss and Loss Adjustment Expenses (continued)

The following tables represent information on the Company's incurred loss and LAE and cumulative paid loss and LAE, both net of reinsurance, by significant line of business since 2011 for our AmTrust Reinsurance segment. All data shown for the AmTrust Reinsurance segment in the tables that follow are from the Company's quota share contracts with AmTrust, both the multi-year AmTrust Quota Share and European Hospital Liability Quota Share. AmTrust purchases significant reinsurance for losses above $10 million covered by the AmTrust Quota Share. The Company's share of AmTrust's losses net of reinsurance in the AmTrust Quota Share is generally 40%.

Additionally, for the Specialty Program portion of Covered Business only, AmTrust will be responsible for ultimate net loss otherwise recoverable from Maiden Reinsurance to the extent that the loss ratio to Maiden Reinsurance, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95% ("Loss Corridor"). Above and below the Loss Corridor, Maiden Reinsurance has reinsured losses at its proportional 40% share per the AmTrust Quota Share. Effective July 31, 2019, the Loss Corridor was amended such that the maximum amount covered is $40,500, the amount calculated by Maiden Reinsurance for the Loss Corridor coverage as of March 31, 2019. As of December 31, 2022, the projected amount subject to the Loss Corridor is $52,950 which exceeds the maximum amount covered. Any further development above this amount will be subject to the coverage of the LPT/ADC Agreement.

Recoverables from the LPT/ADC Agreement are displayed in the column "*Impact of LPT/ADC*" in the tables below. Amounts have been allocated to Accident Year and line of business according to the timing of the respective losses, based on the currently projected payout patterns. These allocations may shift over time as actual payments are made and payout patterns are re–estimated. Please refer to *"Note 8 — Reinsurance"* for additional information regarding the LPT/ADC Agreement.

<u>AmTrust Reinsurance: Workers' Compensation</u>

This reserve class consists of the Workers' Compensation portion of the AmTrust Quota Share. The business is written in the U.S. by AmTrust from both their Small Commercial Business and Specialty Program business units. The Small Commercial Business unit focuses on writing smaller, niche workers' compensation exposures in generally low-hazard occupations. Workers' Compensation business written in the Specialty Program unit is typically part of programs consisting of multiple lines of business. The business is produced by managing general agents with AmTrust regularly adding new programs and terminating or renegotiating unprofitable ones. Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. Since it is proportional exposure, and due to the size and the classes of business insured by AmTrust, this reserving class is much shorter tailed than a traditional workers compensation book, and the transition to the BF and the LD methods happens relatively quickly, within the first several years.

This line of business is covered under the LPT/ADC Agreement pursuant to which Cavello has assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share and therefore any adverse development will be recoverable as per terms of the agreement. Recoverables from the LPT/ADC Agreement are displayed in the column "*Impact of LPT/ADC*" in the loss triangle tables below.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Workers' Compensation	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2022	
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 82,438	$ 81,240	$ 82,301	$ 83,039	$ 83,622	$ 84,710	$ 83,952	$ 86,117	$ 86,292	$ 86,415	$ 2,351	$ 3,388
2009	103,864	109,213	106,204	105,901	107,165	110,175	109,664	109,021	110,207	109,384	1,899	3,846
2010	118,209	120,243	125,020	124,073	123,968	127,215	127,381	126,621	126,516	126,308	6,848	5,672
2011	130,712	132,728	133,995	133,916	135,379	138,600	139,685	141,272	137,355	140,257	5,193	7,479
2012	168,016	173,946	171,040	172,692	181,616	192,087	188,879	192,263	187,089	189,114	8,935	11,453
2013	237,019	245,765	238,392	242,447	261,915	276,249	273,571	281,580	277,365	277,226	10,213	16,426
2014		379,589	365,515	382,260	419,748	457,363	455,521	449,374	445,258	441,185	21,099	32,018
2015			474,140	474,212	526,269	551,145	545,271	549,857	547,439	537,963	28,451	45,036
2016				528,906	568,006	627,728	603,529	579,849	568,791	559,440	40,851	54,400
2017					615,957	654,362	613,577	593,920	591,122	580,155	30,646	70,284
2018						592,566	580,528	575,765	585,009	577,485	32,953	84,446
2019							12,751	9,945	10,871	10,152	(1,534)	—
Total										$ 3,635,084	$ 187,905	$ 334,448

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 76,018	$ 77,370	$ 78,161	$ 79,230	$ 81,159	$ 82,436	$ 82,709	$ 82,286	$ 82,676	$ 82,761
2009	89,462	93,425	96,396	98,811	100,103	101,823	102,877	103,771	104,205	104,434
2010	95,120	103,280	108,171	114,639	115,014	115,959	116,332	114,730	115,508	115,765
2011	91,414	105,584	114,107	115,966	122,579	124,315	125,843	129,408	130,413	130,958
2012	88,382	119,059	138,706	150,543	158,807	164,512	168,154	172,251	174,436	175,021
2013	56,249	121,182	168,785	199,300	216,527	227,502	234,342	248,103	252,506	255,720
2014		69,512	189,954	268,467	321,258	355,414	370,176	383,529	392,101	398,441
2015			86,695	246,616	338,642	388,640	417,736	448,867	466,868	476,769
2016				110,051	284,501	380,602	428,651	449,347	471,382	484,367
2017					111,508	274,596	448,551	485,611	507,903	520,180
2018						110,954	409,986	465,762	499,349	515,459
2019							3,907	5,821	8,070	9,024
Total										3,268,899
All outstanding liabilities prior to 2008, net of reinsurance										364
Total net reserves excluding impact of LPT/ADC Agreement										366,549
Less: Impact of LPT/ADC Agreement										(334,448)
Total net reserves including impact of LPT/ADC Agreement										$ 32,101

9. Reserve for Loss and Loss Adjustment Expenses (continued)

AmTrust Reinsurance: General Liability

This reserve class consists of the General Liability portion of the AmTrust Quota Share. The business is written in the U.S. by AmTrust from both their Small Commercial Business and Specialty Program business units. The Small Commercial Business unit focuses on writing smaller niche business, typically underserved by the broader insurance market, which typically have limits of $1,000. General Liability business written in the Small Commercial Business unit grew substantially following AmTrust's renewal rights acquisition in 2014. Specialty Program business may contain a mix of exposures from retail operations, contractors, manufacturers, and other premises.

Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. This proportional exposure is medium tailed, and the IBNR is typically derived from the use of the initial ELR, or the FS method as claim counts emerge, for the first several years following the earning of the exposure, followed by a transition to the BF and the LD methods.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

General Liability	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2022	
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 33,051	$ 33,792	$ 34,169	$ 35,985	$ 36,627	$ 37,605	$ 36,996	$ 40,398	$ 40,381	$ 40,017	$ 3,036	$ 121
2009	29,123	30,902	32,418	34,040	34,863	35,138	35,410	36,228	35,733	35,495	431	143
2010	34,761	36,455	38,536	38,298	41,597	42,884	43,062	45,490	44,778	44,856	330	340
2011	35,628	40,557	42,100	45,303	49,338	52,746	53,499	55,607	54,683	54,288	278	600
2012	33,445	42,450	48,851	50,800	55,991	59,948	63,429	63,704	64,052	63,615	3,450	1,426
2013	42,021	43,116	66,869	68,641	79,731	89,204	92,032	95,050	96,342	96,388	2,159	3,606
2014		65,469	66,558	77,930	99,873	111,970	116,085	119,367	119,782	119,413	6,211	7,612
2015			118,111	95,766	122,942	139,518	154,071	154,529	154,939	155,234	7,150	13,950
2016				98,149	114,864	120,911	148,371	147,858	147,996	150,019	11,764	20,042
2017					116,158	133,533	165,268	161,354	162,856	167,257	18,159	29,737
2018						121,991	153,822	148,817	148,295	151,791	18,617	35,974
2019							5,427	6,017	5,981	3,906	1,962	—
Total										$ 1,082,279	$ 73,547	$ 113,551

