

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K  
CURRENT REPORT

**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 26, 2022

JAMES RIVER GROUP HOLDINGS, LTD.

(Exact name of registrant as specified in its charter)

Bermuda

001-36777

98-0585280

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke HM08, Bermuda**

**(Address of principal executive offices)**

**(Zip Code)**

**(441) 278-4580**

**(Registrant's telephone number, including area code)**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, par value \$0.0002 per share	JRVR	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

## **Item 2.02 Results of Operations and Financial Condition.**

On August 1, 2022, James River Group Holdings, Ltd. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this “Form 8-K”).

The information in this Item 2.02 and in Exhibit 99.1 furnished herewith shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act unless specifically stated by the Company.

## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On July 26, 2022, the board of directors (the “Board”) of the Company, acting at the recommendation of the Compensation Committee of the Board, approved the James River Group Holdings, Ltd. Short-Term Incentive Plan and granted initial award opportunities under such plan for performance during the 2022 fiscal year, as well as approved a long-term incentive plan.

### **Short-Term Incentive Plan**

The Short-Term Incentive Plan (the “STI Plan”) is designed to provide incentives to designated senior officers of the Company to achieve certain financial and strategic performance targets and to link executive compensation to shareholder results by rewarding competitive and superior performance. Pursuant to the STI Plan, participants have the opportunity to receive a cash incentive award based upon the level of achievement of performance goals over the period of January 1, 2022 through December 31, 2022. The named executive officers of the Company are among the participants for the 2022 performance period.

The performance metrics for the Company’s senior officer participants with Company-wide responsibility, including Frank D’Orazio, Chief Executive Officer, and Sarah Doran, Chief Financial Officer, are adjusted Company combined ratio, adjusted earnings before interest and taxes (EBIT) and certain strategic goals, each of which account for one-third of the award opportunity. The performance metrics for the Company’s senior officer participants who are a business segment leader or whose responsibilities are primarily focused on a single business segment, including Richard Schmitzer, President and Chief Executive Officer of the Excess and Surplus Lines segment, Terence McCafferty, President and Chief Executive Officer of the Specialty Admitted Insurance segment, and Daniel Heinlein, President and Chief Executive Officer of the Casualty Reinsurance segment, are the same as those for participants with Company-wide responsibilities, except that the adjusted combined ratio metric will be evenly divided between the adjusted combined ratio of the Company and the adjusted combined ratio of the segment for which such person serves as the President and Chief Executive Officer. The manner of calculation of adjusted combined ratio and adjusted EBIT for purposes of the STI Plan are set forth on Appendix 1 to the form of the PRSU agreement, filed as Exhibit 10.1 to this Form 8-K.

Payouts for achievement of threshold, target and maximum performance levels are set at 50%, 100% and 150% of the target amount, respectively. Performance falling in-between these levels is determined by linear interpolation. Target payouts for each of the named executive officers is set forth below, and is equivalent to their 2022 annual base pay.

<b><u>Executive Officer</u></b>	<b><u>Target Payout</u></b>
Frank D’Orazio	\$925,000
Sarah Doran	\$550,000
Richard Schmitzer	\$650,000
Terry McCafferty	\$420,000
Daniel Heinlein	\$365,000

The Compensation Committee will determine and recommend to the Board for approval the aggregate payout for the 2022 performance period in the first quarter of 2023 following review of 2022 performance. Subject to Board approval, the Compensation Committee has discretion to adjust final results in the event of unusual or nonrecurring events.

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To receive a payout, the participant must remain employed through the settlement of the award, subject to certain exceptions for (i) separation due to death, disability or a qualifying retirement, (ii) termination without cause, by reason of the Company's non-renewal of the participant's contract, or resignation by the participant for good reason, or (iii) a change in control of the Company, followed by termination without cause of the participant, the Company's non-renewal of the participant's employment contract, or resignation by the participant for good reason under the circumstances, and with modified payouts, described in the STI Plan.

The foregoing description of the STI Plan does not purport to be complete and is qualified in its entirety by reference to the STI Plan, which is filed as Exhibit 10.1 to this Form 8-K and is incorporated by reference herein.

#### **Long-Term Incentive Plan**

The long-term incentive plan (the "LTI Plan") is designed to align compensation of designated senior officers of the Company with Company performance and shareholder interests over the long-term. Awards under the LTI Plan will be made in the form of performance restricted share units (a "PRSU") and service based restricted share units ("RSUs"), with awards intended to be made in February 2023. The initial PRSU awards are intended to have a performance period of January 1, 2023 through December 31, 2025.

Each PRSU will represent a contingent right to receive one Company common share based upon the level of achievement of certain performance metrics during the performance period. The performance metrics for the PRSUs, which will be weighted equally, are (i) the Company's adjusted operating return on average adjusted tangible common equity, and (ii) growth in adjusted tangible common equity per common share, which are non-GAAP financial measures. The manner of calculation of these metrics is set forth on Appendix 1 to the form of the PRSU agreement, filed as Exhibit 10.2 to this Form 8-K.

It is intended that the named executive officers will be granted PRSUs with a target value equal to 50% of such named executive officer's 2022 salary, and a service based RSU with a value also equal to 50% of such named executive officer's 2022 salary.

The number of PRSUs that will be eligible to be earned and become vested for the participants will be based upon the achievement of the performance metrics during the performance period, with payout for achievement of threshold, target and maximum performance levels to be set at 50%, 100% and 200% of the target number of PRSUs, respectively. Performance falling between these levels will be determined by linear interpolation.

To receive a payout, a participant must remain employed through the settlement of the award, subject to certain exceptions for (i) separation due to death or disability or a qualifying retirement, or (ii) a change in control of the Company, followed by termination without cause of the participant, the Company's non-renewal of the participant's employment contract or resignation by the participant for good reason, under the circumstances, and with modified payouts, described in the LTI Plan.

The foregoing description of the LTI Plan does not purport to be complete and is qualified in its entirety by reference to the form of PRSU agreement, which sets forth the terms of the LTI Plan, and is filed as Exhibit 10.2 to this Form 8-K and is incorporated by reference herein.

#### **Item 8.01 Other Events.**

On August 1, 2022, the Company announced that its Board of Directors declared a cash dividend of \$0.05 per common share of the Company to be paid on September 30, 2022 to shareholders of record on September 12, 2022.

#### **Item 9.01 Financial Statements and Exhibits.**

##### (d) Exhibits

The following Exhibit is furnished as a part of this Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#">James River Group Holdings, Ltd. Short-Term Incentive Plan</a>
10.2	<a href="#">Form of Performance Restricted Share Unit Agreement</a>
99.1	<a href="#">Press Release of the Company dated August 1, 2022</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**JAMES RIVER GROUP HOLDINGS, LTD.**

Dated: August 1, 2022

By: /s/ Sarah C. Doran  
Sarah C. Doran  
Chief Financial Officer

**JAMES RIVER GROUP HOLDINGS, LTD.**  
**SHORT-TERM INCENTIVE PLAN**  
**(Effective January 1, 2022)**

**ARTICLE I. INTRODUCTION**

1.1. Purpose. The purposes of the James River Group Holdings, Ltd. Short-Term Incentive Plan (the “Plan”), as set forth herein, are to allow the Company the opportunity to provide incentives to designated key employees to achieve certain performance targets and to link further executive compensation to shareholder results by rewarding competitive and superior performance. In furtherance of those purposes, the Plan is designed to provide short-term incentive compensation to eligible participants, the amount, if any, of which is dependent on the degree of attainment of certain performance goals of the Company over a Performance Period (as defined herein), unless earlier terminated in accordance with the provisions of the Plan.

1.2. Overview. Each award contemplated by the Plan will be comprised of both quantitative and qualitative Performance Criteria (as defined below) and, to the extent earned and vested, will be settled in cash or cash equivalents promptly following the end of a Performance Period.

1.3. Effective Date. This Plan is effective as of January 1, 2022; was approved by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) on July 26, 2022 and by the Board of Directors of the Company (the “Board”) on July 26, 2022.

**ARTICLE II. DEFINITIONS**

Wherever used herein, the masculine pronoun shall be deemed to include the feminine, and the singular to include the plural, unless the context clearly indicates otherwise, and the following words and phrases shall, when used herein, have the meanings set forth below:

2.1. “Affiliate” means any corporation that is a Subsidiary of the Company, any limited liability company, partnership, corporation, joint venture, or any other entity in which the Company or any such Subsidiary owns an equity interest.

2.2. “Award” means an award to a Participant to be settled in cash or cash equivalents, subject to being earned and becoming vested, as provided herein.

2.3. “Board” means the Board of Director of the Company or, if applicable, the governing body of any successor entity.

2.4. “Cause” means, except as otherwise provided in an Award or in a Participant’s employment agreement with the Company having the same or similar term in which event such other meaning shall control for Plan purposes, (a) the commission of, or plea of guilty or no contest to, a felony or a crime involving moral turpitude or the commission of any other act involving willful malfeasance or fiduciary breach with respect to the Company or an Affiliate, (b) conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates, (c) gross negligence or willful misconduct with respect to the Company or an Affiliate, (d) the material failure to perform duties, or (e) violation of state or federal securities laws.

