

*Supplementary Report of the Independent Expert
on the proposed transfer of insurance business
from*

River Re Limited to

Riverstone Insurance (UK) Limited

*in accordance with Part VII of the Financial
Services and Markets Act 2000*

For the High Court of Justice of England and Wales

23 January 2026

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LCP

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1. Executive summary

1.1. The Proposed Transfer

The firms involved

- 1.1.1. River Re Limited (River Re) is a UK-based reinsurance company in run-off. It underwrote a variety of non-life reinsurance and insurance business between January 2005 and July 2015. River Re is owned by AXA DBIO II, a buyout fund managed by AXA Liabilities Managers (AXA LM).
- 1.1.2. Riverstone Insurance (UK) Limited (RIUK) is part of the RiverStone International Holdings Limited (RIHL) Group. RIUK acquires new portfolios of legacy non-life insurance business using traditional reinsurance structures and Part VII transfers. Its portfolio consists of a variety of non-life insurance products, including casualty, motor and general liability.

The Transferring Business

- 1.1.3. The Part VII transfer (Proposed Transfer) seeks to legally transfer to RIUK all insurance and reinsurance policies underwritten, issued or assumed by River Re.
- 1.1.4. The Transferring Business represents 100% by number and 100% by value of River Re's current liabilities as at 31 December 2024 and if the transfer is sanctioned will represent approximately 4% (by number of open claims) and 15% (by value of net UK GAAP reserves) of RIUK's existing business based on data as at 31 December 2024.
- 1.1.5. The Transferring Business comprises predominantly non-life reinsurance business, as well as a small proportion of direct insurance business. The transferring policies were underwritten between January 2005 and July 2015 across a range of lines of business including property, casualty and engineering. Most of the outstanding liabilities from the Transferring Business are in respect of motor liability and, to a lesser extent, professional indemnity, property, political risks and general liability. The majority (98%) of the Transferring Business was placed through brokers.
- 1.1.6. On 31 December 2024, in preparation for the Proposed Transfer, River Re and RIUK entered into a Loss Portfolio Transfer (LPT) agreement relating to the Transferring Business. Under the LPT agreement, all the liabilities arising from the Transferring Business were reinsured by RIUK. River Re agreed to continue to perform the claims handling and administration services in respect of the Transferring Business, for an agreed fee, pending the Proposed Transfer.
- 1.1.7. The LPT agreement includes a collateral arrangement pursuant to which RIUK has committed to maintaining a specified level of collateral above the reserves amount, which is held in a combination of Trust Accounts and Working Accounts held by River Re. The collateral requirement is recalculated and adjusted at each collateral valuation date. The collateral valuation date is the last business day of each calendar quarter up until the date of the Proposed Transfer or the termination of the LPT agreement, whichever is earlier.
- 1.1.8. River Re and RIUK entered into a Business Transfer Agreement (BTA) on 31 December 2024. The BTA was entered into with a view to RIUK carrying on the Transferring Business in succession to River Re, and RIUK and River Re entering into the LPT agreement described above.
- 1.1.9. If the Proposed Transfer is not completed by 31 December 2027 (Longstop date), the BTA and LPT agreement may be terminated. In this situation, the LPT agreement would be commuted back to River Re, at a pre-agreed commutation price that is a fixed percentage of reserves plus the claims float amount held in the Working Accounts. Any remaining amounts in the Trust Accounts will be returned to RIUK. River Re's beneficial interest in the Trust Assets would cease and River Re policyholders would be reliant on River Re's ongoing financial strength to ensure that their claims are paid. See section 3.4 for more detail.
- 1.1.10. Further detail of the Transferring Business is set out in section 3 of my Scheme Report dated 13 October 2025.

Effective Date

1.1.11. The Effective Date (the date when the Proposed Transfer is expected to occur) is expected to be at 23:59 on 10 February 2026, shortly after the Sanction Hearing which is also scheduled for 10 February 2026.

Reinsurance

1.1.12. River Re's existing outwards reinsurance policies are provided by:

- Australian Reinsurance Pool Corp
- Tokio Marine Kiln; and
- Pool Re.

1.1.13. The Tokio Marine Kiln and Pool Re outwards reinsurance policies will be transferred to RIUK as part of the Proposed Transfer.

1.1.14. The outwards reinsurance policy issued by Australian Reinsurance Pool Corp (ARPC) is governed by the laws of New South Wales. Based on legal advice obtained by RIUK and River Re, it is believed that the Proposed Transfer may not be automatically recognised under New South Wales law. This advice was provided by a senior counsel in Sydney, Australia with expertise in the Australian legal framework analogous to a Part VII transfer. Counsel's view was that an English Part VII Scheme would not be recognised in New South Wales, and the English Court Order would not have the effect of transferring the rights and liabilities under a New South Wales-law governed policy to a new insurer. A similar issue has been considered by the New South Wales Supreme Court in *The Ocean Marine Insurance Company Ltd v CSR Ltd [2012] NSWSC 1229*.

1.1.15. The implication of this legal advice was that, in order to achieve certainty on the transfer of the ARPC policy to RIUK, River Re will need to engage with ARPC to seek a novation of their reinsurance contract from River Re to RIUK.