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 29,384	$ 32,849	$ 32,423	$ 32,765	$ 34,935	$ 36,699	$ 34,893	$ 37,253	$ 37,278	$ 37,473
2009	19,727	24,298	28,312	30,924	32,878	33,473	32,487	34,984	34,999	35,093
2010	19,010	26,429	30,948	34,125	37,317	39,214	39,888	42,509	43,076	44,040
2011	12,158	22,963	31,619	39,350	41,257	47,141	49,178	51,492	52,592	53,064
2012	13,224	18,020	29,752	40,864	45,775	53,526	56,538	55,350	57,913	58,889
2013	4,996	10,226	32,249	44,698	58,377	70,074	76,996	83,571	87,178	89,473
2014		3,503	24,581	36,026	57,678	77,259	86,101	92,861	96,521	102,290
2015			20,849	33,963	52,350	79,291	98,278	112,542	120,546	131,224
2016				6,402	21,959	45,855	67,064	88,627	101,764	114,422
2017					6,967	27,001	51,545	79,531	97,356	119,417
2018						7,907	24,618	42,792	65,947	90,841
2019							27	314	717	1,218
Total										877,444
All outstanding liabilities prior to 2008, net of reinsurance										16
Total net reserves excluding impact of LPT/ADC Agreement										204,851
Less: Impact of LPT/ADC Agreement										(113,551)
Total net reserves including impact of LPT/ADC Agreement										$ 91,300

9. Reserve for Loss and Loss Adjustment Expenses (continued)

AmTrust Reinsurance: Commercial Auto Liability

Commercial Auto Liability is written in the U.S. and included in the Small Commercial Business and Specialty Program business units within the AmTrust Quota Share. The Small Commercial Business unit focuses on writing smaller niche business, typically under-served by the broader insurance market, and policies typically have limits of $1,000. Auto Liability business written in the Small Commercial Business unit grew substantially following a large renewal rights acquisition completed by AmTrust in 2014. Commercial Auto Liability business written in the Specialty Program unit is typically part of programs consisting of multiple lines of business.

Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. This proportional exposure is relatively short tailed, and the transition to the BF and the LD methods happens relatively quickly, within the first several years.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Commercial Auto Liability	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2022	
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 33,700	$ 34,522	$ 34,584	$ 35,975	$ 35,521	$ 35,382	$ 35,542	$ 37,746	$ 37,854	$ 37,885	$ 2,063	$ 13
2009	28,551	30,812	31,024	30,468	30,919	31,033	31,064	31,082	31,019	30,979	397	50
2010	37,154	38,043	40,193	40,523	42,146	41,996	42,070	40,637	40,631	40,608	192	32
2011	29,577	32,578	33,839	34,790	36,149	36,065	34,643	34,707	34,690	34,633	476	—
2012	32,691	40,076	44,812	48,116	46,150	45,753	45,917	45,902	45,753	45,860	(41)	4
2013	33,473	44,771	50,647	59,702	63,162	62,163	63,620	63,532	63,589	63,500	249	79
2014		47,525	55,023	73,966	82,427	89,299	92,572	94,238	93,208	93,164	818	462
2015			66,967	92,955	106,560	119,141	127,560	129,849	129,082	129,632	492	848
2016				121,828	118,210	144,077	171,504	170,275	167,479	170,221	588	2,658
2017					156,575	189,257	220,457	230,972	220,471	224,132	5,775	6,907
2018						177,150	224,780	230,200	219,800	230,516	12,231	14,413
2019							79,172	77,371	73,023	74,553	9,976	—
2020										—	(7)	—
Total										$ 1,175,683	$ 33,209	$ 25,466

For the Year Ended December 31,	Cumulative paid loss and LAE, net of reinsurance									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 30,975	$ 32,643	$ 33,536	$ 34,074	$ 34,803	$ 35,284	$ 36,968	$ 34,982	$ 35,013	$ 35,339
2009	22,959	26,975	29,226	29,829	29,842	30,204	31,194	30,337	30,340	30,341
2010	28,602	34,855	37,734	39,413	39,750	40,282	40,395	40,407	40,411	40,416
2011	18,813	25,808	29,769	32,362	33,130	33,155	33,451	33,872	34,005	34,158
2012	14,979	26,508	35,460	43,745	44,165	45,555	45,751	45,819	45,812	45,825
2013	8,267	19,865	34,379	48,122	57,349	59,600	62,331	62,562	62,968	63,070
2014		8,450	22,858	42,960	64,459	79,766	87,458	90,761	91,000	91,115
2015			13,102	39,179	62,945	86,433	107,707	118,753	121,605	125,415
2016				19,071	48,595	76,635	113,174	133,826	145,727	158,822
2017					26,863	69,657	115,623	154,600	176,863	197,857
2018						30,018	67,080	107,184	138,770	178,479
2019							9,456	22,799	34,365	49,073
2020								7	7	7
Total										1,049,917
All outstanding liabilities prior to 2008, net of reinsurance										59
Total net reserves excluding impact of LPT/ADC Agreement										125,825
Less: Impact of LPT/ADC Agreement										(25,466)
Total net reserves including impact of LPT/ADC Agreement										$ 100,359

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

AmTrust Reinsurance: European Hospital Liability

AmTrust entered this line of business in Italy in 2010 when it believed there were significant opportunities in what had traditionally been an under-performing market. European Hospital Liability policies are written on a claim made basis. Maiden wrote a separate annually renewable contract covering this exposure in 2011 which is not part of the AmTrust Quota Share. Currently, most exposure remains in Italy with a modest amount of exposure to other European nations. The European Hospital Liability Quota Share is a claims made exposure, and in many instances claims are eventually closed with no liability. This phenomena is estimated during the reserving process, and can result in a provision for pure IBNR (reserves for claims which have not yet been reported) which is minimal or negative. This estimate will vary as the exposure matures which could result in changes to the level of reserves. Also, severity for known claims and expenses can increase over time, which requires a provision for IBNR. The net result is a relatively small amount of IBNR. European Hospital Liability business is not covered under the LPT/ADC Agreement, therefore any adverse development in this line of business may result in significant losses.

Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. As the exposure matures, the projection methodology transitions to the LD method. The underlying policies assumed are subject to deductibles on both a per claim and aggregate basis. The LD method is applied to both the net of deductible data, as well as individually to gross and deductible protections, with a final estimate made by evaluating both methodologies.

European Hospital Liability	Incurred loss and LAE, net of reinsurance										At December 31, 2022
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total IBNR
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2011	$ 34,017	$ 46,998	$ 44,705	$ 61,558	$ 59,690	$ 57,234	$ 59,387	$ 59,656	$ 60,384	$ 67,547	$ 72
2012	76,985	76,239	97,757	87,448	82,802	107,010	111,624	112,513	113,902	117,038	(958)
2013	46,409	58,306	60,822	79,904	73,060	93,646	99,193	100,519	102,074	104,022	(15)
2014		48,283	50,843	54,459	60,595	76,408	81,397	82,391	83,677	83,496	(68)
2015			45,015	43,704	56,903	62,565	65,550	65,776	67,979	69,511	3,215
2016				42,146	48,519	63,503	65,905	64,463	65,746	65,220	3,414
2017					38,800	49,435	51,452	50,078	48,183	47,010	3,472
2018						42,238	29,957	30,843	30,234	32,374	241
2019							15,049	13,930	14,854	14,800	650
Total										$ 601,018	$ 10,023

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2011	$ 12,141	$ 22,279	$ 27,253	$ 33,862	$ 39,178	$ 43,149	$ 46,731	$ 51,046	$ 53,859	$ 57,899
2012	14,556	33,129	43,149	55,476	65,413	73,016	78,817	88,334	93,133	99,707
2013	2,829	14,230	24,483	37,356	46,959	52,626	59,493	72,015	77,288	84,916
2014		3,982	11,216	23,314	33,182	37,234	43,920	55,203	58,012	67,693
2015			3,288	10,456	21,587	27,550	33,086	43,398	42,931	52,110
2016				3,393	10,079	16,700	22,214	32,971	35,440	44,924
2017					1,211	4,181	7,167	13,910	19,172	28,407
2018						872	2,147	5,114	7,359	20,980
2019							10,856	1,517	2,865	9,973
Total										466,609
Total net reserves										$ 134,409

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

AmTrust Reinsurance: All Other Lines Includes all lines except Workers' Compensation, General Liability, and Commercial Auto from Small Commercial Business and Specialty Program Divisions. The predominant exposures include property and auto physical damage.