2.5 “Change in Control” means, except as otherwise provided in an Award in which event such other meaning shall control for Plan purposes, any of the following: (a) the purchase or other acquisition (other than from the Company), in a single transaction or series of related transactions, by any person, entity, or group of persons, within the meaning of Section 13(d) or 14(d) of the Exchange Act (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either the then-outstanding Shares or the combined voting power of the Company’s then-outstanding voting securities entitled to vote generally in the election of directors; (b) consummation of a reorganization, merger, amalgamation, or consolidation involving the Company, in each case with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger, amalgamation, or consolidation do not, immediately thereafter, own more than fifty percent (50%) of, respectively, the Shares and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, amalgamated, or consolidated corporation’s then-outstanding voting securities; or (c) a liquidation or dissolution of the Company, or the sale of all or substantially all of the assets of the Company. Notwithstanding anything herein to the contrary, an event described above shall be considered a Change in Control hereunder only if it also constitutes a “change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Section 409A(a)(2)(v) of the Code, to the extent necessary to avoid the adverse tax consequences thereunder with respect to any payment subject to Section 409A of the Code. A Change in Control shall be deemed to occur on the date on which the event giving rise to the Change in Control occurs, provided, in the case of a Change in Control by reason of a liquidation or dissolution of the Company, such date shall be the date on which the Company shall commence such liquidation or dissolution.

2.6 “Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time, or any successor thereto. Any reference to a section of the Code shall be deemed to include a reference to any regulations or subregulatory guidance promulgated thereunder.

2.7 “Committee” means the Compensation Committee of the Board of Director of the Company or, if applicable, the governing body, or portion thereof, of any successor entity.

2.8 “Company” means James River Group Holdings, Ltd., an exempted company registered under the laws of Bermuda, or any successor to all or substantially all of its businesses by merger, amalgamation, consolidation, purchase of assets, or otherwise.

2.9 “Disability” means that a Participant is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three months under an accident or disability insurance benefit plan covering Company employees. The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates, provided that the definition of disability applied under such disability plan meets the requirements of a Disability in the first sentence hereof.

2.10 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and all pertinent regulations, rules, and other less formal guidance promulgated thereunder.

2.11 “Good Reason” means, except as otherwise provided in an Award or in a Participant’s employment agreement with the Company having the same or similar term in which event such other meaning shall control for Plan purposes, the occurrence of one or more of the following without the Participant’s express written consent, which circumstances are not remedied by the Company within thirty (30) days after its receipt of a written notice from the Participant describing the applicable circumstances (which notice must be provided by the Participant within ninety (90) days after the Participant’s knowledge of the applicable circumstances): (a) any material, adverse change in the Participant’s duties, responsibilities, authority, status, or reporting structure; (b) a material reduction in the Participant’s base salary; or (c) a geographical relocation of the Participant’s principal office location by more than fifty (50) miles; provided that, in each case, the Company has failed to cure the circumstance and the Participant actually terminates his or her employment within thirty (30) days following the Company’s thirty (30)-day cure period specified herein.

2.12 “Participant” means each of the individuals designated as eligible for participation in the Plan prior to or during a Performance Period in written resolutions or minutes approved and adopted by the Board upon the recommendation of the Committee.

2.13 “Performance Period” means a calendar year beginning on or after January 1, 2022.

2.14 “Retirement Age” the age at which a Participant may be eligible for an Award amount despite a failure to satisfy the Service Condition due to an earlier Separation from Service. The Retirement Age for each Participant shall be age 70; provided, however, the Committee in its discretion may establish an earlier retirement age for any Participant by communicating in writing that decision to the Participant.

2.15 “Separation from Service” means a termination of a Participant’s employment relationship with the Company where either (a) the Participant has ceased to perform any services for the Company and all affiliated companies that, together with the Company, constitute the “service recipient” within the meaning of Code Section 409A (collectively, the “Service Recipient”) or (b) the level of bona fide services the Participant performs for the Service Recipient after a given date permanently decreases (excluding a decrease as a result of military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Service Recipient under an applicable statute or by contract) to no more than twenty percent (20%) of the average level of bona fide services performed for the Service Recipient over the immediately preceding 36-month period (or the full period of service if the Participant has been providing services to the Service Recipient for less than 36 months) that, in either case, constitutes a “separation from service” within the meaning of Code Section 409A.

2.16 “Service Condition” means, except as provided in Article IV, the precondition to the settlement of any Award requiring a Participant to remain in a material service relationship with the Company through the date the Award is settled.

2.17 “Subsidiary” means a “subsidiary corporation,” as that term is defined in Section 424(f) of the Code, or any successor provision.

### ARTICLE III. ELIGIBILITY, PARTICIPATION AND ADMINISTRATION

3.1 Eligibility. Each individual identified as a Participant pursuant to Section 2.12 shall be a Participant in the Plan for a particular Performance Period. Each Participant shall be provided with notice of his or her eligibility and the terms of the incentive opportunity in such manner as the Committee deems suitable. If an individual becomes a Participant after the first day of the Performance Period pursuant to Section 2.12, unless otherwise specified by the Committee, the Award for any such Participant shall be prorated in the proportion that the number of days the Participant is employed by the Company in his or her eligible position during the Performance Period bears to the number of days in the Performance Period. Once an individual becomes a Participant in the Plan, the Participant shall remain a Participant until the earlier of (a) the date the Committee determines that the Award will not result in any payout, whether by reason of the failure to achieve any of the applicable Performance Criteria (as defined below) at threshold levels, a failure to satisfy the Service Condition, or the early termination of the Plan pursuant to Section 5.9; or (b) the date the Award is settled after it becomes vested and the Committee has determined the extent to which it has been earned.

3.2 Administration. The Plan is administered by the Committee. The Committee has full authority in its discretion to determine whether any otherwise qualifying individual becomes a Participant after the first day of a Performance Period. Subject to the provisions of the Plan, the Committee has full and conclusive authority to interpret the Plan; to prescribe, amend, and rescind rules and regulations relating to the Plan; to determine the form of Awards, and to make all other determinations necessary or advisable for the proper administration of the Plan. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan (whether or not such persons are similarly situated). Subject to the approval or ratification of the Board, the Committee's decisions are final and binding on all Participants and any other interested parties. No member of the Committee shall be subject to individual liability with respect to the Plan or any Awards thereunder.

### ARTICLE IV. AWARDS

4.1 Award Opportunity. For each Participant, the Award opportunity shall measure one or more performance criteria as set forth in Appendix 1 and the strategic initiatives adopted in the resolutions of the Compensation Committee and the Board (the "Adopted Resolutions"), each adopted on July 26, 2022 (collectively, the "Performance Criteria"). Measurement of the achievement of the Performance Criteria and the amount payable shall be determined in accordance with the Adopted Resolutions.

The Committee is authorized, in its sole discretion, to adjust or modify the calculation of any performance criterion in connection with any one or more of the following events: asset write-downs; significant litigation or claim judgments or settlements; the effect of changes in tax laws, accounting standards or principles, or other laws or regulatory rules affecting reporting results; any reorganization and restructuring programs; extraordinary nonrecurring items as described in accounting principles and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual or other periodic report to shareholders; acquisitions or divestitures; any other specific unusual or nonrecurring events or objectively determinable category thereof; and/or a change in the Company's fiscal year.



Upon or following completion of the Performance Period, the degree of achievement of the Performance Criteria shall be determined by the Committee in its discretion though guided by such relevant factual information as may then be available. In evaluating any qualitative Performance Criteria applicable to a Participant, the Committee may consult with those individuals with personal knowledge of the Participant's performance.

Notwithstanding the foregoing, the Committee's determinations of the extent to which Awards are payable shall be subject to the approval of the Board.

4.2 Eligibility for, Timing and Form of Payment of Award. Except as provided in Sections 4.3 and 4.4, the Participant must achieve at least the threshold level of performance for at least one of the performance criterion for the Performance Period and satisfy the Service Condition to receive any payout that might otherwise be due on account of the level of achievement of the Performance Criteria. Except as provided in Sections 4.3, the cash value of any Award, as determined by the Committee in its sole discretion, that becomes payable shall be paid in the calendar year following the Performance Period, but no later than March 15th of such calendar year. The Award of a Participant who experiences a Separation from Service prior to the date an otherwise earned Award is settled shall be forfeited, except as provided in Sections 4.3 and 4.4. A period of an approved leave of absence shall not affect a Participant's ability to satisfy the Service Condition.

4.3 Qualifying Termination Prior to Settlement.

(a) If prior to the settlement of Awards for a Performance Period, a Participant experiences a Separation from Service due to (i) the Participant's involuntary termination of employment without Cause by the Company or the Company's election not to renew the term of any employment agreement then in effect between the Company and Participant, (ii) the Participant's resignation with Good Reason, or (iii) the Participant's attainment of his or her Retirement Age, the Participant shall be eligible to receive an Award despite the failure to satisfy the Service Condition, which Award shall be paid when Awards are otherwise settled in accordance with Section 4.2. Despite the waiver of the Service Condition, the Award shall be payable only if and to the extent the Performance Criteria are achieved measured as of the last day of the Performance Period and determined pursuant to Section 4.1 and the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the effective date of the Participant's Separation from Service bears to 365. Notwithstanding the foregoing, if the Participant is party to an employment agreement with the Company at the time of his or her Separation from Service prior to the settlement of Awards, the terms of such employment agreement shall govern whether, the extent to which, and when his or her Award shall be payable, to the extent specifically provided therein.