1.1.16. In response to the advice, River Re engaged with ARPC to seek a novation of the reinsurance contract from River Re to RIUK. ARPC has confirmed in writing that it is comfortable with the novation provided RIUK agrees to the current operative wording of the reinsurance policy. RIUK has confirmed that it accepts the novation of the reinsurance policy on its existing terms. Once the Proposed Transfer has taken place, ARPC will need to be notified, and it will draft a name change endorsement to reflect RIUK as the new policyholder.

1.1.17. Should the novation of the ARPC contract not proceed as anticipated, the Proposed Transfer will remain unaffected and is not dependent on this. There have been no notified claims on this contract, and there are no open claims or reserves. River Re and RIUK consider the likelihood of future claims on this contract to be minimal. Should the novation not be successful, River Re would withdraw from the policy. RIUK has confirmed that it is comfortable with this position and, if the ARPC outwards reinsurance contract cannot be novated, this will not have a material impact on the Proposed Transfer.

1.1.18. Given that there are no notified or open claims or reserves on this contract, and the likelihood of future claims is minimal, I am comfortable that the security provided to Transferring Policyholders will not be materially adversely affected by the Proposed Transfer in this regard.

1.1.19. The Proposed Transfer will not affect the underlying terms and conditions of such reinsurance arrangements. RIUK and River Re have confirmed that all existing reinsurance arrangements, subject to as noted above, will continue following the Proposed Transfer.

Claims handling

1.1.20. AXA LM, on behalf of River Re, has been managing the claims in relation to the Transferring Business since 18 August 2020.

1.1.21. The RIUK and River Re operational teams have continued collaborating on systems, processes, policies and records in preparation for a smooth transition. There is now a structured plan in place for the migration, and this has included any necessary engagement with third parties.

- 1.1.22. Under the LPT agreement, River Re continues to be responsible for claims handling. Since my Scheme Report, River Re and RIUK have set a migration date of 28 January 2026 ie prior to the Effective Date. With effect from the migration date, RIUK shall be responsible for the claims handling and administration of the Transferring Business.
- 1.1.23. Prior to the migration date, River Re will cease handling claims and there will be a period for data to be extracted and transferred to RIUK. This is planned for the period 13 to 21 January 2026.
- 1.1.24. The RIUK claims department seeks to accurately reserve claims in line with its established reserving guidelines and to settle claims at the correct measure of indemnity, inclusive of fees, expenses, costs and interest. The claims team follows a best estimate reserving philosophy as it provides for the most likely outcome of each case taking into account the underlying claim circumstances and policy details.
- 1.1.25. RIUK has extensive experience in acquiring books of insurance business. It transfers the claims and policy data from the seller to its systems, ensuring that there is no disruption to the handling and settlement of claims for any transferring business during the transition of data.
- 1.1.26. The scale of the Proposed Transfer, in terms of the volume of claims, is small relative to the wider RIUK portfolio. The RIUK claims team is currently (as at October 2025) handling approximately 15,700 open claims (or approximately 10,400 excluding nil claims). The number of open claims from River Re as at Q3 2025 was 560 claims. It is expected that a similar number of claims will be involved in the Proposed Transfer. River Re's open claim numbers represent approximately 4% of RIUK's current open claim count. As such, RIUK does not expect its claims handling procedures to change for Existing Policyholders as a result of the Proposed Transfer.

Sanctions

- 1.1.27. AXA LM has carried out an iterative investigatory process to identify a list of "Potentially Sanctioned" Policies. "Potentially Sanctioned", in this context, are policies are contracts of insurance and reinsurance underwritten by River Re which have touchpoints to persons or jurisdictions targeted by EU, UK, UN or US sanctions. AXA LM's investigation process involves:
 - Screening: AXA LM undertakes weekly screening of River Re's full policy list via the AXA Group automated sanctions screening tool. Records of the alerts generated by this screening process are maintained by AXA LM's Legal and Compliance team and used to compile the list of Potentially Sanctioned Policies. Any alert indicating a policy may have one or more touchpoints to an EU, UK, UN or US sanctioned person was included in the list of Potentially Sanctioned Policies.
 - Referrals: AXA LM has a Sanctions Referral Process in place, applicable to all its employees, under which a Sanctions Referral form must be sent to the AXA LM Legal and Compliance team if a potential sanctions issue is identified. Any policy which was the subject of a sanctions referral was included in the list of Potentially Sanctioned Policies.
 - Geographic risk assessment: AXA LM has also conducted additional due diligence in the form of a further geographic risk assessment to identify policies which have a connection with countries and territories which are targeted by more extensive US, UK and/or EU sanctions. This review was undertaken by keyword searches for references to specific countries or territories. Any policies with a connection to one or more of these countries or territories was included in the list of Potentially Sanctioned policies.
- 1.1.28. Through this process, 167 policies have been identified as being Potentially Sanctioned.
- 1.1.29. Of these 167 policies, River Re has identified 48 policies with direct or indirect touchpoints to parties directly targeted by UK or EU Russian Financial sanctions.
- 1.1.30. There is a total of 41 policyholders in respect of the 167 Potentially Sanctioned policies.
- 1.1.31. There are no open claims or outstanding premiums attaching to these Potentially Sanctioned policies. The likelihood of a new claim being notified is low, particularly given that policies were written between 2005 and 2015. There are also no reserves attached to any of the Potentially Sanctioned policies, other than in the case of a small number of policies which are Proportional Treaties which do hold reserves. Where this is the case, none of these reserves relate to parties identified on these policies as having touchpoints to parties targeted by EU, UK, UN or US sanctions.