All Other Lines	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2022	
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 28,715	$ 29,149	$ 29,237	$ 29,070	$ 29,576	$ 29,574	$ 29,519	$ 24,045	$ 24,016	$ 24,013	$ (4,931)	$ —
2009	11,959	13,329	14,309	14,492	16,088	15,653	14,617	15,750	15,373	15,373	373	—
2010	24,718	15,484	16,078	16,105	17,071	17,059	15,438	15,905	15,905	15,905	52	—
2011	26,343	27,509	22,359	22,616	23,376	23,506	21,469	21,515	21,500	21,496	151	—
2012	18,443	19,426	21,898	18,673	19,850	20,260	19,578	17,969	17,811	17,819	(260)	152
2013	17,806	17,630	28,058	22,918	21,313	21,669	21,735	20,644	20,639	20,637	1,174	247
2014		20,597	25,268	26,021	24,958	26,278	24,929	21,496	21,491	21,493	(17)	122
2015			52,706	54,857	49,631	49,463	47,882	44,939	44,749	44,456	711	50
2016				79,654	74,948	72,384	73,602	67,060	66,944	66,791	6,512	113
2017					104,637	96,812	92,904	96,196	96,104	96,267	1,507	173
2018						96,910	103,489	101,553	101,913	102,061	(1,546)	275
2019							37,945	43,146	43,554	42,003	1,025	—
2020										—	(103)	—
2021										—	(66)	—
Total										$ 488,314	$ 4,582	$ 1,132

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 29,900	$ 31,217	$ 29,388	$ 29,177	$ 30,833	$ 30,683	$ 29,234	$ 24,706	$ 28,850	$ 28,850
2009	8,743	11,093	13,105	13,870	15,224	15,051	14,009	14,954	14,986	14,986
2010	13,012	15,375	15,748	16,058	16,919	16,786	15,285	15,853	15,854	15,854
2011	17,571	21,279	22,044	22,715	23,892	23,661	21,481	21,343	21,339	21,334
2012	14,031	16,033	16,936	17,946	18,205	18,685	17,559	18,071	18,077	18,077
2013	11,877	15,997	17,509	20,258	20,456	20,447	19,343	20,146	19,465	19,463
2014		12,028	20,277	20,940	22,018	26,194	21,405	21,497	21,493	21,509
2015			28,929	45,208	42,631	41,962	44,179	43,622	43,895	43,742
2016				42,795	69,805	65,452	63,234	63,450	60,008	59,967
2017					48,903	80,726	80,735	93,212	93,541	94,206
2018						56,539	86,455	98,386	101,158	102,587
2019							22,095	38,793	40,427	40,670
2020								4	103	103
2021									66	66
Total										481,414
All outstanding liabilities prior to 2008, net of reinsurance										(5)
Total net reserves excluding impact of LPT/ADC Agreement										6,895
Less: Impact of LPT/ADC Agreement										(1,132)
Total net reserves including impact of LPT/ADC Agreement										$ 5,763

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Reconciliation of Loss Development Tables to Consolidated Balance Sheet

The following table represents a reconciliation of the net incurred and paid loss development tables to the reserve for loss and LAE in the Consolidated Balance Sheet at December 31, 2022:

	December 31, 2022		
	Total Net Reserves (including impact of ADC)	Reinsurance Recoverables on unpaid claims	Total Gross Reserves
Diversified Reinsurance			
IIS business	$ 35,036	$ 927	$ 35,963
Other reconciling items excluded from loss development tables			
GLS	23,561	4,669	28,230
Other run-off lines	18,419	—	18,419
Total Diversified Reinsurance	77,016	5,596	82,612
AmTrust Reinsurance			
Workers' Compensation	32,101	334,448	366,549
General Liability	91,300	113,551	204,851
Commercial Auto Liability	100,359	25,466	125,825
European Hospital Liability	134,409	—	134,409
All Other Lines	5,763	1,132	6,895
Total	363,932	474,597	838,529
Other reconciling items excluded from loss development tables	134,344	15,811	150,155
Total AmTrust Reinsurance	498,276	490,408	988,684
US Treaty business ceded to Cavello	—	60,112	60,112
Total reserves for loss and LAE	$ 575,292	$ 556,116	$ 1,131,408

b) Claims duration disclosure

The following unaudited supplementary information represents the average annual percentage payout of net loss and LAE by age, net of reinsurance, for both our reportable segments at December 31, 2022:

	Average annual payout of incurred claims by age, net of reinsurance									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Diversified Reinsurance										
International	49.7 %	39.4 %	3.8 %	2.3 %	1.4 %	0.5 %	0.2 %	(0.5)%	— %	0.2 %
AmTrust Reinsurance										
Workers' Compensation	18.9 %	32.1 %	18.1 %	8.7 %	4.8 %	3.7 %	3.0 %	2.4 %	1.6 %	1.5 %
General Liability	6.1 %	10.8 %	13.5 %	16.3 %	14.2 %	10.3 %	6.9 %	6.1 %	3.1 %	3.3 %
Commercial Auto Liability	12.0 %	17.8 %	19.0 %	18.4 %	14.2 %	7.5 %	4.5 %	1.2 %	0.4 %	0.4 %
European Hospital Liability	3.5 %	7.8 %	11.4 %	14.9 %	10.0 %	7.5 %	7.2 %	6.6 %	6.0 %	3.9 %
All other lines	57.1 %	32.4 %	2.8 %	4.9 %	2.6 %	(2.5)%	0.5 %	(0.6)%	(2.9)%	(0.2)%

The average annual payout of incurred claims by age, net of reinsurance, is calculated using the amount of claims paid in each development year and is compared with the estimated incurred claims as of the most recent period presented.

10. Related Party Transactions

The Founding Shareholders of the Company were Michael Karfunkel, George Karfunkel and Barry Zyskind. Based on each individual's most recent public filing, Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) each own or control less than 5.0% of the Company's outstanding common shares. Leah Karfunkel and George Karfunkel are directors of AmTrust, and Barry Zyskind is the chief executive officer and chairman of AmTrust. Leah Karfunkel, George Karfunkel and Barry Zyskind own or control approximately 55.2% of the ownership interests of Evergreen Parent, L.P., the ultimate parent of AmTrust.

The following describes transactions that have transpired between the Company and AmTrust:

AmTrust Quota Share

Effective July 1, 2007, the Company and AmTrust entered into a master agreement, as amended ("Master Agreement"), by which they caused Maiden Reinsurance and AII to enter into the AmTrust Quota Share by which AII retroceded to Maiden Reinsurance an amount equal to 40% of the premium written by subsidiaries of AmTrust, net of the cost of unaffiliated inuring reinsurance and 40% of losses. The Master Agreement further provided that AII receive a ceding commission of 31% of ceded written premiums. On June 11, 2008, Maiden Reinsurance and AII amended the AmTrust Quota Share to add Retail Commercial Package Business to the Covered Business (as defined in the AmTrust Quota Share). AII receives a ceding commission of 34.375% on Retail Commercial Package Business. On July 1, 2016, the agreement was renewed through June 30, 2019. Effective July 1, 2018, the amount AEL ceded to Maiden Reinsurance was reduced to 20%.

Effective July 1, 2013, for the Specialty Program portion of Covered Business only, AII was responsible for ultimate net loss otherwise recoverable from Maiden Reinsurance to the extent that the loss ratio to Maiden Reinsurance, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95%. Above and below the Loss Corridor, Maiden Reinsurance continued to reinsure losses at its proportional 40% share of the AmTrust Quota Share. Effective July 31, 2019, the Loss Corridor was amended such that the maximum amount covered is $40,500, the amount calculated by Maiden Reinsurance for the Loss Corridor coverage as of March 31, 2019. Any development above this maximum amount will be subject to the coverage of the LPT/ADC Agreement.