(b) If prior to the settlement of Awards for a Performance Period, a Participant experiences a Separation from Service due to death or Disability, the Participant (or his or her estate, in the event of death) shall receive an Award despite the failure to satisfy the Service Condition. The Award shall be payable within thirty (30) days following the Separation from Service and determined based on an assumed achievement of all Performance Criteria at "target" levels. If the Participant's death or Disability occurs prior to expiration of the Performance Period, the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the effective date of the Participant's Separation from Service bears to 365. Notwithstanding the foregoing, if the Participant is party to an employment agreement with the Company at the time of his or her Separation from Service prior to the settlement of Awards, the terms of such employment agreement shall govern whether, the extent to which, and when his or her Award shall be payable, to the extent specifically provided therein.

4.4. Change in Control Prior to Expiration of the Performance Period. Subject to any earlier termination of the Plan pursuant to Section 5.9, if a Change in Control occurs prior to the settlement of Awards and before a Participant has experienced a Separation from Service and subsequently (a) the Participant is involuntarily terminated without Cause by the Company or as a result of the Company's election not to renew the term of any employment agreement then in effect between the Company and Participant, or (b) the Participant resigns with Good Reason prior to such payout, then the Participant shall remain entitled to a payout on the date Awards are otherwise settled in accordance with Section 4.2 based on the degree of achievement of the Performance Criteria measured as of the last day of the Performance Period and determined pursuant to Section 4.1 and, if the Separation from Service occurs prior to the expiration of the Performance Period, the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the effective date of the Separation from Service bears to 365. If a Participant has experienced a type of Separation from Service contemplated by Section 4.3 prior to the Change in Control, the provisions of Section 4.3 shall govern the treatment of the Participant's Award rather than this Section 4.4, unless the Committee determines otherwise.

## ARTICLE V. MISCELLANEOUS

5.1 Clawback and Noncompete. Notwithstanding any other provisions of this Plan, any Award which is subject to recovery under any law, government regulation, stock exchange listing requirement, or Company policy, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement, or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement or otherwise. In addition and notwithstanding any other provisions of this Plan, any Award shall be subject to any noncompete and nonsolicitation provisions under any agreement or policy adopted by the Company, including, without limitation, any such terms providing for immediate termination and forfeiture of an Award if and when a Participant becomes an employee, agent or principal of a competitor without the express written consent of the Company. The actions permitted to be taken by the Committee under this Section is in addition to, and not in lieu of, any and all other rights of the Committee and/or the Company under applicable law and shall apply notwithstanding anything to the contrary in the Plan.

5.2 Withholding; Offset. The Company shall deduct from any payment, or otherwise collect from the Participant, any taxes required to be withheld by federal, state, or local governments in connection with any Award. No opinion is expressed nor warranties made as to the effect for federal, state, or local tax purposes of any Award. If at any time prior to any payment a Participant is indebted to the Company, by accepting the Award, a Participant grants the Company the right to offset against the payment amount the amount of the Participant's indebtedness, but only to the extent such offset is permissible under and would not trigger adverse tax consequences under Code Section 409A.

5.3 Restrictions on Transfer. Except for payout due to the Participant's estate as a result of the Participant's death as contemplated by Section 4.3(b), no Participant shall have the right to make or permit to exist any transfer or hypothecation, whether outright or as security, with or without consideration, voluntary or involuntary, of all or any part of any right, title, or interest in or to an Award until such date as, and only to the extent that, cash or cash equivalents have been paid in settlement of the Award. Any such disposition not made in accordance with this Plan shall be deemed null and void.

5.4 Successors. This Plan shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and permitted assigns of the parties.

5.5 Notice. Except as otherwise specified herein, all notices and other communications under this Plan to a Participant shall be in writing and shall be deemed to have been given if personally delivered or if sent by U.S. mail to the last known address of the Participant as shown by the Company's personnel records. Notwithstanding the foregoing, by accepting an Award, a Participant hereby consents to the delivery of information via electronic delivery.

5.6 Severability. In the event that any one or more of the provisions or portion thereof contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Plan, and this Plan shall be construed as if the invalid, illegal, or unenforceable provision or portion thereof had never been contained herein.

5.7 No Right to Continued Retention. Neither the establishment of the Plan nor the grant of an Award hereunder shall be construed as giving any Participant the right to continued service with the Company.

5.8 Interpretation and Code Section 409A. Section headings used herein are for convenience of reference only and shall not be considered in construing this Plan. Sections 1.1 and 1.2 are intended to introduce and summarize the Plan only and shall not apply for purposes of determining a Participant's rights under the Plan. Awards under the Plan are intended to be exempt from Section 409A of the Code as "short-term deferrals" within the meaning of the Treasury Regulations under Section 409A, but in any event Awards under the Plan are payable on a specified date or upon a Change in Control in compliance with Section 409A, and the Plan shall be interpreted in a manner to be exempt from or otherwise in compliance with Section 409A. Notwithstanding anything herein to the contrary, to the extent applicable, if a Participant is a "specified employee" within the meaning of Section 409A of the Code, and to the extent necessary to avoid the adverse tax consequences under Section 409A of the Code, no portion of any payments hereunder shall be distributed on account of a Separation from Service before the earlier of: (a) the date which is six months following the date of the Participant's Separation from Service, or (b) the date of death of the Participant. Amounts that would have been paid during the delay will be paid on the first business day following the six month delay.

5.9 Amendment and Termination of the Plan. The Committee reserves the right to amend or terminate the Plan at any time, provided that no amendment or termination (a) shall deprive a Participant of any Award that is earned up to the date of the amendment or termination, or (b) shall result in the acceleration of any Award payable under the Plan if such acceleration would result in any Participants incurring a tax under Section 409A of the Code.

5.10 Expenses; Funding. All expenses of the Company with respect to the Plan shall be paid by the Company. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Company and any Participant, the Participant's estate, or any other person. To the extent that a Participant or the Participant's estate acquires a right to receive a payment under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

5.11 Governing Laws. This Plan shall be construed and enforced in accordance with the internal laws of New York, except for those matters subject to The Companies Act, 1981 of Bermuda (as amended), which shall be governed by such law, without giving effect to principles of conflicts of laws, and construed accordingly, and by applicable provision of federal tax law.

JAMES RIVER GROUP HOLDINGS, LTD.

By: /s/ Patricia H. Roberts

Title: Chairperson of the Compensation Committee

## Appendix 1

### Performance Criteria

The Award shall consist of the following three equally weighted performance criteria for the Performance Period: (a) Adjusted Company Combined Ratio and, where applicable, Adjusted Segment Combined Ratio; (b) Adjusted EBIT; and (c) successful pursuit, as determined by the Committee, of the strategic initiatives identified in the resolutions of the Compensation Committee and the Board adopted on July 26, 2022 (the “Adopted Resolutions”).

For each Participant who is a business segment leader or whose responsibilities are primarily focused on a business segment (as determined by the Committee), the only variation in the Award opportunity from the methodology described above is that the combined ratio performance criterion is determined measuring both the Adjusted Company Combined Ratio and the Adjusted Segment Combined Ratio of the business segment led by that Participant or for which the Participant primarily focuses his or her responsibilities, as determined for the Performance Period in the manner described in the Adopted Resolutions, and apportioning one-half of the weighting attributable to that performance criterion equally between each result.

For purposes of making computations pursuant the Adopted Resolutions, the following rules apply: (1) only the highest level attained under each performance criterion, as determined by the Committee, is credited towards the amount payable under an Award; (2) for the combined ratio(s) and Adjusted EBIT Performance Criteria, the level of performance achieved between threshold and maximum levels shall be determined by linear interpolation; (3) attainment of a performance level above each maximum level indicated does not increase the payout amount; and (4) the payout at each level, as indicated in the Adopted Resolutions, is apportioned equally among the three Performance Criteria.

For purposes of the Plan, the following terms used in the Plan have the following meanings:

“Adjusted EBIT” means net income of the Company before income taxes and interest and excluding the portion of favorable or unfavorable prior year reserve development for which the Company’s subsidiaries ceded the risk under retroactive reinsurance agreements and related changes in the amortization of the deferred gain.

“Adjusted Company Combined Ratio” means the combined ratio of the Company reporting on a consolidated basis, calculated prior to the effect of favorable or unfavorable prior year reserve development for which the Company’s subsidiaries ceded the risk under retroactive reinsurance agreements and the related changes in the amortization of the deferred gain.

“Adjusted Segment Combined Ratio” means, for each of the Company’s business segments, the combined ratio calculated prior to the effect of favorable or unfavorable prior year reserve development for which the segment ceded the risk under retroactive reinsurance agreements, if any, and the related changes in the amortization of the deferred gain.

**JAMES RIVER GROUP HOLDINGS, LTD.  
2014 LONG-TERM INCENTIVE PLAN**

**PERFORMANCE RESTRICTED SHARE UNIT AGREEMENT**

This PERFORMANCE RESTRICTED SHARE UNIT AWARD (this “**Agreement**”), dated as of the Grant Date set forth in Schedule A, attached hereto and incorporated herein by reference, is made by and between James River Group Holdings, Ltd., an exempted company registered under the laws of Bermuda (the “**Company**”), and the Grantee listed in Schedule A.

**RECITALS:**

WHEREAS, the Company has adopted the James River Group Holdings, Ltd. 2014 Long-Term Incentive Plan, as amended (the “**Plan**”); and

WHEREAS, the Company desires to grant to the Grantee Restricted Share Units pursuant to the Plan and on the terms and conditions set forth herein (the “**Award**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Grantee hereby agree as follows:

Section 1. Grant of Restricted Share Units. The Company hereby grants to the Grantee, pursuant to the Plan and on the terms and conditions set forth herein, the number of Restricted Share Units set forth in Schedule A. Each Restricted Share Unit represents the right to receive one Share to be issued and delivered pursuant to the terms hereof, subject to the Restricted Share Unit becoming an Earned Share Unit (as defined herein), subject to that Earned Share Unit becoming a Vested Share Unit (as defined herein), and subject to the other terms described herein.