1.1.32. No policies have been identified as requiring a licence to transfer.

1.1.33. AXA LM has considered the Potentially Sanctioned policies in conjunction with its legal advisers, and established that, in light of the particular characteristics of these policies (such as their age profile, type, and absence of claims against them), all policies included in River Re's book, including the identified Potentially Sanctioned policies, can be included in the Proposed Transfer without breaching EU, UK, UN, or US sanctions. River Re and RIUK have entered into a deed of transfer in respect of the Potentially Sanctioned policies.

1.1.34. I have been provided with a note summarising the legal advice provided to AXA LM and River Re regarding the transferability of the Potentially Sanctioned policies. This legal advice concluded that it is proportionate and defensible for River Re to conclude the transfer of the Potentially Sanctioned Policies pursuant to the Part VII Transfer without requiring authorisation under any EU, UK and/or US sanctions licence.

1.1.35. If the position leading to this conclusion were to change, for example as a result of new applicable sanctions being introduced, or a previously unreported claim being notified, any affected policy would be a "Residual Policy" under the Proposed Transfer, and an application would be made to the appropriate sanctions regulator for a licence to transfer.

1.1.36. AXA LM has confirmed that there have been no changes to the sanctions process or any further Potentially Sanctioned policies identified since my Scheme Report.

1.1.37. RIUK is an acquirer of run-off portfolios from reputable, regulated insurance carriers. RIUK relies on the onboarding activity which will have previously been performed by the original carrier. Prior to acquisition, RIUK requires the original carrier to provide details of their financial crime procedures and any known financial crime concerns. Where these are disclosed, this would trigger enhanced due diligence to take place prior to acquisition.

1.1.38. Following acquisition, RIUK's primary focus is to ensure that claims payments are not made in contravention of relevant sanctions regimes and other financial crime laws and regulations. Systems and controls include:

- financial crime policies and procedures;
- defined Board-approved risk appetites (RIUK has a very low level of risk appetite for Regulatory and Legal Risk); and
- monitoring of risk appetite through key risk indicators.

1.1.39. In addition, the following key processes are in place:

- Sanctions screening processes: All payments are processed through an internally developed claims system, with daily sanctions screening conducted using specialist software and data. This includes checks against individuals linked to serious crimes such as corruption, financial crime, trafficking, organised crime, terrorism, and tax crime. Entities with adverse media coverage related to regulatory or government actions are also flagged. All findings are reviewed by the Compliance team to determine validity before payments proceed. Additionally, quarterly portfolio reviews and onboarding checks for new portfolios help identify potential sanctions risks.
- Ad hoc sanctions queries: RIUK maintains a Financial Crime and Sanctions Watchlist of jurisdictions which are subject to sanctions or relevant restrictions. All such transactions require referral to the Compliance function before proceeding. The watchlist is available to all staff and is reviewed monthly and on an ad hoc basis where there has been a significant event. Any changes are highlighted to all staff. In addition, staff are required to refer transactions relating to military or dual use goods for review by Compliance.
- Financial crime watchlist and prevention: RIUK's Compliance team maintains a detailed financial crime watchlist covering jurisdictions with concerns related to anti-money laundering (AML), anti-bribery and corruption (ABC), tax evasion, and sanctions.

1.1.40. RIUK has confirmed that there have been no changes to the sanctions process since my Scheme Report.

1.2. My role as Independent Expert

- 1.2.1. River Re and RIUK have jointly appointed me to act as the Independent Expert (IE) for the Proposed Transfer. The Prudential Regulation Authority (PRA), in consultation with the Financial Conduct Authority (FCA), has approved my appointment.
- 1.2.2. As IE, my overall role is to assess whether:
 - The security provided to policyholders of River Re and RIUK will be materially adversely affected by the implementation of the Proposed Transfer.
 - The Proposed Transfer will have any adverse impact on service standards experienced by policyholders.
 - Any reinsurer of River Re or RIUK covering the Transferring Business will be materially adversely affected by the Proposed Transfer.
- 1.2.3. I provided my Scheme Report for the Proposed Transfer (dated 13 October 2025) ahead of the Directions Hearing, which was held on 22 October 2025.
- 1.2.4. The purpose of this Supplementary Report is to confirm and/or update the conclusions of the Scheme Report, based on any material new developments in the intervening period, ahead of the Sanction Hearing. This Supplementary Report should be read in conjunction with the Scheme Report.

1.3. Summary of developments since the Scheme Report

- 1.3.1. The main activities in relation to the Proposed Transfer since the Scheme Report was issued on 13 October 2025 have been as follows:

Proposed Transfer

- 1.3.2. The Scheme Report and other associated scheme documents were presented to the relevant courts at the Directions Hearing on 22 October 2025, where approval was received to start notifications in line with the communications plan.