Effective January 1, 2019, Maiden Reinsurance and AII entered into a partial termination amendment ("Partial Termination Amendment") which amended the AmTrust Quota Share. The Partial Termination Amendment provided for the cut-off of the ongoing and unearned premium of AmTrust’s Small Commercial Business, comprising workers’ compensation, general liability, umbrella liability, professional liability (including cyber liability) insurance coverages, and U.S. Specialty Risk and Extended Warranty ("Terminated Business") as of December 31, 2018. Under the Partial Termination Amendment, the ceding commission payable by Maiden Reinsurance for its remaining in-force business immediately prior to January 1, 2019 increased by five percentage points with respect to in-force remaining business (excluding Terminated Business) and related unearned premium as of January 1, 2019. The Partial Termination Amendment resulted in Maiden Reinsurance returning $647,980 in unearned premium to AII, or $436,760 net of applicable ceding commission and brokerage as calculated during the second quarter of 2019.

Subsequently, on January 30, 2019, Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share on a run-off basis effective as of January 1, 2019.

Effective July 31, 2019, Maiden Reinsurance and AII entered into a Commutation and Release Agreement which provided for AII to assume all reserves ceded by AII to Maiden Reinsurance with respect to its proportional 40% share of the ultimate net loss under the AmTrust Quota Share related to the commuted business including: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies and as defined in the AmTrust Quota Share ("Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies ("Commuted New York Business"), and together with the Commuted California Business ("Commuted Business") in exchange for the release and full discharge of Maiden Reinsurance's obligations to AII with respect to the Commuted Business. The Commuted Business excludes any business classified by AII as Specialty Program or Specialty Risk business.

Maiden Reinsurance paid $312,786 ("Commutation Payment"), which is the sum of the net ceded reserves in the amount of $330,682 with respect to the Commuted Business as of December 31, 2018 less payments in the amount of $17,896 made by Maiden Reinsurance with respect to the Commuted Business from January 1, 2019 through July 31, 2019. The Commutation Payment was settled on August 12, 2019 and Maiden Reinsurance paid AII approximately $6,335 in interest related to the Commutation Payment premium, calculated at the rate of 3.30% per annum from January 1, 2019 through August 12, 2019.

AII and Maiden Reinsurance also agreed that as of July 31, 2019, the AmTrust Quota Share was deemed amended as applicable so that the Commuted Business is no longer included as part of Covered Business under the AmTrust Quota Share.

On January 30, 2019, in connection with the termination of the reinsurance agreement described above, the Company and AmTrust entered into a second amendment to the Master Agreement between the parties, originally entered into on July 3, 2007, to remove the provisions requiring AmTrust to reinsure business with the Company.

European Hospital Liability Quota Share

Effective April 1, 2011, Maiden Reinsurance entered into the European Hospital Liability Quota Share with AEL and AIU DAC. Pursuant to the terms of the European Hospital Liability Quota Share, Maiden Reinsurance assumed 40% of the premiums and losses related to policies classified as European Hospital Liability, including associated liability coverages and policies covering physician defense costs, written or renewed on or after April 1, 2011.

(In thousands of U.S. dollars, except share and per share data)

10. Related Party Transactions (continued)

The European Hospital Liability Quota Share also covers policies written or renewed on or before March 31, 2011, but only with respect to losses that occur, accrue or arise on or after April 1, 2011. The maximum limit of liability attaching shall be €5,000 (€10,000 effective January 1, 2012) or currency equivalent (on a 100% basis) per original claim for any one original policy. Maiden Reinsurance paid a ceding commission of 5% on contracts assumed under the European Hospital Liability Quota Share.

Effective July 1, 2016, the European Hospital Liability Quota Share was amended such that Maiden Reinsurance assumes from AEL 32.5% of the premiums and losses of all policies written or renewed on or after July 1, 2016 until June 30, 2017 and 20% of all policies written or renewed on or after July 1, 2017. Thereafter, on January 30, 2019, Maiden Reinsurance, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019.

Effective July 1, 2022, Maiden Reinsurance and AIU DAC entered into an agreement ("Commutation Agreement") which provided for AIU DAC to assume all reserves ceded by AIU DAC to Maiden Reinsurance with respect to AIU DAC’s French Medical Malpractice exposures for underwriting years 2012 through 2018 reinsured by Maiden Reinsurance under the European Hospital Liability Quota Share. In accordance with the Commutation Agreement, Maiden Reinsurance paid $31,291 (€29,401) to AIU DAC, which is the sum of net ceded reserves of $27,625 (€25,956) and an agreed exit cost of $3,666 (€3,444). As a result of the Commutation Agreement, Maiden Reinsurance reduced its exposure to AmTrust's Hospital Liability business, however, it continues to have exposure to Italian medical malpractice liabilities under the European Hospital Liability Quota Share.

The table below shows the effect of both of these quota share arrangements with AmTrust on the Company's Consolidated Income Statements for the years ended December 31, 2022 and 2021, respectively:

For the Year Ended December 31,	2022	2021
Gross and net premiums written	$ (18,538)	$ (5,695)
Net premiums earned	9,749	25,312
Net loss and loss adjustment expenses	(45,508)	(3,438)
Commission and other acquisition expenses	(4,347)	(9,747)

Collateral provided to AmTrust

a) AmTrust Quota Share

To provide AmTrust's U.S. insurance subsidiaries with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of AmTrust's insurance subsidiaries, established trust accounts ("Trust Accounts") for their benefit. Maiden Reinsurance has provided appropriate collateral to secure its proportional share under the AmTrust Quota Share of AII's obligations to the AmTrust subsidiaries to whom AII is required to provide collateral which can include (a) assets loaned by Maiden Reinsurance to AII for deposit into the Trust Accounts, pursuant to a loan agreement between those parties, (b) assets transferred by Maiden Reinsurance for deposit into the Trust Accounts, or (c) a letter of credit obtained by Maiden Reinsurance and delivered to an AmTrust subsidiary on AII's behalf. Maiden Reinsurance may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Reinsurance's proportionate share of its obligations under the AmTrust Quota Share. The collateral requirements under the AmTrust Quota Share with AII was satisfied as follows:

- by lending funds of $167,975 at December 31, 2022 and 2021 pursuant to a loan agreement entered into between those parties. Advances under the loan are secured by promissory notes. This loan was assigned by AII to AmTrust effective December 31, 2014 and is carried at cost. Interest is payable at a rate equivalent to the Federal Funds Effective Rate ("Fed Funds") plus 200 basis points per annum. The interest income on the loan was $6,202 for the year ended December 31, 2022 (2021 - $3,492) and the effective yield was 3.7% (2021 - 2.1%).
- on January 30, 2019, in connection with the termination of the reinsurance agreements described above, the Company and AmTrust amended the Loan Agreement between Maiden Reinsurance, AmTrust and AII, originally entered into on November 16, 2007, by extending the maturity date to January 1, 2025 and specifies that due to the termination of the AmTrust Quota Share, no further loans or advances may be made pursuant to the Loan Agreement;
- effective December 1, 2008, the Company entered into a Reinsurer Trust Assets Collateral agreement to provide to AII sufficient collateral to secure its proportional share of AII's obligations to the U.S. AmTrust subsidiaries. The amount of the collateral at December 31, 2022 was approximately $42,305 (2021 - $246,874) and the accrued interest was $224 (2021 - $1,171). Please refer to "*Note 4. (e) Investments*" for additional information.
- on January 11, 2019, a portion of the existing Trust Accounts used for collateral on the AmTrust Quota Share were converted to a funds withheld arrangement. The Company transferred $575,000 to AmTrust as a funds withheld receivable which had an annual interest rate for 2022 of 2.1%, subject to annual adjustment (2021 - 1.8%). At December 31, 2022, the balance of funds withheld was $416,835 (2021 - $575,000) and the accrued interest was $2,359 (2021 - $2,609). The interest income on the funds withheld receivable was $10,791 for the year ended December 31, 2022 (2021 - $10,350).

10. Related Party Transactions (continued)

Pursuant to the terms of the LPT/ADC Agreement, Maiden Reinsurance, Cavello and AmTrust and certain of its affiliated companies entered into a Master Collateral Agreement (“MCA”) to define and enable the operation of collateral provided under the AmTrust Quota Share. Under the MCA, Cavello provided letters of credit on behalf of Maiden Reinsurance to AmTrust in an amount representing Cavello's obligations under the LPT/ADC Agreement. Because these letters of credit replaced other collateral previously provided directly by Maiden Reinsurance to AmTrust, the MCA coordinates the collateral protection that will be provided to AmTrust to ensure that no gaps in collateral funding occur by operation of the LPT/ADC Agreement and related MCA. As a result of entering into both the LPT/ADC Agreement and the MCA, certain post-termination endorsements (“PTEs”) to the AmTrust Quota Share between AII and Maiden Reinsurance were required.