Section 2. Becoming an Earned Share Unit. Each Restricted Share Unit shall become an Earned Share Unit if and to the extent of the achievement of the performance criteria set forth on Appendix 1 for the Performance Period (as defined herein). The measurement of the achievement of the performance criteria and the amount payable to the extent the performance criteria are achieved shall be determined in accordance with Schedule A and the table set forth on Appendix 1.

The Committee is authorized, in its sole discretion, to adjust or modify the calculation of any performance goal in connection with any one or more of the following events: asset write-downs; significant litigation or claim judgments or settlements; the effect of changes in tax laws, accounting standards or principles, or other laws or regulatory rules affecting reporting results; any reorganization and restructuring programs; extraordinary nonrecurring items as described in accounting principles and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual or other periodic report to shareholders; acquisitions or divestitures; any other specific unusual or nonrecurring events or objectively determinable category thereof; and/or a change in the Company's fiscal year.

Upon or following completion of the Performance Period, the degree of achievement of the performance criteria shall be determined by the Committee in its discretion though guided by such relevant information as may then be available.

Notwithstanding the foregoing, the Committee's determinations of the extent to which the performance criteria have been achieved is subject to the approval of the Board.

The Restricted Share Units shall be considered earned only to the level of achievement of the performance criteria collectively, except as provided in Section 3(b)(i) (each, an "**Earned Share Unit**" and, collectively, the "**Earned Share Units**").

All Restricted Share Units that are not earned (or deemed earned pursuant to Section 3(b)(i)) shall immediately be forfeited as of the last day of the Performance Period. Upon forfeiture of Restricted Share Units, the Grantee will have no further rights with respect to those Restricted Share Units, and the Restricted Share Units shall become forfeited for no value and without any issuance of Shares.

### Section 3. Becoming a Vested Share Unit.

(a) Vesting of Earned Share Units; General Rule. Except as provided in this Section 3, Earned Share Units shall become Vested Share Units only if the Grantee satisfies the Service Condition. If the Grantee experiences a Separation from Service prior to the last day of the Restriction Period, the Earned Share Units shall be forfeited, except as provided in Subsections 3(b) and 3(c). In the event the Grantee satisfies the Service Condition, but a portion of the Grantee's employment during the Performance Period includes a period of an approved leave of absence, the number of the Earned Share Units that become Vested Share Units shall be prorated in the proportion that the number of days of the Grantee's employment during the Performance Period, minus the number of days during the leave of absence period, bears to 1,095, *i.e.*, the total number of days in the Performance Period.

#### (b) Vesting Prior to Settlement.

(i) If prior to the settlement of Vested Share Units, the Grantee experiences a Separation from Service due to the Grantee's death or Disability, the Grantee (or his or her estate, in the event of death) shall receive a number of Restricted Share Units payable within thirty (30) days following the Separation from Service at an assumed achievement of the performance criteria at "target" levels. If the Grantee's death or Disability occurs prior to expiration of the Performance Period, the number of Restricted Share Units deemed to be Vested Share Units shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the effective date of the Separation from Service bears to 1,095, *i.e.*, the total number of days in the Performance Period.

(ii) If prior to the settlement of Vested Share Units, the Grantee experiences a Separation from Service due to the Grantee's attainment of Retirement Age, then the Service Condition shall be deemed satisfied and the Grantee shall remain entitled to a payout on the date the Restricted Share Units would normally have been settled in accordance with Section 4 based on the degree of achievement of the performance criteria measured as of the last day of the Performance Period and determined pursuant to Section 2. If the Separation from Service occurs prior to the expiration of the Performance Period, the number of Earned Share Units becoming Vested Share Units shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date of the Separation from Service bears to 1,095.

(c) Change in Control. If a Change in Control occurs prior to the settlement of Vested Share Units and before the Grantee has experienced a Separation from Service and the Grantee subsequently experiences a Separation from Service due to an involuntary termination of employment without Cause by the Company, as a result of the Company's election not to renew the term of any employment agreement then in effect between the Company and Grantee, or a resignation by the Grantee for Good Reason, then the Service Condition shall be deemed satisfied and the Grantee shall remain entitled to a payout on the date the Restricted Share Units would normally have been settled in accordance with Section 4 based on the degree of achievement of the performance criteria measured as of the last day of the Performance Period and determined pursuant to Section 2. If the Separation from Service occurs prior to the expiration of the Performance Period, the number of Earned Share Units becoming Vested Share Units shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date of the Separation from Service bears to 1,095.

(d) Vested Share Units. Earned Share Units that become vested pursuant to this Section 3 are referred to herein as a "**Vested Share Unit**" or, collectively, as "**Vested Share Units**".

(e) Forfeitures. Except as provided in this Section 3, upon the Grantee's Separation from Service prior to the last day of the Restriction Period, all Earned Share Units shall immediately be forfeited. Upon forfeiture of Earned Share Units, the Grantee will have no further rights with respect to those Earned Share Units, and the Earned Share Units shall become forfeited for no value and without any issuance of Shares.

Section 4. Settlement of Vested Share Units. Except as provided in Section 3(b), Vested Share Units shall be settled after the end of the Performance Period but no later than March 15<sup>th</sup> of the calendar year following the expiration of the Performance Period and shall be distributed in the form of Shares. The value of any Shares distributed in settlement of the Agreement are subject to any Company clawback policy or applicable law as in effect from time to time and, in accordance with such policy or law, may be subject to the requirement that any value delivered pursuant to the Agreement be repaid to the Company. The action permitted to be taken by the Committee under this Section is in addition to, and not in lieu of, any and all other rights of the Committee and/or the Company under applicable law and shall apply notwithstanding anything to the contrary in the Plan.

Section 5. Shareholder Rights. No rights of a shareholder shall exist with respect to the Restricted Share Units as a result of the mere grant of the Restricted Share Units or as a result of the Restricted Share Units becoming earned or vested. Such rights shall exist only after issuance of any Shares. Without limiting the foregoing, the Grantee shall not be entitled to receive currently any dividends issued on Shares prior to the issuance of any Shares. However, the Grantee shall be credited with dividend equivalents with respect to any outstanding Restricted Share Units, and such dividend equivalents shall be subject to the same restrictions, conditions, and risks of forfeiture that apply to the Restricted Share Units to which they relate and shall be vested, payable and otherwise settled, if at all, at the same time that any underlying Restricted Share Units to which they relate are vested, payable and otherwise settled.

Section 6. Withholding; Offset. The Company shall deduct from any payment, or otherwise collect from the Grantee, any taxes required to be withheld by federal, state, or local governments in connection with the Agreement. No opinion is expressed nor warranties made as to the effect for federal, state, or local tax purposes of the Agreement. If at any time prior to any payment the Grantee is indebted to the Company, by accepting the Award, the Grantee grants the Company the right to offset against the payment amount the amount of the Grantee's indebtedness, but only to the extent such offset is permissible under and would not trigger adverse tax consequences under Code Section 409A.



Section 7. No Right to Continued Service. Nothing contained herein shall be construed to confer on the Grantee any right to continue in service with the Company or to derogate from any right of the Company to retire, request the resignation of or discharge the Grantee, or to require a leave of absence of the Grantee, with or without pay, at any time, with or without Cause.

Section 8. No Fractional Shares. No fractional Shares shall be issued in respect of Restricted Share Units, and any fractional Shares will be rounded down to the nearest whole Share.

Section 9. Non-Transferability. The Restricted Share Units may not be assigned, transferred, or in any way encumbered except by will or the laws of descent and distribution.

Section 10. Entire Agreement. This Agreement and the Plan contain the entire agreement between the parties hereto with respect to the matters contemplated herein and supersede all prior agreements or understandings among the parties related to such matters.

Section 11. Binding Effect. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and upon the Grantee and the Grantee's assigns, heirs, executors, administrators and legal representatives.

Section 12. Amendment and Termination. The Committee reserves the right to amend or terminate the Agreement at any time, provided that no amendment or termination (a) shall deprive the Grantee of any Restricted Share Units that have become Earned Share Units or Vested Share Units as of the amendment or termination, provided the Grantee has not experienced a Separation from Service prior to such time, except under circumstances contemplated by Sections 3(b) and 3(c), or (b) shall result in the acceleration of any settlement of the Agreement if such acceleration would result in the Grantee incurring a tax under Section 409A of the Code.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of New York, except for those matters subject to The Companies Act, 1981 of Bermuda (as amended), which shall be governed by such law, without giving effect to principles of conflicts of laws, and construed accordingly, and by applicable federal tax law.

Section 14. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein have the meaning ascribed to them in the Plan. The following words and phrases shall, when used herein, have the meanings set forth below:

(a) "Cause" has the meaning ascribed to it in the Plan unless an employment agreement between the Grantee and the Company is in effect immediately prior to the Separation from Service having the same or similar term in which event such meaning provided in the employment agreement shall control for purposes of the Award.