Reserving

- 1.3.3. River Re and RIUK have provided the booked UK GAAP and Solvency UK technical provisions as at 30 September 2025. RIUK's booked reserves as at 30 September 2025 for the Transferring and Existing Business are based on a roll forward of ultimates.
- 1.3.4. In addition, RIUK has provided us with the draft recommended reserves for the Transferring Business following a full review of the data as at 30 September 2025. These recommended reserves are subject to management review and board approval before being booked in early December 2025.
- 1.3.5. There has been no new external independent review of reserves since my Scheme Report. The technical provisions were last audited as at 31 December 2024. In light of the emerging experience, I consider the unaudited September 2025 technical provisions sufficiently reliable to be used as a basis for my conclusions.

Capital

- 1.3.6. River Re and RIUK have updated their analysis of projected SCR coverage ratios on more recent data as at 30 September 2025. This is discussed further in section 5.
- 1.3.7. The updated projected SCR coverage ratios (the ratio of an insurer's available capital to the amount of capital that must be held in order to meet regulatory capital requirements) immediately pre- and post- the Proposed Transfer are:
 - For Transferring Policyholders, the SCR coverage ratio is projected to decrease from 604% to 230% on transfer.
 - For Existing Policyholders, the SCR coverage ratio is projected to increase from 218% to 230% on transfer.

1.3.8. The table below includes a comparison to the ratios in my Scheme Report:

	SCR coverage ratios in Scheme Report			Updated SCR coverage ratios		
	Day 0	Day 1	Movement due to Transfer	Day 0	Day 1	Movement due to Transfer
Transferring Policyholders	663%	209%	-454%	604%	230%	-373%
Existing Policyholders	200%	209%	9%	218%	230%	13%

1.3.9. The projected Day 1 SCR coverage ratio has increased from 209% to 230% since my Scheme Report. The increase in the coverage ratio means that Transferring Policyholders and Existing Policyholders have a slightly higher level of protection post-Transfer than originally expected in my Scheme Report.

1.3.10. The SCR coverage ratio for Transferring Policyholders is expected to reduce from 604% to 230% (663% to 209% in my Scheme Report) as a result of the Proposed Transfer. My conclusion that the Transferring Policyholders will not be materially adversely affected by the Proposed Transfer is unchanged. The rationale for my conclusion is discussed in section 1.5 below.

1.3.11. The SCR coverage ratio for Existing Policyholders is expected to increase from 218% to 230% (200% to 209% in my Scheme Report) as a result of the Proposed Transfer. My conclusion that the Existing Policyholders will not be materially adversely affected by the Proposed Transfer is unchanged.

Policyholder communications

1.3.12. River Re and RIUK have communicated with policyholders and brokers and have published notices in the publications detailed in the communication plan agreed at the Directions Hearings.

1.3.13. As part of implementing the communications plan, River Re has had some challenges with two of the brokers it has engaged with:

- Willis Towers Watson ('WTW') has been unable to identify those policies which transferred to Arthur J. Gallagher (AJ Gallagher) following the sale of Willis Re in 2021. In addition, WTW has advised that the broker references that are held on file by River Re are not accurate. Further, WTW has advised that, where the risks are expired, they have no on-going relationship with the policyholder.
- Marsh (in respect of policies formerly with Guy Carpenter) has advised that it will provide River Re with the policyholder contact details in order for them to notify policyholders directly. However, despite enquiries, River Re has yet to receive any confirmation on the timeline for this information.

1.3.14. River Re has kept me fully up-to-date on these issues and I have summarised the follow-up actions in section 7.4. These issues do not lead me to change any of the conclusions in my Scheme Report.

1.3.15. As at 23 January 2026, River Re and RIUK had received 19 and nil responses respectively as a result of the communication with policyholders. No objections have been received. The policyholder responses to notification of the Proposed Transfer are discussed further in section 7.2.

1.4. Additional considerations for this Supplementary Report

1.4.1 In reaching my conclusions in this Supplementary Report, I have considered the following new information that has become available since the Scheme Report was issued on 13 October 2025:

- Updated UK GAAP and Solvency UK technical provisions as at 30 September 2025 for River Re and RIUK;
- Actual versus expected claims experience over the period to Q3 2025 for the Transferring Business;
- Updated SCR coverage ratio and balance sheet projections;
- Updated impact on the Solvency UK balance sheets of River Re and RIUK immediately pre- and post-the Proposed Transfer;
- Any update on the approach to monitoring sanctions for River Re and RIUK;
- The implementation of the communication plan outlined in my Scheme Report;
- Any developments regarding the structure of the Proposed Transfer; and
- Any policyholder queries or objections raised regarding the Proposed Transfer.

1.5. Summary of my conclusions

My overall conclusions are unchanged from those set out in my Scheme Report.