Effective July 31, 2019, the PTEs: i) enable the operation of both the LPT/ADC Agreement and MCA by making provision for certain forms of collateral, including letters of credit provided by Cavello on Maiden Reinsurance’s behalf, and further defines the permitted use and return of collateral; and ii) increase the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 105% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Under certain defined conditions, Maiden Reinsurance may be required to increase this funding percentage to 110%.

Effective March 16, 2020, Maiden Reinsurance discontinued as a Bermuda company and completed its re-domestication to the State of Vermont. Bermuda is a Solvency II equivalent jurisdiction and the State of Vermont is not such a jurisdiction; therefore, the collateral provided under the respective agreements with AmTrust subsidiaries was strengthened to reflect the impact of the re-domestication concurrent with the date of Maiden Reinsurance’s re-domestication to Vermont. Maiden Reinsurance and AmTrust agreed to: 1) amend the AmTrust Quota Share pursuant to Post Termination Endorsement No. 2 effective March 16, 2020; and 2) amend the European Hospital Liability Quota Share pursuant to Post Termination Endorsement No. 1 effective March 16, 2020.

Pursuant to the terms of Post Termination Endorsement No. 2 to the AmTrust Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AII by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 110% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Post Termination Endorsement No. 2 also sets forth conditions by which the funding percentage will be reduced and the sequence of how collateral will be utilized as obligations as defined under the AmTrust Quota Share are satisfied. Pursuant to the terms of Post Termination Endorsement No. 2, Maiden Reinsurance anticipates that the funding percentage will be reduced to 107.5% no later than the first quarter of 2023.

Pursuant to the terms of Post Termination Endorsement No. 1 to the European Hospital Liability Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AEL and AIU DAC by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to the greater of 120% of the Exposure (as defined therein) and the amount of security required to offset the increase in the Solvency Capital Requirement (“SCR”) that results from the changes in the SCR which arise out of Maiden Reinsurance's re-domestication as compared to the SCR calculation if Maiden Reinsurance had remained domesticated in a Solvency II equivalent jurisdiction with a solvency ratio above 100% and provided collateral equivalent to 100% of the Exposure.

b) European Hospital Liability Quota Share

Collateral has been provided to both AEL and AIU DAC under the European Hospital Liability Quota Share. For AEL, the amount of collateral held in reinsurance trust accounts at December 31, 2022 was $188,473 (2021 - $244,488) and the accrued interest was $966 (2021 - $1,273). For AIU DAC, the Company utilized funds withheld to satisfy its collateral requirements which was used to settle the Commutation Agreement on September 12, 2022. Therefore, at December 31, 2022, the funds withheld balance was $0 (2021 - $26,460) and the accrued interest was $0 (2021 - $141). AIU DAC paid Maiden Reinsurance a fixed annual interest rate of 0.5% on the average daily funds withheld balance. The interest income on the funds withheld receivable was $59 for the year ended December 31, 2022 (2021 - $147).

Asset Management Agreement

Effective July 1, 2007, the Company entered into an asset management agreement with AII Insurance Management Limited ("AIIM"), a wholly owned subsidiary of AmTrust, pursuant to which AIIM agreed to provide investment management services to the Company. Effective January 1, 2018, AIIM provides investment management services for a quarterly fee of 0.02125% of the average value of the account. The agreement may be terminated upon 30 days written notice by either party. The Company recorded $417 of investment management fees for the year ended December 31, 2022 (2021 - $846) under this agreement.

On September 9, 2020, Maiden Reinsurance, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden Reinsurance and AIIM, and the release by Maiden Reinsurance of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

On November 13, 2020, Maiden LF, Maiden GF, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden LF, Maiden GF and AIIM, and the release by Maiden LF and Maiden GF of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

11. Commitments, Contingencies and Guarantees

a) Concentrations of Credit Risk

At December 31, 2022 and 2021, the Company's assets where significant concentrations of credit risk may exist include investments, cash and cash equivalents, loan to related party, reinsurance recoverable on unpaid losses and funds withheld receivable. Please refer to "*Note 8 — Reinsurance*" for additional information regarding the Company's credit risk exposure on its reinsurance counterparties including the impact of the LPT/ADC Agreement effective January 1, 2019. The Company requires its reinsurers to have adequate financial strength. The Company evaluates the financial condition of its reinsurers and monitors its concentration of credit risk on an ongoing basis. Provisions are made for amounts considered potentially uncollectible. Letters of credit are provided by its reinsurers for material amounts recoverable as discussed in *"Note 8 — Reinsurance"*.

The Company manages the concentration of credit risk in its investment portfolio through issuer and sector exposure limitations. The Company believes it bears minimal credit risk in its cash on deposit. The Company also monitors the credit risk related to the loan to related party and funds withheld receivable, within which the largest balances are due from AmTrust. AmTrust has a financial strength/credit rating of A- (Excellent) from A.M. Best at December 31, 2022. To mitigate credit risk, the Company generally has a contractual right of offset thereby allowing claims to be settled net of any premiums or loan receivable. The Company believes these balances as at December 31, 2022 will be fully collectible.

b) Concentrations of Revenue

During the year ended December 31, 2022, net premiums earned from AmTrust accounted for $9,749 or 25.8% of total net premiums earned (2021 – $25,312 or 47.8%).

c) Brokers

The Company formerly marketed its Diversified Reinsurance segment through third-party intermediaries as well as directly through its own marketing efforts. The majority of business within the Diversified Reinsurance segment was marketed directly through our own efforts with no significant reliance on brokers for the years ended December 31, 2022 and 2021.

d) Letters of Credit

At December 31, 2022, the Company had letters of credit outstanding of $40,319 (2021 - $53,566) for collateral purposes which are secured by cash and fixed maturities with a fair value of $47,110 at December 31, 2022 (2021 - $72,823).

e) Employment Agreements

The Company has entered into employment agreements with certain individuals. The employment agreements provide for executive benefits and severance payments under certain circumstances.

f) Operating Lease Commitments

The Company leases office spaces, housing, office equipment and company vehicles under various operating leases expiring in various years through 2024. The Company's leases are currently classified as operating leases and none of them have any non-lease components. For operating leases that have a lease term of more than twelve months, and whose lease payments are above a certain threshold, the Company recognizes a lease liability and a right-of-use asset in the Consolidated Balance Sheets at the present value of the remaining lease payments until expiration. As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 10%, representing its secured incremental borrowing rate, in calculating the present value of the lease liability.

At December 31, 2022, the Company's future lease obligations of $300 (2021 - $473) were calculated based on the present value of future annual rental commitments excluding taxes, insurance and other operating costs for non-cancellable operating leases discounted using its secured incremental borrowing rate. This amount has been recognized on the Consolidated Balance Sheets as a lease liability within accrued expenses and other liabilities with an equivalent amount for the right-of-use asset presented as part of other assets.

The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company's weighted-average remaining lease term is 1.8 years at December 31, 2022.

Under *Topic 842, Leases*, the Company continues to recognize the related leasing expense on a straight-line basis over the lease term on the Consolidated Statements of Income. The Company's total lease expense for the year ended December 31, 2022 was $375 (2021 - $613) recognized within net income consistent with the prior accounting treatment under *Topic 840.*

(In thousands of U.S. dollars, except share and per share data)

11. Commitments, Contingencies and Guarantees (continued)

g) Investment Commitments and Related Financial Guarantees

The Company had total unfunded commitments on alternative investments of $112,989 at December 31, 2022 (2021 - $121,627) which included commitments for other investments, private equity securities and equity method investments. The table below shows the total unfunded commitments by type of investment as at December 31, 2022 and 2021:

December 31,	2022		2021	
	Fair Value	% of Total	Fair Value	% of Total
Private equity funds	$ 54,996	48.7 %	$ 46,149	37.9 %
Private credit funds	13,906	12.3 %	4,897	4.0 %
Investments in direct lending entities	—	— %	13,216	10.9 %
Other privately held investments	705	0.6 %	4,000	3.3 %
Total unfunded commitments on other investments	69,607	61.6 %	68,262	56.1 %
Total unfunded commitments on equity securities	16,509	14.6 %	27,415	22.6 %
Total unfunded commitments on equity method investments	26,873	23.8 %	25,950	21.3 %
Total unfunded commitments on alternative investments	$ 112,989	100.0 %	$ 121,627	100.0 %

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future.