(b) “Change in Control” means any of the following: (i) the purchase or other acquisition (other than from the Company), in a single transaction or series of related transactions, by any person, entity, or group of persons, within the meaning of Section 13(d) or 14(d) of the Exchange Act (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either the then-outstanding Shares or the combined voting power of the Company’s then-outstanding voting securities entitled to vote generally in the election of directors; (ii) consummation of a reorganization, merger, amalgamation, or consolidation involving the Company, in each case with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger, amalgamation, or consolidation do not, immediately thereafter, own more than fifty percent (50%) of, respectively, the Shares and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, amalgamated, or consolidated corporation’s then-outstanding voting securities; or (iii) a liquidation or dissolution of the Company, or the sale of all or substantially all of the assets of the Company. Notwithstanding anything herein to the contrary, an event described above shall be considered a Change in Control hereunder only if it also constitutes a “change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Section 409A(a)(2)(v) of the Code, to the extent necessary to avoid the adverse tax consequences thereunder with respect to any payment subject to Section 409A of the Code. A Change in Control shall be deemed to occur on the date on which the event giving rise to the Change in Control occurs, provided, in the case of a Change in Control by reason of a liquidation or dissolution of the Company, such date shall be the date on which the Company shall commence such liquidation or dissolution.

(c) “Disability” means that the Grantee is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three months under an accident or disability insurance benefit plan covering Company employees. The determination of whether the Grantee has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that the Grantee is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which the Grantee participates, provided that the definition of disability applied under such disability plan meets the requirements of a Disability in the first sentence hereof.

(d) “Good Reason” means the occurrence of one or more of the following without the Grantee’s express written consent, which circumstances are not remedied by the Company within thirty (30) days after its receipt of a written notice from the Grantee describing the applicable circumstances (which notice must be provided by the Grantee within ninety (90) days after the Grantee’s knowledge of the applicable circumstances): (i) any material, adverse change in the Grantee’s duties, responsibilities, authority, status, or reporting structure; (ii) a material reduction in the Grantee’s base salary; or (iii) a geographical relocation of the Grantee’s principal office location by more than fifty (50) miles; provided that, in each case, the Company has failed to cure the circumstance and the Grantee actually terminates the Grantee’s employment within thirty (30) days following the Company’s thirty (30)-day cure period; provided, however, if an employment agreement between the Grantee and the Company is in effect immediately prior to the Separation from Service having the same or similar term as “Good Reason,” then the meaning provided in the employment agreement shall control for purposes of the Award.

(e) “Performance Period” means the period from and including January 1, 20\_\_ through December 31, 20\_\_.

(f) “Restriction Period” means the period from and including January 1 through the date the Agreement is settled by the distribution of Shares in respect of Vested Share Units in accordance with Section 4.

(g) “Retirement Age” means the Grantee’s attainment of age 70 prior to experiencing a Separation from Service; provided, however, the Committee in its discretion may establish an earlier retirement age for the Grantee by communicating in writing that decision to the Grantee.

(h) “Separation from Service” means a termination of the Grantee’s employment relationship with the Company where either (i) the Grantee has ceased to perform any services for the Company and all affiliated companies that, together with the Company, constitute the “service recipient” within the meaning of Code Section 409A (collectively, the “**Service Recipient**”) or (ii) the level of bona fide services the Grantee performs for the Service Recipient after a given date permanently decreases (excluding a decrease as a result of military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Grantee retains a right to reemployment with the Service Recipient under an applicable statute or by contract) to no more than twenty percent (20%) of the average level of bona fide services performed for the Service Recipient over the immediately preceding 36-month period (or the full period of service if the Grantee has been providing services to the Service Recipient for less than 36 months) that, in either case, constitutes a “separation from service” within the meaning of Code Section 409A.

(i) “Service Condition” means, except as provided in Section 3, the precondition to the vesting of Earned Share Units requiring the Grantee to remain in a material service relationship with the Company through the date the Agreement is settled in accordance with Section 4.

Section 15. Section 409A. It is intended that this Agreement shall be administered in a manner that will comply with or meet an exception from Section 409A of the Code, and this Agreement shall be administered and interpreted in accordance with such intent. Notwithstanding anything herein to the contrary, to the extent applicable, if the Grantee is a “specified employee” within the meaning of Section 409A of the Code, and to the extent necessary to avoid the adverse tax consequences under Section 409A of the Code, no portion of any payments hereunder shall be distributed on account of a Separation from Service before the earlier of: (a) the date which is six months following the date of the Grantee’s Separation from Service, or (b) the date of death of the Grantee. Amounts that would have been paid during the delay will be paid on the first business day following the six month delay.

Section 16. The Plan. The Grantee acknowledges having received a copy of the Plan. The Restricted Share Units herein granted are subject to all of the terms and provisions of the Plan, all of which are hereby incorporated herein by reference. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Performance Restricted Share Unit Award Agreement as of \_\_\_\_\_, 20\_\_\_\_.

JAMES RIVER GROUP HOLDINGS, LTD.

By: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE:

\_\_\_\_\_

Name: \_\_\_\_\_

**JAMES RIVER GROUP HOLDINGS, LTD.  
2014 LONG-TERM INCENTIVE PLAN**

**PERFORMANCE RESTRICTED SHARE UNIT AGREEMENT**

**SCHEDULE A**

Name of Grantee: [●]

Grant Date: [●]

Maximum Number of  
Restricted Share Units  
Subject to Agreement:

Threshold: [●]

Target : [●]

Maximum: [●]

## Appendix 1

### Performance Criteria Table

#### *Performance Criteria*

The two equally-weighted performance criteria applicable to the Restricted Share Units for the Performance Period are: (i) adjusted operating return on average adjusted tangible common equity; and (ii) growth in adjusted tangible common equity per common share.

The Company calculates **adjusted operating return on average adjusted tangible common equity** for the Performance Period as the three-year average adjusted net operating income divided by the four-year average adjusted tangible common equity. For purposes of this calculation:

**“Adjusted net operating income”** is defined as net income (loss) available to common shareholders excluding (i) net realized and unrealized gain (losses) on investments, (ii) the portion of favorable or unfavorable prior year reserve development for which the Company’s subsidiaries ceded the risk under retroactive reinsurance agreements and the related changes in the amortization of deferred gain, and (iii) certain non-operating expenses, such as professional service fees related to a purported class action lawsuit, various strategic initiatives, the filing of registration statements for the offering of securities, and severance costs associated with terminated employees, calculated as of December 31 of each fiscal year during the Performance Period.

**“Adjusted tangible common equity”** is defined as shareholders’ equity less goodwill and intangible assets, net of amortization, accumulated other comprehensive income, and realized and unrealized gains (losses) on investments, and plus deferred gains under retroactive reinsurance agreements entered into by the Company’s subsidiaries, calculated as of the December 31st immediately preceding the Performance Period and December 31 of each fiscal year during the Performance Period.

The Company calculates **growth in adjusted tangible common equity per common share** for the Performance Period as a percentage equal to the greater of (i)  $((A-B)/B)/4$ , and (ii) 0%, where:

**A** = adjusted tangible common equity per common share as of the last day of the Performance Period; and

**B** = adjusted tangible common equity per common share as of the December 31st immediately preceding the Performance Period.

**“Adjusted tangible common equity per common share”** is calculated as (i) adjusted tangible common equity, divided by (ii) the number of common shares outstanding.

*Measurement of Performance Criteria*

	Adjusted Operating Return on Adjusted Average Tangible Common Equity	Growth in Adjusted Tangible Common Equity per Common Share
Threshold	•%	•%
Target	•%	•%
Maximum	•%	•%

For purposes of making computations pursuant to the table, the following rules apply: (a) only the highest level attained under each performance criterion is credited towards the amount payable; (b) the level of performance achieved between threshold and maximum levels shall be determined by linear interpolation; (c) attainment of a performance level above each maximum level indicated does not increase the payout amount; and (d) the number of Restricted Share Units that are payable at each level, as indicated by the table, is apportioned equally between the performance criteria.



JAMES RIVER GROUP HOLDINGS, LTD.

## JAMES RIVER ANNOUNCES SECOND QUARTER 2022 RESULTS

- Second quarter 2022 net income available to common shareholders of \$5.0 million (\$0.13 per diluted share). Adjusted net operating income<sup>1</sup> of \$20.0 million (\$0.52 per diluted share) resulted in an adjusted net operating return on tangible common equity<sup>1</sup> of 19.9% for the second quarter of 2022.
- The second quarter 2022 Group combined ratio was 91.0%. The Company's largest segment, Excess and Surplus Lines ("E&S"), produced a combined ratio of 83.8%.
- E&S segment gross written premium grew 24.6% compared to the prior year quarter, buoyed by resurgent renewal pricing increases of 14.1%, with broad strength across the segment's underwriting divisions.
- Year to date combined ratio of 94.2% and adjusted net operating return on tangible common equity<sup>1</sup> of 15.5%.

Pembroke, Bermuda, August 1, 2022 - James River Group Holdings, Ltd. ("James River" or the "Company") (NASDAQ: JRVR) today reported second quarter 2022 net income available to common shareholders of \$5.0 million (\$0.13 per diluted share), compared to \$20.8 million (\$0.60 per diluted share) for the second quarter of 2021. Adjusted net operating income<sup>1</sup> for the second quarter of 2022 was \$20.0 million (\$0.52 per diluted share), compared to \$18.8 million (\$0.54 per diluted share) for the same period in 2021.

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<sup>1</sup> Adjusted net operating income and adjusted net operating return on tangible common equity are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of Non-GAAP Financial Measures" at the end of this press release.