1.5.1. I set out below my summary conclusions, considering the effect of the Proposed Transfer on the following three parties:

- “Transferring Policyholders”, defined as all River Re policyholders whose policies will transfer to RIUK under the Proposed Transfer.
- “Existing Policyholders”, defined as all policyholders of RIUK immediately prior to the Proposed Transfer, who will remain policyholders with RIUK after the Proposed Transfer.
- Reinsurers of River Re and RIUK covering the Transferring Business.

1.5.2. There are no “Non-transferring Policyholders”, as all River Re policies will transfer to RIUK under the Proposed Transfer.

1.5.3. In drawing my conclusions, I have considered the impact of the Proposed Transfer on all underlying Claimants and Beneficiaries (these terms are defined in Section 4 of my Scheme Report). This includes consideration of the impact of the Proposed Transfer on any third parties. River Re currently has a small number of contracts with third parties including Charles Taylor and DXC. However, these third-party contracts will not form part of the Proposed Transfer. River Re will terminate these third-party contracts at the point of transfer, at which point RIUK will leverage its existing third party supplier contracts to service the transferring policies. River Re has confirmed to me that there will be no operational impact of this change and, therefore, no impact on policyholders. River Re’s and RIUK’s IT teams are working on the necessary processes to facilitate this.

Transferring Policyholders

1.5.4. All River Re policyholders will have their policies transferred to RIUK as part of the Proposed Transfer. River Re has identified 6,042 transferring policies across 1,119 Transferring Policyholders.

I have concluded that the security provided to Transferring Policyholders will not be materially adversely affected by the Proposed Transfer.

I have concluded that no material impact on service standards is expected for Transferring Policyholders following the Proposed Transfer.

Summary rationale:

1.5.5. I am satisfied that the approaches used to calculate the UK GAAP and Solvency UK technical provisions for the Transferring Business in RIUK are appropriate, and RIUK has confirmed that these will be materially unchanged post-transfer. My opinion is based on:

- consideration of RIUK's review of reserves and an external independent review of the reserving methodology for the Transferring Business as at 31 December 2024, ie the date of the LPT agreement, based on data as at 31 December 2023; and
- consideration of RIUK's reserves as at 30 September 2025, alongside the actual versus expected claims experience for the Transferring Business over the period from 31 December 2024 to 30 September 2025.

1.5.6. The SCR coverage ratio for Transferring Policyholders is expected to reduce from 604% to 230% as a result of the Proposed Transfer. I do not consider the security provided to Transferring Policyholders to be materially adversely affected by this change in SCR coverage ratio as RIUK will still be very well capitalised. See definitions of "well capitalised" and "very well capitalised" in section 5.2. Further, in making this judgement, I have taken into account that RIUK's own funds are c.5 times higher than River Re's, so Transferring Policyholders will have access to a significantly higher volume of assets.

1.5.7. On the face of it, the reduction in SCR coverage ratio for Transferring Policyholders from 604% to 230% would appear to be a significant fall in capital strength. However, the SCR is calibrated such that a 100% coverage ratio would equate to a 0.5% probability of insolvency over the next year. A 230% coverage ratio therefore equates to a remote probability of insolvency (ie much less than 0.5%). The difference in capital coverage ratios of 604% and 230% does not, in my opinion, equate to a material difference in the probability of insolvency. In addition, the excess of own funds less the SCR for the Transferring Policyholders post-transfer in RIUK is expected to be £122.6m, approximately 3.5 times the amount pre-transfer in River Re (£33.8m).

1.5.8. RIUK has provided capital projections until 31 December 2030, which indicate that RIUK will remain very well capitalised, based on the existing and Transferring Business running off over time. In an alternative scenario where RIUK takes on additional portfolios in line with its business plan and releases reserves, I am satisfied that RIUK is projected to remain well capitalised over the majority of this period.

1.5.9. I am satisfied that RIUK is expected to have sufficient capital under a range of adverse scenarios in relation to both the Transferring Business and its other business. In more extreme adverse scenarios, where RIUK's SCR coverage ratio would fall below 100%, I am satisfied that the likelihood of such scenarios is sufficiently remote that Transferring Policyholders are not materially adversely affected as a result of the Proposed Transfer. I note that the scenarios are conservative in that they make no allowance for management actions that could be taken to help restore capital levels.

1.5.10. The collateral arrangements under the LPT agreement provide the Transferring Policyholders with additional protection prior to the Proposed Transfer in the scenario where RIUK experienced significant financial difficulties. Following the Proposed Transfer, the LPT agreement will terminate automatically and the collateral arrangement will fall away. I am satisfied that policyholders are not materially worse off after the Proposed Transfer following loss of the collateral through the LPT agreement. This is because a) the scenario where RIUK would be unable to pay claims following the Proposed Transfer is remote; b) the BTA

contains a long stop date of 31 December 2027, after which it would be terminated and, following which, the LPT agreement can be terminated and unwound ie the policyholders may then not be benefiting from the collateral arrangements after this point and c) RIUK is obliged to top up the collateral following deterioration in reserves, but in the event of financial difficulty for example, this obligation is unsecured.