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

As discussed above, at December 31, 2022, guarantees of $42,141 (2021 - $33,305) were provided to lenders by the Company on behalf of real estate joint ventures, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

h) Other Collateral

In the ordinary course of business, the Company enters into reinsurance agreements that may include terms which could require the Company to collateralize certain of its obligations as further discussed in *Note 8 — Reinsurance* and *Note 10 — Related Party Transactions*.

i) Deposit Insurance

The Company maintains cash and cash equivalents balances at financial institutions in the U.S., Bermuda and other international jurisdictions. In the U.S., the Federal Deposit Insurance Corporation secures accounts up to $250. In certain other international jurisdictions, there exist similar protections. Management monitors balances in excess of insured limits and believes they do not represent a significant credit risk to the Company.

j) Legal Proceedings

Except as noted below, the Company is not a party to any material legal proceedings. The Company may become involved in various claims and legal proceedings, including arbitrations, that arise in the normal course of its business. These legal proceedings generally relate to claims asserted by or against the Company in the ordinary course of its insurance or reinsurance operations. Based on the Company's opinion, the eventual outcome of these legal proceedings are not likely to have a material adverse effect on its financial condition, results of operations or liquidity.

In April 2009, the Company learned that Bentzion S. Turin, the former Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, sent a letter to the U.S. Department of Labor claiming that his employment with the Company was terminated in retaliation for corporate whistleblowing in violation of the whistleblower protection provisions of the Sarbanes-Oxley Act of 2002. Mr. Turin alleged that he was terminated for raising concerns regarding corporate governance with respect to the negotiation of the terms of the Trust Preferred Securities Offering. He seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, back pay and legal fees incurred.

11. Commitments, Contingencies and Guarantees (continued)

On December 31, 2009, the U.S. Secretary of Labor found no reasonable cause for Mr. Turin's claim and dismissed the complaint in its entirety. Mr. Turin objected to the Secretary's findings and requested a hearing before an administrative law judge in the U.S. Department of Labor. The Company moved to dismiss Mr. Turin's complaint, and its motion was granted by the Administrative Law Judge on June 30, 2011. On July 13, 2011, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On March 29, 2013, the Administrative Review Board reversed the dismissal of the complaint on procedural grounds, and remanded the case to the administrative law judge. The administrative hearing began in September 2014 and concluded in November 2018. On September 2, 2021, Administrative Law Judge Theresa C. Timlin of the U.S. Department of Labor issued a decision and order which denied Mr. Turin's complaint in full. On September 16, 2021, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. The Company believes that it had good and sufficient reasons for terminating Mr. Turin's employment and that the claim is without merit. The Company will continue to vigorously defend itself against this claim.

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019. On February 19, 2020, the Court appointed lead plaintiffs, and on May 1, 2020, lead plaintiffs filed an amended class action complaint (the "Amended Complaint").The Amended Complaint asserts violations of Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) arising in large part from allegations that Maiden failed to take adequate loss reserves in connection with reinsurance provided to AmTrust. Plaintiffs further claim that certain of Maiden Holdings' representations concerning its business, underwriting and financial statements were rendered false by the allegedly inadequate loss reserves, that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company's stock price fell, causing Plaintiffs to incur losses. On September 11, 2020, a motion to dismiss was filed on behalf of all Defendants. On August 6, 2021, the Court issued an order denying, in part, Defendants' motion to dismiss, ordering Plaintiffs to file a shorter amended complaint no later than August 20, 2021, and permitting discovery to proceed on a limited basis. On February 7, 2023, the District Court denied Plaintiffs' motion for reconsideration of the District Court's decision denying Plaintiffs' objection to the Magistrate Judge's December 2021 ruling on discovery. The Company expects to file a dispositive motion in the near future. We believe the claims are without merit and we intend to vigorously defend ourselves. It is possible that additional lawsuits will be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial condition.

(In thousands of U.S. dollars, except share and per share data)

12. Earnings per Common Share

The following is a summary of the elements used in calculating basic and diluted earnings per common share:

For the Year Ended December 31,	2022	2021
Numerator:		
Net (loss) income	$ (60,041)	$ 26,645
Gain from exchange of preference shares – Series A, C and D	87,240	—
Gain from repurchase of preference shares – Series A, C and D	28,233	90,998
Amount allocated to participating common shareholders[1]	(314)	(1,021)
Net income allocated to Maiden common shareholders	$ 55,118	$ 116,622
Denominator:		
Weighted average number of common shares – basic	87,112,711	86,068,278
Potentially dilutive securities:		
Share options and restricted share units[2]	1,263	4,389
Adjusted weighted average common shares – diluted	87,113,974	86,072,667
Basic and diluted earnings per share attributable to Maiden common shareholders	$ 0.63	$ 1.35

(1) This represents the share in net income using the two-class method for holders of non-vested restricted shares issued to the Company's employees under the 2019 Omnibus Incentive Plan.

(2) Please refer to *"Note 6 — Shareholders' Equity"* and *"Note 14 — Share Compensation and Pension Plans"* in the Notes to Consolidated Financial Statements for the terms and conditions of securities that could potentially be dilutive in the future. For the year ended December 31, 2022, there were 1,263 potentially dilutive securities (2021 - 4,389).

(In thousands of U.S. dollars, except share and per share data)

13. Income Taxes

Under current Bermuda law, Maiden Holdings received an undertaking from the Bermuda government exempting them from all local income, withholding and capital gains taxes until March 31, 2035. At the present time, no such taxes are levied in Bermuda. Maiden Holdings believes that they operate in a manner such that they will not be considered to be engaged in a trade or business in the U.S. Accordingly, Maiden Holdings has not recorded any provision for U.S. taxation.

Maiden NA files a consolidated federal income tax return for the Company's U.S. based subsidiaries, including Maiden Reinsurance, which re-domesticated to Vermont on March 16, 2020 and, as a result, became subject to U.S. taxes. Maiden NA has Net Operating Loss carry-forwards ("NOL") and other Deferred Tax Assets ("DTA") and Deferred Tax Liabilities ("DTL") that are not presently recognized as a net DTA because a full valuation allowance is currently carried against them.

Our U.S. subsidiaries are subject to federal, state and local corporate income taxes and other taxes applicable to U.S. corporations. The provision for federal income taxes was determined under the principles of the consolidated tax provisions of the U.S. Internal Revenue Code and Regulations. Should our U.S. subsidiaries pay a dividend outside the U.S. group, withholding taxes will apply. Tax years 2019 to 2021 are subject to examination in the U.S by the Internal Revenue Service.

The Company has subsidiary operations in various other locations around the world, including Canada, Ireland, Sweden and the United Kingdom, that are subject to relevant taxes in those jurisdictions. These subsidiaries are not under examination but generally remain subject to examination in all applicable jurisdictions for tax years from 2018 through 2022. Deferred income taxes have not been accrued with respect to certain undistributed earnings of foreign subsidiaries as it is the intention that such earnings will remain reinvested or will not be taxable. If the earnings were to be distributed, as dividends or otherwise, such amounts may be subject to withholding tax in the country of the paying entity. Currently, however, no withholding taxes have been accrued.