-MORE-

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Tel 441.278.4580 | Fax 441.278.4588



Earnings Per Diluted Share	Three Months Ended June 30,	
	2022	2021
Net Income	\$ 0.13	\$ 0.60
Adjusted Net Operating Income <sup>1</sup>	\$ 0.52	\$ 0.54

1 See "Reconciliation of Non-GAAP Measures" below.

Frank D'Orazio, the Company's Chief Executive Officer, commented, "Our strong start to 2022 continued in the second quarter, as our results reflect an acute focus on underwriting profitability and risk management, as well as our leadership position in the E&S market. Robust performance across our underwriting segments, and investments, contributed to an adjusted net operating return on tangible common equity of 19.9% this quarter. Our E&S segment results were particularly strong with accelerating premium growth supported by renewal rate increases, and continued attractive underwriting margins. We remain disciplined in managing the business, as premium in our workers' compensation unit and Casualty Reinsurance segment declined in accordance with our stated plan, given more attractive relative opportunities in the portfolio."

### Second Quarter 2022 Operating Results

- Gross written premium of \$399.7 million, consisting of the following:

(\$ in thousands)	Three Months Ended June 30,		% Change
	2022	2021	
Excess and Surplus Lines	\$ 266,635	\$ 214,014	25 %
Specialty Admitted Insurance	124,967	129,189	(3)%
Casualty Reinsurance	8,112	36,943	(78)%
	<u>\$ 399,714</u>	<u>\$ 380,146</u>	5 %

- Net written premium of \$194.7 million, consisting of the following:

(\$ in thousands)	Three Months Ended June 30,		% Change
	2022	2021	
Excess and Surplus Lines	\$ 166,004	\$ 135,163	23 %
Specialty Admitted Insurance	18,390	21,498	(14)%
Casualty Reinsurance	10,297	36,943	(72)%
	<u>\$ 194,691</u>	<u>\$ 193,604</u>	1 %

- Net earned premium of \$186.3 million, consisting of the following:

(\$ in thousands)	Three Months Ended June 30,		% Change
	2022	2021	
Excess and Surplus Lines	\$ 137,884	\$ 117,945	17 %
Specialty Admitted Insurance	18,141	18,595	(2)%
Casualty Reinsurance	30,237	36,165	(16)%
	<u>\$ 186,262</u>	<u>\$ 172,705</u>	8 %

-MORE-

- E&S gross written premium increased 24.6% compared to the prior year quarter, with eleven out of thirteen underwriting divisions experiencing growth and ten of the underwriting divisions reporting double-digit growth for the second consecutive quarter. Renewal rate increases were 14.1% during the second quarter of 2022, representing the twenty-second consecutive quarter of renewal rate increases compounding to 58.1%.
- Gross written premium for the Specialty Admitted Insurance segment declined 3.3% from the prior year quarter. The driver of the decline was a combined 13.7% reduction to premium from our individual risk workers' compensation business and our large workers' compensation fronted program. The remaining segment premium increased 2.2% despite the loss of a fronting partner that was acquired at the end of 2021. The segment added additional fronted programs during the quarter.
- Gross written premium in the Casualty Reinsurance segment decreased 78.0% from the prior year quarter primarily driven by the non-renewal of several treaties and lower participation on certain ongoing treaties. The decline in gross written premium is consistent with our previously announced strategy for this segment. Since the earning patterns of the business can extend over multiple years, changes in net earned premium for this segment will lag the expected decline in gross and net written premium.
- Pre-tax favorable (unfavorable) reserve development by segment was as follows:

(\$ in thousands)	Three Months Ended June 30,	
	2022	2021
Excess and Surplus Lines	\$ 32	\$ 7,459
Specialty Admitted Insurance	1,545	1,000
Casualty Reinsurance	0	(5,009)
	<u>\$ 1,577</u>	<u>\$ 3,450</u>

- Prior year reserve development during the second quarter of 2022 totaled \$1.6 million and was primarily from the Specialty Admitted segment.
- Gross fee income was as follows:

(\$ in thousands)	Three Months Ended June 30,		% Change
	2022	2021	
Specialty Admitted Insurance	<u>\$ 5,875</u>	<u>\$ 5,434</u>	8 %

- The consolidated expense ratio was 25.8% for the second quarter of 2022, down slightly from 26.0% in the prior year second quarter. The expense ratio benefited from 7.8% growth in net earned premium and 8.1% growth in fee income, while underwriting expenses increased at a slightly lower rate.

## Investment Results

Net investment income for the second quarter of 2022 was \$14.7 million, an increase of 2.5% compared to \$14.3 million for the same period in 2021. Income from fixed maturities and equities increased due to higher yields, while income from renewable energy and other private investments declined from the prior year period primarily due to market volatility.

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The Company's net investment income consisted of the following:

(\$ in thousands)	Three Months Ended June 30,		% Change
	2022	2021	
Renewable Energy Investments	\$ 253	\$ 399	(37)%
Other Private Investments	(743)	435	NM
All Other Net Investment Income	15,195	13,514	12 %
Total Net Investment Income	\$ 14,705	\$ 14,348	2 %

The Company's annualized gross investment yield on average fixed maturity, bank loan and equity securities for the three months ended June 30, 2022 was 3.4% (versus 2.8% for the three months ended June 30, 2021). The investment yield increased primarily as a result of higher market yields on fixed maturity securities and bank loans.

Net realized and unrealized losses on investments of \$17.1 million for the three months ended June 30, 2022 compares to net realized and unrealized gains on investments of \$3.5 million in the prior year quarter. The majority of the realized and unrealized losses during the second quarter of 2022 were related to changes in fair values of our secured bank loan portfolio and, to a lesser extent, preferred stock holdings.

### Taxes

Generally the Company's effective tax rate fluctuates from period to period based on the relative mix of income reported by country and the respective tax rates imposed by each tax jurisdiction. The tax rate for the three months ended June 30, 2022 was 25.3%. The rate is impacted by the geographic mix of income.

### Tangible Equity

Tangible equity<sup>2</sup> of \$521.6 million at June 30, 2022 declined 9.3% compared to tangible equity of \$574.8 million at March 31, 2022, as net income available to common shareholders was offset by an increase in unrealized losses in the Company's fixed maturity portfolio. Accumulated other comprehensive (loss) income declined by \$58.6 million during the second quarter of 2022, with higher interest rates and credit spreads driving a decline in the value of the Company's fixed maturity securities.

### Capital Management

The Company announced that its Board of Directors declared a cash dividend of \$0.05 per common share. This dividend is payable on Friday, September 30, 2022 to all shareholders of record on Monday, September 12, 2022.

<sup>2</sup> Tangible equity is a non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of Non-GAAP Financial Measures" at the end of this press release.

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## Conference Call

James River will hold a conference call to discuss its second quarter results tomorrow, August 2, 2022 at 8:30 a.m. Eastern Time. Investors may access the conference call by dialing (866) 374-5140, Conference ID 28028506, or via the internet by visiting [www.jrgh.net](http://www.jrgh.net) and clicking on the “Investor Relations” link. A webcast replay of the call will be available by visiting the company website.

## Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, such forward-looking statements may be identified by terms such as believe, expect, seek, may, will, should, intend, project, anticipate, plan, estimate, guidance or similar words. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Although it is not possible to identify all of these risks and uncertainties, they include, among others, the following: the inherent uncertainty of estimating reserves and the possibility that incurred losses may be greater than our loss and loss adjustment expense reserves; inaccurate estimates and judgments in our risk management may expose us to greater risks than intended; the downgrade in the financial strength rating of our regulated insurance subsidiaries announced on May 7, 2021, or further downgrades, impacting our ability to attract and retain insurance and reinsurance business that our subsidiaries write, our competitive position, and our financial condition; the potential loss of key members of our management team or key employees and our ability to attract and retain personnel; adverse economic factors resulting in the sale of fewer policies than expected or an increase in the frequency or severity of claims, or both; the impact of a persistent high inflationary environment on our reserves, the values of our investment returns, and on our compensation expenses; exposure to credit risk, interest rate risk and other market risk in our investment portfolio; reliance on a select group of brokers and agents for a significant portion of our business and the impact of our potential failure to maintain such relationships; reliance on a select group of customers for a significant portion of our business and the impact of our potential failure to maintain, or decision to terminate, such relationships; our ability to obtain reinsurance coverage at prices and on terms that allow us to transfer risk and adequately protect our company against financial loss; losses resulting from reinsurance counterparties failing to pay us on reinsurance claims, insurance companies with whom we have a fronting arrangement failing to pay us for claims, or a former customer with whom we have an indemnification arrangement failing to perform its reimbursement obligations; inadequacy of premiums we charge to compensate us for our losses incurred; changes in laws or government regulation, including tax or insurance law and regulations; the ongoing effect of Public Law No. 115-97, informally titled the Tax Cuts and Jobs Act, which may have a significant effect on us including, among other things, by potentially increasing our tax rate, as well as on our shareholders; in the event we do not qualify for the insurance company exception to the passive foreign investment company (“PFIC”) rules and are therefore considered a PFIC, there could be material adverse tax consequences to an investor that is subject to U.S. federal income taxation; the Company or any of its foreign subsidiaries becoming subject to U.S. federal income taxation; a failure of any of the loss limitations or exclusions we utilize to shield us from unanticipated financial losses or legal exposures, or other liabilities; losses from catastrophic events, such as natural disasters and terrorist acts, which substantially exceed our expectations and/or exceed the amount of reinsurance we have purchased to protect us from such events; the

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effects of the COVID-19 pandemic and associated government actions on our operations and financial performance; potential effects on our business of emerging claim and coverage issues; the potential impact of internal or external fraud, operational errors, systems malfunctions or cyber security incidents; our ability to manage our growth effectively; failure to maintain effective internal controls in accordance with Sarbanes-Oxley Act of 2002, as amended (“Sarbanes-Oxley”); and changes in our financial condition, regulations or other factors that may restrict our subsidiaries’ ability to pay us dividends. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those in the forward-looking statements, is contained in our filings with the U.S. Securities and Exchange Commission (“SEC”), including our most recently filed Annual Report on Form 10-K. These forward-looking statements speak only as of the date of this release and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

### **Non-GAAP Financial Measures**

In presenting James River Group Holdings, Ltd.’s results, management has included financial measures that are not calculated under standards or rules that comprise accounting principles generally accepted in the United States (“GAAP”). Such measures, including underwriting profit (loss), adjusted net operating income (loss), tangible equity, tangible common equity, adjusted net operating return on tangible equity (which is calculated as annualized adjusted net operating income (loss) divided by the average quarterly tangible equity balances in the respective period), and adjusted net operating return on tangible common equity (which is calculated as annualized adjusted net operating income (loss) divided by the average quarterly tangible common equity balances in the respective period), are referred to as non-GAAP measures. These non-GAAP measures may be defined or calculated differently by other companies. These measures should not be viewed as a substitute for those measures determined in accordance with GAAP. Reconciliations of such measures to the most comparable GAAP figures are included at the end of this press release.