- 1.5.11. RIUK is a UK entity so the Transferring Policyholders will continue to be regulated in the UK following the Proposed Transfer. The rights of policyholders in respect of access to the Financial Services Compensation Scheme (FSCS) or Financial Ombudsman Service (FOS) will not change as a result of the Proposed Transfer.
- 1.5.12. The claims handling of the Transferring Business will move to being managed by RIUK before the Effective Date as part of the migration process. The scale of the Proposed Transfer is relatively small in claims terms, relative to the wider RIUK portfolio. River Re's open claim volumes make up c. 4% of RIUK's open claims. RIUK and River Re are working collaboratively on systems and processes to help plan for a smooth transition.

Existing Policyholders

- 1.5.13. As at 31 December 2024, RIUK had 5.1 million existing policies (approximately 5,920 of which had open claims as at 31 March 2025). River Re's 6,042 transferring policies will therefore make up a small proportion (approximately 0.1%) of RIUK's projected post-transfer policies.

I have concluded that the security provided to Existing Policyholders will not be materially adversely affected by the Proposed Transfer.

I have concluded that no material impact on service standards is expected for Existing Policyholders following the Proposed Transfer.

Summary rationale:

- 1.5.14. I am satisfied that the approaches used to calculate the UK GAAP and Solvency UK technical provisions for RIUK are appropriate, and RIUK has confirmed that these will be materially unchanged post-transfer.
- 1.5.15. The SCR coverage ratio for Existing Policyholders is expected to increase from 218% to 230% as a result of the Proposed Transfer. Therefore, I do not consider the security provided to Existing Policyholders to be materially adversely affected by the Proposed Transfer.
- 1.5.16. Further, RIUK has provided capital projections until 31 December 2030, which indicate that RIUK will remain very well capitalised, based on the existing and Transferring Business running off over time. In an alternative scenario where RIUK takes on additional portfolios in line with its business plan and releases reserves, I am satisfied that RIUK is projected to remain well capitalised over the majority of this period.
- 1.5.17. I am satisfied that RIUK is expected to have sufficient capital under a range of adverse scenarios in relation to both the Transferring Business and its other business. In more extreme adverse scenarios, where RIUK's SCR coverage ratio would fall below 100%, I am satisfied that the likelihood of such scenarios is sufficiently remote such that Transferring Policyholders are not materially adversely affected as a result of the Proposed Transfer. I note that the scenarios are conservative in that they make no allowance for management actions to restore capital levels.
- 1.5.18. RIUK is not planning any material changes to how its existing business is carried out. In particular, there are no plans to change how Existing Policyholders are serviced following the Proposed Transfer.

Reinsurers

1.5.19. I have considered the position of reinsurers of River Re who currently provide cover for the Transferring Business.

I have concluded that reinsurers who provide cover for the Transferring Business will not be materially adversely affected by the Proposed Transfer.

Summary rationale:

1.5.20. River Re and RIUK have both confirmed that all existing reinsurance arrangements that are in place for each respective entity will continue following the Proposed Transfer, with the potential exception of the ARPC outwards reinsurance policy currently held by River Re.

1.5.21. The Proposed Transfer may not be automatically recognised under New South Wales law. Therefore, in order to achieve certainty on the transfer of the ARPC policy to RIUK, River Re has engaged with ARPC to seek a novation of the reinsurance contract from River Re to RIUK. ARPC has confirmed in writing that it is comfortable with the novation provided RIUK agrees to the current operative wording of the reinsurance policy. RIUK has confirmed that it accepts the novation of the reinsurance policy on its existing terms. Once the Proposed Transfer has taken place, ARPC will need to be notified, and it will draft a name change endorsement to reflect RIUK as the new policyholder.

1.5.22. Should the novation of the ARPC contract not proceed as anticipated, the Proposed Transfer will remain unaffected and is not dependent on this. There have been no notified claims on this contract, and there are no open claims or reserves. River Re and RIUK consider the likelihood of future claims on this contract to be minimal. Should the novation not be successful, River Re would withdraw from the policy. RIUK has confirmed that it is comfortable with this position and, if the ARPC outwards reinsurance contract cannot be novated, this will not have a material impact on the transfer. I am satisfied that the security provided to Transferring Policyholders will not be materially adversely affected by the Proposed Transfer in this regard.

1.5.23. The Proposed Transfer will not affect the underlying terms and conditions of the other existing reinsurance arrangements. RIUK will assume all of River Re's rights and obligations under these arrangements for the Transferring Business including any entitlements in respect of reinsurance recoveries, with effect from the Effective Date.

1.5.24. The reinsurers of the Transferring Business will be exposed to the same claims following the Proposed Transfer.

1.5.25. RIUK is a key reinsurer of the Transferring Business under the LPT agreement and provides 100% reinsurance to River Re, after the application of the other external reinsurance contracts. Following the transfer, there is no change in economic risk as RIUK will insure or reinsurance these policyholders directly rather than via the LPT agreement.