There were no unrecognized tax benefits at December 31, 2022 and 2021. Total (loss) income before income taxes and total income tax (benefit) expense for the years ended December 31, 2022 and 2021 are as follows:

For the Year Ended December 31,	2022	2021
Loss before income taxes – Domestic (Bermuda)	$ (20,509)	$ (23,345)
(Loss) income before income taxes – Foreign (U.S. and others)	(40,089)	50,005
Total (loss) income before income taxes	$ (60,598)	$ 26,660
Current tax expense – Domestic (Bermuda)	$ —	$ —
Current tax (benefit) expense – Foreign (U.S. and others)	(478)	244
Total current tax (benefit) expense	(478)	244
Deferred tax expense – Domestic (Bermuda)	—	—
Deferred tax benefit – Foreign (U.S. and others)	(79)	(229)
Total deferred tax benefit	(79)	(229)
Total income tax (benefit) expense	$ (557)	$ 15

The following table is a reconciliation of the actual income tax rate for the years ended December 31, 2022 and 2021 to the amount computed by applying the effective tax rate of 0.0% under Bermuda law to the Company's loss before income taxes:

For the Year Ended December 31,	2022	2021
(Loss) income before income taxes	$ (60,598)	$ 26,660
Less: income tax (benefit) expense	(557)	15
Net (loss) income	$ (60,041)	$ 26,645
Reconciliation of effective tax rate (% of income before income taxes)		
Bermuda tax rate	— %	— %
U.S. taxes at statutory rates	36.5 %	24.3 %
Valuation allowance in respect of U.S. taxes	(36.5)%	(22.3)%
Other jurisdictions	0.9 %	(1.9)%
Actual tax rate	0.9 %	0.1 %

(In thousands of U.S. dollars, except share and per share data)

13. Income Taxes (continued)

Deferred income taxes reflect the tax impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The significant components of the Company's deferred tax assets and liabilities at December 31, 2022 and 2021 were as follows:

December 31,	2022	2021
Deferred tax assets:		
Net operating losses	$ 58,939	$ 48,346
Unearned premiums	2,813	4,202
Capital loss carry-forward	3,036	2,831
Net unrealized losses on investments	23,276	2,236
Discounting of net loss and LAE reserves	22,964	30,423
Interest limitation	—	11
Deferred gain on retroactive reinsurance	11,032	10,282
Others	1,175	840
Deferred tax assets before valuation allowance	123,235	99,171
Valuation allowance	116,237	90,077
Deferred tax assets, net	6,998	9,094
Deferred tax liabilities:		
Deferred commission and other acquisition expenses	5,767	8,201
Others	56	53
Deferred tax liabilities	5,823	8,254
Net deferred tax asset	$ 1,175	$ 840

The net deferred tax asset at December 31, 2022 was $1,175 (2021 - $840). A valuation allowance has been established against the net U.S. deferred tax assets which is primarily attributable to net operating losses and capital losses. At this time, the Company believes it is necessary to establish a valuation allowance against the U.S. net deferred tax assets as more evidence is needed regarding the utilization of these losses. During 2022, the Company recorded an increase in the valuation allowance of $26,160 (2021 - decrease of $6,337).

At December 31, 2022, the Company has available net operating loss carry-forwards of $280,664 (2021 - $230,220) for income tax purposes which expire beginning in 2029. At December 31, 2022, the Company also has a capital loss carry-forward of $14,458 (2021 - $13,483) which will expire in beginning in 2023.

(In thousands of U.S. dollars, except share and per share data)

14. Share Compensation and Pension Plans

The Company's Amended and Restated 2007 Share Incentive Plan ("2007 Plan") provided for grants of options, restricted shares and restricted share units. New shares were issued upon exercise of options and vesting of restricted shares and share units. The total number of common shares currently reserved for issuance under the Plan was 10,000,000. The 2007 Plan was administered by the Compensation Committee of the Board of Directors (the "Compensation Committee").

2019 Omnibus Incentive Plan

During the 2019 Annual General Meeting of Shareholders of the Company held on December 10, 2019, the 2007 Plan was terminated, assumed by and replaced with the 2019 Omnibus Incentive Plan ("2019 Omnibus Plan"). The Company filed the Form S-8 *"Securities offered to employees pursuant to employee benefit plans"* with the SEC on January 20, 2020, which covers the offer and resale of up to 11,289,956 of the Company's common shares. Such shares may be offered and sold from time to time by certain officers and directors of the Company who have acquired or will acquire shares pursuant to the 2019 Omnibus Plan. The 2019 Omnibus Plan is administered by the Compensation Committee.

Share Options

Exercise prices of options are established at or above the fair market value of the Company's common shares at the date of grant. Under the 2019 Omnibus Plan, unless otherwise determined by the Committee and provided in an award agreement, 25% of the options will become exercisable on the first anniversary of the grant date, with an additional 6.25% of the options vesting each quarter thereafter based on the grantee's continued employment over a four-year period, and will expire ten years after grant date.

The fair value of each option grant is separately estimated for each vesting date. The fair value of each option is amortized into compensation expense on a straight-line basis between the grant date for the award and each vesting date. The Company has estimated the fair value of all share option awards on the date of the grant by applying the Black-Scholes-Merton multiple-option pricing valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense.

This table shows all share option activity under the 2019 Omnibus Plan for the years ended December 31, 2022 and 2021:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value	Range of Option Exercise Prices (Low to High)	
Outstanding, December 31, 2020	264,500	$ 9.22	4.72 years	$ —	$1.31	$13.98
Expired	(49,500)	10.57				
Outstanding, December 31, 2021	215,000	8.91	4.28 years	13	1.31	13.98
Exercised	(7,500)	1.31		7		
Expired	(57,250)	7.20				
Forfeited	(6,250)	7.20				
Outstanding, December 31, 2022	144,000	9.72	3.40 years	—	3.24	13.98
Total exercisable, December 31, 2022	144,000	9.72	3.40 years	—	3.24	13.98

The weighted average grant date fair value is $2.29 (2021 - $2.13) for all options outstanding at December 31, 2022. There was $0 (2021 - $1) of total unrecognized compensation cost related to non-vested options outstanding at December 31, 2022. There were 7,500 share options exercised during the year ended December 31, 2022 (2021 - zero).

Restricted Shares

The fair value of each restricted share is determined based on the market value of the Company's common shares on the date of grant. The total estimated fair value is amortized as an expense on a straight-line basis over the requisite service period as determined by the Committee, which varies between zero to three years for employees and one year for directors.

Non-Performance-Based ("NPB") Restricted Shares

It is the Company's intention that annually, on or around June 1, each non-employee director will receive a grant of $65 worth of compensation which, if non-cash compensation, will vest on the first anniversary of the grant. On an annual basis, the Company grants each non-employee director $65 worth of compensation in the form of either restricted shares, which vest on the first anniversary of the grant, share options or cash. For the year ended December 31, 2022, the Company issued a total of 382,436 (2021 - 238,750) restricted shares to non-employee directors as well as employees for compensation related to their services. The restricted shares for non-employee directors were issued on June 1, 2022 pursuant to the 2019 Omnibus Plan and vest in full on June 1, 2023.

The restricted shares issued to other employees will vest after two years of service. The total fair value of NPB Restricted Shares that vested during the year ended December 31, 2022 was $455 (2021 - $1,442).

(In thousands of U.S. dollars, except share and per share data)

14. Share Compensation and Pension Plans (continued)

Discretionary Performance-Based ("PB") Restricted Shares

During the year ended December 31, 2022, a total of 724,702 (2021 - 1,322,410) restricted shares were granted to senior management and employees pursuant to the 2019 Omnibus Plan, of which 724,702 (2021 - 1,322,410) restricted shares vested immediately. The remaining restricted shares issued to other senior employees vested within two years of service. The total fair value of PB Restricted Shares that vested during the year ended December 31, 2022 was $2,148 (2021 - $3,623).

The following table shows the summary of activity for the Company's restricted share awards:

	Non-Performance-Based Restricted Shares		Discretionary Performance-Based Restricted Shares	
	Number of Restricted Shares	Weighted Average Grant-Date Fair Value	Number of Restricted Shares	Weighted Average Grant-Date Fair Value
Non-vested at December 31, 2020	1,243,270	$ 1.22	238,294	$ 1.26
Awards granted	238,750	3.44	1,322,410	2.74
Awards vested	(1,178,522)	1.22	(1,322,410)	2.74
Awards forfeited	(54,166)	1.20	(200)	1.26
Non-vested at December 31, 2021	249,332	3.35	238,094	1.26
Awards granted	382,436	2.51	724,702	2.55
Awards vested	(137,677)	3.30	(962,796)	2.23
Awards forfeited	(1,628)	3.07	—	—
Non-vested at December 31, 2022	492,463	2.71	—	—

Total unrecognized compensation cost of $567 related to restricted shares at December 31, 2022, which will be recognized during the next 0.90 years. Total share-based expense for the year ended December 31, 2022 was $2,740 (2021 - $4,771).