### **About James River Group Holdings, Ltd.**

James River Group Holdings, Ltd. is a Bermuda-based insurance holding company that owns and operates a group of specialty insurance and reinsurance companies. The Company operates in three specialty property-casualty insurance and reinsurance segments: Excess and Surplus Lines, Specialty Admitted Insurance and Casualty Reinsurance. Each of the Company’s regulated insurance subsidiaries are rated “A-” (Excellent) by A.M. Best Company.

Visit James River Group Holdings, Ltd. on the web at [www.jrgh.net](http://www.jrgh.net)

### **For more information contact:**

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**James River Group Holdings, Ltd. and Subsidiaries**  
**Condensed Consolidated Balance Sheet Data**  
**(Unaudited)**

(\$ in thousands, except for share data)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>ASSETS</b>		
Invested assets:		
Fixed maturity securities, available-for-sale, at fair value	\$ 1,597,695	\$ 1,677,561
Equity securities, at fair value	98,653	108,410
Bank loan participations, at fair value	159,885	156,043
Short-term investments	130,435	136,563
Other invested assets	51,348	51,908
Total invested assets	<u>2,038,016</u>	<u>2,130,485</u>
Cash and cash equivalents	350,740	190,123
Restricted cash equivalents (a)	102,099	102,005
Accrued investment income	11,834	11,037
Premiums receivable and agents' balances, net	374,465	393,967
Reinsurance recoverable on unpaid losses, net	1,570,885	1,348,628
Reinsurance recoverable on paid losses	106,509	82,235
Deferred policy acquisition costs	60,651	68,526
Goodwill and intangible assets	217,688	217,870
Other assets	432,388	403,674
Total assets	<u>\$ 5,265,275</u>	<u>\$ 4,948,550</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Reserve for losses and loss adjustment expenses	\$ 2,730,631	\$ 2,748,473
Unearned premiums	723,062	727,552
Funds held (a)	353,685	97,360
Senior debt	222,300	262,300
Junior subordinated debt	104,055	104,055
Accrued expenses	55,047	57,920
Other liabilities	337,211	225,528
Total liabilities	<u>4,525,991</u>	<u>4,223,188</u>
Series A redeemable preferred shares	144,898	0
Total shareholders' equity	594,386	725,362
Total liabilities, Series A redeemable preferred shares, and shareholders' equity	<u>\$ 5,265,275</u>	<u>\$ 4,948,550</u>
Tangible equity (b)	\$ 521,596	\$ 507,492
Tangible equity per share outstanding (b)	\$ 12.10	\$ 13.58
Shareholders' equity per share outstanding	\$ 15.87	\$ 19.41
Common shares outstanding	37,450,264	37,373,066

(a) Restricted cash equivalents and the funds held liability includes funds posted by the Company to a trust account for the benefit of a third party administrator handling the claims on the Rasier commercial auto policies in run-off. Such funds held in trust secure the Company's obligations to reimburse the administrator for claims payments, and are primarily sourced from the collateral posted to the Company by Rasier and its affiliates to support their obligations under the indemnity agreements and the loss portfolio transfer reinsurance agreement with the Company. The funds held liability also includes a notional funds withheld account balance related to the loss portfolio transfer retrocession transaction that our Casualty Reinsurance segment entered into in the first quarter of 2022, which will be reduced on a quarterly basis by paid losses on the subject business.

(b) See "Reconciliation of Non-GAAP Measures"

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**James River Group Holdings, Ltd. and Subsidiaries**  
**Condensed Consolidated (Loss) Income Statement Data**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<i>(\$ in thousands, except for share data)</i>				
<b>REVENUES</b>				
Gross written premiums	\$ 399,714	\$ 380,146	\$ 759,650	\$ 753,401
Net written premiums	194,691	193,604	370,550	368,203
Net earned premiums	186,262	172,705	376,086	333,298
Net investment income	14,705	14,348	30,972	29,437
Net realized and unrealized (losses) gains on investments	(17,110)	3,483	(22,120)	9,755
Other income	949	1,031	1,816	2,057
Total revenues	184,806	191,567	386,754	374,547
<b>EXPENSES</b>				
Losses and loss adjustment expenses	121,369	110,000	256,977	383,500
Other operating expenses	49,036	45,840	99,097	93,221
Other expenses	—	904	368	1,525
Interest expense	4,049	2,249	6,341	4,465
Amortization of intangible assets	91	91	182	182
Total expenses	174,545	159,084	362,965	482,893
Income (loss) before taxes	10,261	32,483	23,789	(108,346)
Income tax expense (benefit)	2,597	11,640	5,920	(25,729)
<b>NET INCOME (LOSS)</b>	<b>\$ 7,664</b>	<b>\$ 20,843</b>	<b>\$ 17,869</b>	<b>\$ (82,617)</b>
Dividends on Series A preferred shares	(2,625)	0	(3,500)	0
<b>NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS</b>	<b>\$ 5,039</b>	<b>\$ 20,843</b>	<b>\$ 14,369</b>	<b>\$ (82,617)</b>
<b>ADJUSTED NET OPERATING INCOME (LOSS) (a)</b>	<b>\$ 20,025</b>	<b>\$ 18,829</b>	<b>\$ 33,892</b>	<b>\$ (89,966)</b>
<b>INCOME (LOSS) PER COMMON SHARE</b>				
Basic	\$ 0.13	\$ 0.61	\$ 0.38	\$ (2.54)
Diluted	\$ 0.13	\$ 0.60	\$ 0.38	\$ (2.54)
<b>ADJUSTED NET OPERATING INCOME (LOSS) PER COMMON SHARE</b>				
Basic	\$ 0.53	\$ 0.55	\$ 0.91	\$ (2.76)
Diluted (b)	\$ 0.52	\$ 0.54	\$ 0.90	\$ (2.76)
Weighted-average common shares outstanding:				
Basic	37,449,621	34,418,472	37,428,385	32,576,463
Diluted	37,732,371	34,586,997	37,643,634	32,576,463
Cash dividends declared per common share	\$ 0.05	\$ 0.30	\$ 0.10	\$ 0.60
Ratios:				
Loss ratio	65.2 %	63.7 %	68.3 %	115.1 %
Expense ratio (c)	25.8 %	26.0 %	25.9 %	27.4 %
Combined ratio	91.0 %	89.7 %	94.2 %	142.5 %
Accident year loss ratio	66.0 %	65.7 %	66.9 %	65.1 %

(a) See "Reconciliation of Non-GAAP Measures".

(b) The outstanding Series A preferred shares were dilutive for the three months ended June 30, 2022. Dividends on the Series A preferred shares were added back to the numerator in the calculation and 5,640,158 common shares from an assumed conversion of the Series A preferred shares were included in the denominator.

(c) Calculated with a numerator comprising other operating expenses less gross fee income (in specific instances when the Company is not retaining insurance risk) included in "Other income" in our Condensed Consolidated Income Statements of \$900,000 and \$1,700,000 for the three and six months ended June 30, 2022, respectively (\$954,000 and \$1.9 million in the respective prior year periods), and a denominator of net earned premiums.

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**James River Group Holdings, Ltd. and Subsidiaries**  
**Segment Results**

**EXCESS AND SURPLUS LINES**

<i>(\$ in thousands)</i>	<b>Three Months Ended June 30,</b>		<b>% Change</b>	<b>Six Months Ended June 30,</b>		<b>% Change</b>
	<b>2022</b>	<b>2021</b>		<b>2022</b>	<b>2021</b>	
Gross written premiums	\$ 266,635	\$ 214,014	24.6 %	\$ 470,917	\$ 395,372	19.1 %
Net written premiums	\$ 166,004	\$ 135,163	22.8 %	\$ 291,714	\$ 243,596	19.8 %
Net earned premiums	\$ 137,884	\$ 117,945	16.9 %	\$ 269,185	\$ 231,653	16.2 %
Losses and loss adjustment expenses	(89,184)	(69,594)	28.1 %	(174,109)	(311,336)	(44.1)%
Underwriting expenses	(26,366)	(21,434)	23.0 %	(51,285)	(44,346)	15.6 %
Underwriting profit (loss) (a)	\$ 22,334	\$ 26,917	(17.0)%	\$ 43,791	\$ (124,029)	—
<b>Ratios:</b>						
Loss ratio	64.7 %	59.0 %		64.7 %	134.4 %	
Expense ratio	19.1 %	18.2 %		19.0 %	19.1 %	
Combined ratio	83.8 %	77.2 %		83.7 %	153.5 %	
Accident year loss ratio	64.7 %	65.3 %		64.7 %	64.8 %	

(a) See "Reconciliation of Non-GAAP Measures".