2. Introduction

2.1. Background

- 2.1.1. Part VII, Section 109 of the Financial Services and Markets Act 2000 (FSMA) requires that a Scheme Report must accompany an application to the High Court of Justice of England and Wales (High Court) to approve an insurance business transfer scheme (Part VII transfer).
- 2.1.2. The Scheme Report should be produced by a suitably qualified independent person (the Independent Expert or IE) who has been nominated or approved by the Prudential Regulation Authority (PRA) having consulted with the Financial Conduct Authority (FCA). The Scheme Report should address the question of whether any policyholders or reinsurers impacted by the insurance business transfer are adversely affected to a material extent.
- 2.1.3. In my role as Independent Expert, I prepared a Scheme Report for the Proposed Transfer. This was issued on 13 October 2025 and was presented to the High Court on 22 October 2025. In the Scheme Report I stated that, ahead of the Sanction Hearing for the Proposed Transfer, I would prepare a Supplementary Report (this report), covering any relevant matters which have arisen since the date of the Scheme Report.

2.2. Scope of this Supplementary Report

- 2.2.1. This Supplementary Report must be read in conjunction with the Scheme Report as the Supplementary Report alone does not contain the full details of the work I have performed in considering the Proposed Transfer. Reading the Supplementary Report in isolation may be misleading.
- 2.2.2. In combination with the Scheme Report, this Supplementary Report complies with the professional actuarial guidance and standards set out in section 2.5. All terms used in the Supplementary Report are as defined in the Scheme Report.
- 2.2.3. The use of "I", "me" and "my" in this report generally refers to work carried out by me or by the team operating under my direct supervision. However, when it is used in reference to an opinion it is mine and mine alone.
- 2.2.4. For presentational purposes some GBP amounts in this report have been converted from USD at an exchange rate of £1 = USD 1.35. (£1 = USD 1.29 in the Scheme Report)

2.3. Use of this Supplementary Report

- 2.3.1. This Supplementary Report has been produced by Charl Cronje FIA of LCP under the terms of LCP's written agreements with River Re and RIUK.
- 2.3.2. This Supplementary Report is subject to any stated limitations (e.g. regarding accuracy or completeness).
- 2.3.3. This Supplementary Report has been prepared for the purpose of accompanying the application to the High Court in respect of the proposed insurance business transfer scheme described in this report, in accordance with Part VII, Section 109 of the Financial Services and Markets Act (FSMA) 2000. The Supplementary Report is not suitable for any other purpose. The Supplementary Report must be read in conjunction with the Scheme Report of 13 October 2025.
- 2.3.4. A copy of the Supplementary Report will be sent to the PRA and the FCA and will be filed with the High Court as part of the evidence supporting the application to sanction the Scheme.
- 2.3.5. This report is only appropriate for the purpose described above and should not be used for anything else. No liability is accepted or assumed for any use of the Supplementary Report for any other purpose other than that set out above.

2.4. Reliances

- 2.4.1. I have based my work on the data and other information made available to me by River Re and RIUK. Appendix 1 contains a list of key data and other information that I have considered. I have also held discussions with the relevant staff of River Re, RIUK and their advisors.
- 2.4.2. My analysis is based on River Re and RIUK data as at 31 December 2024, 31 March 2025 and 30 September 2025.
- 2.4.3. I have received all of the information that I have requested for the purposes of the production of my report. In this respect:
 - River Re and RIUK will submit witness statements to the High Court stating that all information provided to me by River Re and RIUK respectively is correct and complete in all material aspects to the best of their knowledge, information and belief.
 - Each of River Re and RIUK has provided a data accuracy statement confirming that the data and information provided to me regarding the Proposed Transfer is accurate and complete.
 - River Re and RIUK have provided attestations that there have been no material adverse changes to the financial position of River Re or RIUK since that information was provided to me, other than as described in this Supplementary Report.
 - River Re and RIUK have read this Supplementary Report and each has agreed that it is correct in terms of all factual elements of the Proposed Transfer.
 - I have conducted basic checks on the data provided to me for internal consistency and reasonableness.
 - My checks of the data have not revealed any cause for me to doubt that it is materially appropriate for me to rely on the information provided for the purpose of this report.
- 2.4.4. The conclusions in my report take no account of any information that I have not received, or of any inaccuracies in the information provided to me.
- 2.4.5. I have not considered it necessary to take any independent third-party legal advice on any aspects of the Proposed Transfer.
- 2.4.6. Figures in this report may be subject to small rounding differences and so totals within the tables may not equal the sum of the rounded components.

2.5. Professional standards

- 2.5.1. This report complies with the applicable rules on expert evidence and with the guidance for scheme reports set out by the PRA in their Statement of Policy issued in January 2022, the FCA guidance to their approach to review of Part VII transfers issued in February 2022 and by the PRA Rulebook and the FCA Handbook.
- 2.5.2. This report complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) and Technical Actuarial Standard 200: Insurance (TAS 200) issued by the Financial Reporting Council (FRC). The FRC is responsible for setting technical actuarial standards in the UK.
- 2.5.3. I have considered The Actuaries' Code as issued by the IFoA as part of producing this report.
- 2.5.4. This report has been subject to independent peer review prior to its publication, in line with Actuarial Professional Standard X2: Review of Actuarial Work (APS X2) as issued by the IFoA. This peer review has been undertaken by another Partner at LCP. The peer reviewer was not involved in the production of the report. They have appropriate experience and expertise to act as peer reviewer of this report, and have themselves been the Independent Expert for a number of other transfers.