Pension Plans

The Company provides pension benefits to eligible employees principally through its sponsorship of various defined contribution plans which vary by subsidiary. The Company's total expenses for its defined contribution pension plans for the year ended December 31, 2022 was $707 (2021 - $764).

(In thousands of U.S. dollars, except share and per share data)

15. Statutory Requirements and Dividend Restrictions

Our insurance and reinsurance operations are subject to insurance and/or reinsurance laws and regulations in the jurisdictions in which they operate. These regulations include certain liquidity and solvency requirements whereby restrictions are imposed on the amount of dividends or other distributions, such as loans or cash advances, available to shareholders without prior approval of the insurance regulatory authorities. The statutory capital and surplus and statutory net (loss) income of our principal operating subsidiaries in their respective jurisdictions were as follows:

	Maiden Reinsurance (a)	Maiden LF (b)	Maiden GF (b)
Statutory Capital and Surplus			
December 31, 2022	$ 898,137	$ 7,807	$ 8,471
December 31, 2021	999,843	8,250	9,972
Statutory Net Income (Loss)			
For the Year Ended December 31, 2022	$ (88,240)	$ (507)	$ (289)
For the Year Ended December 31, 2021	36,309	(899)	(1,018)

a) United States of America

Under Vermont statutory regulations, no captive insurance company may pay a dividend out of, or other distribution with respect to, capital or surplus without the prior approval of the Commissioner. Approval of an ongoing plan for the payment of dividends or other distributions shall be conditioned upon the retention, at the time of each payment, of capital or surplus in excess of amounts specified by, or determined in accordance with formulas approved by, the Commissioner. Notwithstanding the provisions of 11B Vermont Statutes Annotated chapter 13, a captive insurance may make such distributions as are in conformity with its purposes and approved by the Commissioner. In the second quarter of 2022, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to that approval, Maiden Reinsurance paid $18,750 in dividends to Maiden NA during the year ended December 31, 2022.

Maiden Reinsurance is also required to maintain minimum levels of solvency and liquidity as determined by Vermont law, and to comply with Risk-Based Capital ("RBC") requirements and licensing rules as specified by the National Association of Insurance Commissioners ("NAIC"). RBC is used to evaluate the adequacy of capital and surplus maintained by Maiden Reinsurance in relation to risks associated with: (i) asset risk; (ii) insurance risk; (iii) interest rate risk and (iv) business risk. At December 31, 2022, Maiden Reinsurance's statutory capital and surplus exceeded the amount required to be maintained of $106,976 as of that date.

b) Sweden

The Company has two Swedish domiciled insurance subsidiaries in Sweden, Maiden LF and Maiden GF, both regulated by the Swedish Finansinspektionen ("Swedish FSA").

Maiden LF was required to maintain a minimum level of statutory capital and surplus of $4,341 at December 31, 2022 (2021 - $4,207). This requirement was met by Maiden LF throughout the respective years. LF's statutory assets were $15,812 at December 31, 2022 (2021 - $17,545) and its statutory capital and surplus was $7,807 at December 31, 2022 (2021 - $8,250). Maiden LF is subject to statutory and regulatory restrictions under the Swedish FSA that limit the maximum amount of annual dividends or distributions paid by Maiden LF to Maiden Holdings. As of December 31, 2022 and 2021, Maiden LF was not allowed to pay dividends or distributions without the permission of the Swedish FSA. No dividends were paid during the years ended December 31, 2022 and 2021.

Maiden GF was required to maintain a minimum level of statutory capital and surplus of $5,616 at December 31, 2022 (2021 - $5,059). This requirement was met by Maiden GF throughout the respective years. GF's statutory assets were $13,500 at December 31, 2022 (2021 - $15,573) and its statutory capital and surplus was $8,471 at December 31, 2022 (2021 - $9,972). Maiden GF is subject to statutory and regulatory restrictions under the Swedish FSA that limit the maximum amount of annual dividends or distributions paid by Maiden GF to Maiden Holdings. As of December 31, 2022, Maiden GF was not allowed to pay dividends or distributions without the permission of the Swedish FSA. No dividends were paid during the years ended December 31, 2022 and 2021.

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Subsidiary	Note	Jurisdiction
Maiden Holdings, Ltd.	(1)	
Maiden Holdings North America, Ltd.		Delaware
Maiden Global Servicing Company, LLC	(2)	Delaware
Maiden Reinsurance Ltd.	(3)	Vermont
Genesis Legacy Solutions, LLC ("GLS")	(4)	Delaware
GLS Services Company ("GLS Services")	(5)	Delaware
Genesis Legacy Insurance Company (Vermont) Limited	(6)	Vermont
Cypress – Genesis Incorporated Cell Company	(7)	Vermont
AMS – Genesis Incorporated Cell Company	(8)	Vermont
MFB – Genesis Incorporated Cell Company	(9)	Vermont
CPA Insurance Inc.	(10)	Vermont
NEKO 2018 A, LLC	(11)	Texas
NEKO 2018 D, LLC	(11)	Texas
NEKO 2018 E, LLC	(11)	Texas
94 Pembroke GP Corp.	(11)	British Columbia
94 Pembroke LP Corp.	(11)	British Columbia
Maiden Life Försäkrings AB		Sweden
Maiden General Försäkrings AB		Sweden
Regulatory Capital Limited		Ireland
Maiden Global Holdings Ltd.		England & Wales

(1) All subsidiaries are 100% wholly owned by Maiden Holdings, Ltd. unless otherwise noted.
(2) 100% wholly owned subsidiary of Maiden Holdings North America, Ltd.
(3) Effective March 16, 2020, Maiden Reinsurance Ltd. is domiciled in Vermont, United States and became 100% wholly owned subsidiary of Maiden Holdings North America, Ltd.
(4) GLS was acquired by Maiden Reinsurance Ltd. on November 24, 2020.
(5) 100% wholly owned subsidiary of GLS.
(6) 100% wholly owned subsidiary of GLS Services incorporated on July 19, 2021
(7) 100% wholly owned subsidiary of GLS Services incorporated on July 21, 2021.
(8) 100% wholly owned subsidiary of GLS Services incorporated on December 29, 2021.
(9) 100% wholly owned subsidiary of GLS Services incorporated on March 22, 2022.
(10) 100% wholly owned subsidiary of GLS acquired on December 30, 2022.
(11) 100% wholly owned subsidiary of Maiden Reinsurance Ltd.

Exhibit 22.1

List of each of the parent company’s subsidiaries that is a guarantor, issuer, or co-issuer of guaranteed securities registered or being registered that the parent company issues, co-issues, or guarantees.

Subsidiary	Note	Jurisdiction
Maiden Holdings, Ltd.	(1)	
Maiden Holdings North America, Ltd.	(2)	Delaware

1. Maiden Holdings' 100% wholly owned subsidiary, Maiden Holdings North America, Ltd. has outstanding publicly-traded senior notes which were issued in 2013 ("2013 Senior Notes").

2. The 2013 Senior Notes issued by Maiden Holdings North America, Ltd. are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and insubordinate obligations of Maiden Holdings.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-235948) pertaining to Maiden Holdings, Ltd. 2019 Omnibus Incentive Plan of our reports dated March 15, 2023, with respect to the consolidated financial statements of Maiden Holdings, Ltd. and the effectiveness of internal control over financial reporting of Maiden Holdings, Ltd. included in this Annual Report (Form 10-K) for the year ended December 31, 2022.

/s/ Ernst & Young LLP

New York, NY

March 15, 2023

EXHIBIT 31.1

CERTIFICATION

I, Lawrence F. Metz, certify that:

1. I have reviewed this annual report on Form 10-K of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 15, 2023

/s/ Lawrence F. Metz

Lawrence F. Metz
President and Co-Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Patrick J. Haveron, certify that:

1. I have reviewed this annual report on Form 10-K of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 15, 2023

/s/ Patrick J. Haveron

Patrick J. Haveron
Co-Chief Executive Officer and Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Annual Report on Form 10-K for the year ended December 31, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 15, 2023	By:	/s/ Lawrence F. Metz
		Lawrence F. Metz President and Co-Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.

Exhibit 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Annual Report on Form 10-K for the year ended December 31, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 15, 2023	By:	/s/ Patrick J. Haveron
		Patrick J. Haveron Co-Chief Executive Officer and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.