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**SPECIALTY ADMITTED INSURANCE**

(\$ in thousands)	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2022	2021		2022	2021	
Gross written premiums	\$ 124,967	\$ 129,189	(3.3)%	\$ 250,677	\$ 256,225	(2.2)%
Net written premiums	\$ 18,390	\$ 21,498	(14.5)%	\$ 38,595	\$ 43,503	(11.3)%
Net earned premiums	\$ 18,141	\$ 18,595	(2.4)%	\$ 37,459	\$ 34,952	7.2 %
Losses and loss adjustment expenses	(13,217)	(13,366)	(1.1)%	(28,652)	(24,108)	18.8 %
Underwriting expenses	(3,672)	(3,091)	18.8 %	(7,346)	(7,440)	(1.3)%
Underwriting profit (a), (b)	\$ 1,252	\$ 2,138	(41.4)%	\$ 1,461	\$ 3,404	(57.1)%
Ratios:						
Loss ratio	72.9 %	71.9 %		76.5 %	69.0 %	
Expense ratio	20.2 %	16.6 %		19.6 %	21.3 %	
Combined ratio	93.1 %	88.5 %		96.1 %	90.3 %	
Accident year loss ratio	81.4 %	77.3 %		80.4 %	74.7 %	

(a) See "Reconciliation of Non-GAAP Measures".

(b) Underwriting results for the three and six months ended June 30, 2022 include gross fee income of \$5.9 million and \$11.4 million, respectively (\$5.4 million and \$10.6 million in the respective prior year periods).

**CASUALTY REINSURANCE**

(\$ in thousands)	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2022	2021		2022	2021	
Gross written premiums	\$ 8,112	\$ 36,943	(78.0)%	\$ 38,056	\$ 101,804	(62.6)%
Net written premiums	\$ 10,297	\$ 36,943	(72.1)%	\$ 40,241	\$ 81,104	(50.4)%
Net earned premiums	\$ 30,237	\$ 36,165	(16.4)%	\$ 69,442	\$ 66,693	4.1 %
Losses and loss adjustment expenses	(18,968)	(27,040)	(29.9)%	(54,216)	(48,056)	12.8 %
Underwriting expenses	(9,210)	(12,446)	(26.0)%	(22,004)	(23,583)	(6.7)%
Underwriting profit (loss) (a)	\$ 2,059	\$ (3,321)	—	\$ (6,778)	\$ (4,946)	37.0 %
Ratios:						
Loss ratio	62.7 %	74.8 %		78.1 %	72.1 %	
Expense ratio	30.5 %	34.4 %		31.7 %	35.3 %	
Combined ratio	93.2 %	109.2 %		109.8 %	107.4 %	
Accident year loss ratio	62.7 %	60.9 %		68.3 %	60.8 %	

(a) See "Reconciliation of Non-GAAP Measures".

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**RECONCILIATION OF NON-GAAP MEASURES****Underwriting Profit (Loss)**

The following table reconciles the underwriting profit (loss) by individual operating segment and for the entire Company to consolidated income (loss) before taxes. We believe that the disclosure of underwriting profit (loss) by individual segment and of the Company as a whole is useful to investors, analysts, rating agencies and other users of our financial information in evaluating our performance because our objective is to consistently earn underwriting profits. We evaluate the performance of our segments and allocate resources based primarily on underwriting profit. We define underwriting profit (loss) as net earned premiums and gross fee income (in specific instances when the Company is not retaining insurance risk) less losses and loss adjustment expenses and other operating expenses. Other operating expenses include the underwriting, acquisition, and insurance expenses of the operating segments and, for consolidated underwriting profit (loss), the expenses of the Corporate and Other segment. Our definition of underwriting profit (loss) may not be comparable to that of other companies.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<i>(\$ in thousands)</i>				
Underwriting profit (loss) of the operating segments:				
Excess and Surplus Lines	\$ 22,334	\$ 26,917	\$ 43,791	\$ (124,029)
Specialty Admitted Insurance	1,252	2,138	1,461	3,404
Casualty Reinsurance	2,059	(3,321)	(6,778)	(4,946)
Total underwriting profit (loss) of operating segments	25,645	25,734	38,474	(125,571)
Other operating expenses of the Corporate and Other segment	(8,888)	(7,915)	(16,762)	(15,971)
Underwriting profit (loss) (a)	16,757	17,819	21,712	(141,542)
Net investment income	14,705	14,348	30,972	29,437
Net realized and unrealized (losses) gains on investments	(17,110)	3,483	(22,120)	9,755
Other expense	49	(827)	(252)	(1,349)
Interest expense	(4,049)	(2,249)	(6,341)	(4,465)
Amortization of intangible assets	(91)	(91)	(182)	(182)
Consolidated income (loss) before taxes	\$ 10,261	\$ 32,483	\$ 23,789	\$ (108,346)

(a) Included in underwriting results for the three and six months ended June 30, 2022 is gross fee income of \$5.9 million and \$11.4 million, respectively (\$5.4 million and \$10.6 million in the respective prior year periods).

**Adjusted Net Operating Income (Loss)**

We define adjusted net operating income (loss) as net income (loss) available to common shareholders excluding net realized and unrealized (losses) gains on investments, and certain non-operating expenses such as professional service fees related to a purported class action lawsuit, various strategic initiatives, and the filing of registration statements for the offering of securities, and severance costs associated with terminated employees. We use adjusted net operating income (loss) as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance. Adjusted net operating income (loss) should not be viewed as a substitute for net income (loss) calculated in accordance with GAAP, and our definition of adjusted net operating income (loss) may not be comparable to that of other companies.

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Our income (loss) available to common shareholders reconciles to our adjusted net operating income (loss) as follows:

	<b>Three Months Ended June 30,</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Income Before Taxes</b>	<b>Net Income</b>	<b>Income Before Taxes</b>	<b>Net Income</b>
<i>(\$ in thousands)</i>				
Income available to common shareholders	\$ 7,636	\$ 5,039	\$ 32,483	\$ 20,843
Net realized and unrealized investment losses (gains)	17,110	14,986	(3,483)	(2,741)
Other expenses	—	—	811	727
Adjusted net operating income	<u>\$ 24,746</u>	<u>\$ 20,025</u>	<u>\$ 29,811</u>	<u>\$ 18,829</u>

	<b>Six Months Ended June 30,</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Income Before Taxes</b>	<b>Net Income</b>	<b>Loss Before Taxes</b>	<b>Net Loss</b>
<i>(\$ in thousands)</i>				
Income (loss) available to common shareholders	\$ 20,289	\$ 14,369	\$ (108,346)	\$ (82,617)
Net realized and unrealized investment losses (gains)	22,120	19,176	(9,755)	(8,492)
Other expenses	347	347	1,338	1,143
Adjusted net operating income (loss)	<u>\$ 42,756</u>	<u>\$ 33,892</u>	<u>\$ (116,763)</u>	<u>\$ (89,966)</u>

**Tangible Equity (per Share) and Tangible Common Equity (per Share)**

We define tangible equity as shareholders' equity plus mezzanine Series A preferred shares less goodwill and intangible assets (net of amortization). We define tangible common equity as tangible equity less mezzanine Series A preferred shares. Our definition of tangible equity and tangible common equity may not be comparable to that of other companies, and it should not be viewed as a substitute for shareholders' equity calculated in accordance with GAAP. We use tangible equity and tangible common equity internally to evaluate the strength of our balance sheet and to compare returns relative to this measure. The following table reconciles shareholders' equity to tangible equity and tangible common equity for June 30, 2022, March 31, 2022, and December 31, 2021.

	<b>June 30, 2022</b>		<b>March 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Equity</b>	<b>Equity per share</b>	<b>Equity</b>	<b>Equity per share</b>	<b>Equity</b>	<b>Equity per share</b>
<i>(\$ in thousands, except for share data)</i>						
Shareholders' equity	\$ 594,386	\$ 15.87	\$ 647,677	\$ 17.30	\$ 725,362	\$ 19.41
Plus: Series A redeemable preferred shares	144,898		144,898		—	
Less: Goodwill and intangible assets	217,688		217,779		217,870	
Tangible equity	<u>\$ 521,596</u>	<u>\$ 12.10</u>	<u>\$ 574,796</u>	<u>\$ 13.34</u>	<u>\$ 507,492</u>	<u>\$ 13.58</u>
Less: Series A redeemable preferred shares	144,898		144,898		—	
Tangible common equity	<u>\$ 376,698</u>	<u>\$ 10.06</u>	<u>\$ 429,898</u>	<u>\$ 11.48</u>	<u>\$ 507,492</u>	<u>\$ 13.58</u>
Common shares outstanding	37,450,264		37,448,314		37,373,066	
Common shares from assumed conversion of Series A preferred shares	5,640,158		5,640,158		—	
Common shares outstanding after assumed conversion of Series A preferred shares	<u>43,090,422</u>		<u>43,088,472</u>		<u>37,373,066</u>	

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