2.6. Materiality

- 2.6.1. The FRC considers that matters are material if they could, individually or collectively, influence the decisions to be taken by users of the actuarial information. It accepts that an assessment of the materiality is a matter of reasonable judgement that requires consideration of the users and the context.
- 2.6.2. I have applied this concept of materiality in performing the work described in this Scheme Report. In particular, I have applied this concept of materiality when using my professional judgement to determine the risks of material misstatement or omission and to determine the nature and extent of my work.
- 2.6.3. In complying with the reporting requirements of TAS 100, I have made judgements on the level of information to include in this Scheme Report. For example, to make the report easier to read, I have not included all the details that would normally be included in a formal actuarial report, such as details of the methodologies and assumptions underlying the reserve and capital assessments.

2.7. Definition of “materially adverse”

- 2.7.1. In order to determine whether the Proposed Transfer will have a “materially adverse” impact on any group of policyholders, it has been necessary for me to exercise my judgement in the light of the information that I have reviewed.
- 2.7.2. The Proposed Transfer will affect different policyholders in different ways and, for any one group of policyholders, there may be some effects of the Proposed Transfer that are positive, and others that are adverse. When assessing whether the Proposed Transfer will have a “materially adverse” impact, I have considered the aggregate impact of these different effects on each group of policyholders.
- 2.7.3. In the Court of Appeal judgment in The Prudential Assurance Company Ltd and Rothesay Life plc [2020] EWCA Civ 1626, the judge commented on the word ‘material’ and drew the distinction between ‘real’ and ‘fanciful’ risks and that the Court should address the former rather than the latter. I have borne this distinction in mind when reaching my conclusions as to whether any set of policyholders is materially adversely affected. Throughout this report, I have provided the rationale for my judgements and conclusions. These explain why, in each case, I have concluded whether policyholders are materially adversely affected or otherwise.

3. My approach as IE

- 3.1.1 My approach to assessing the Proposed Transfer, as set out in the Scheme Report, has been to perform five steps analysing evidence provided by River Re and RIUK to support the Proposed Transfer.
- 3.1.2 My approach for the Supplementary Report has been to revisit each of these five steps and to consider whether any of the updated analysis or information available now would cause me to change my conclusions in that report.
- 3.1.3 The five steps and my considerations are detailed in the sections as follows:
 - Step 1: Assessing the provisions of River Re and RIUK – considered in section 4.
 - Step 2: Assessing the capital positions of River Re and RIUK – considered in section 5.
 - Step 3: Assessing overall policyholder security – considered in section 6.
 - Step 4: Assessing policyholder communications – considered in section 7.
 - Step 5: Assessing potential impact on customer service and other considerations that might affect policyholders – considered in section 8.
- 3.1.4 A list of the key information considered is included in Appendix 1.
- 3.1.5 Further details on my approach as IE are set out in section 4 of the Scheme Report.

4. Reserving considerations

4.1. My considerations relating to reserving

4.1.1. As IE, my overall assessments related to reserving are:

- whether an appropriate level of provisions is maintained for each relevant group of policyholders ie Transferring Policyholders and Existing Policyholders; and
- whether any aspects of the reserving may lead to any of these groups of policyholders being materially adversely affected by the Proposed Transfer.

4.1.2. These assessments were considered in section 5 of the Scheme Report, based on data and provisions as at 31 March 2025.

4.1.3. In this Supplementary Report, I have also considered updated data and provisions as at 30 September 2025 for River Re and RIUK.

4.1.4. River Re and RIUK have both confirmed that the approach and basis for calculating the UK GAAP and Solvency UK technical provisions have not changed since the Scheme Report.

4.1.5. There has been no new external independent review of reserves since my Scheme Report. The technical provisions were last audited as at 31 December 2024. In light of the emerging experience, I consider the unaudited September 2025 technical provisions sufficiently reliable to be used as a basis for my conclusions.

4.2. River Re provisions (UK GAAP)

4.2.1. The following table shows the level of UK GAAP technical provisions as at 30 September 2025 (the latest available figures at the time of my writing of my report) for River Re, broken down by class.

River Re – Summary of UK GAAP technical provisions at 30 September 2025 (£m)

Class	Gross of reinsurance	Gross of LPT, net of all other reinsurance	Net of all reinsurance
Motor Excess of Loss (XL)	26.2	26.2	0.0
Motor XL – UK settled PPOs	11.0	11.0	0.0
Motor XL – UK non-PPOs	14.2	14.2	0.0
Motor XL – non-UK	1.0	1.0	0.0
Motor Quota Share (QS)	2.9	2.9	0.0
PI & GTP QS	10.6	10.6	0.0
PI & GTP XL	5.7	5.7	0.0
Other Property	4.7	4.7	0.0
Political Risks	6.4	6.4	0.0
Other	1.3	1.0	0.0
Total River Re	57.8	57.5	0.0

Source: River Re.

The provisions are made up of the earned claims reserves (to cover incidents that have already occurred) excluding Unallocated Loss Adjustment Expenses (ULAE). There was no unearned business as at this date.

4.2.2. The provisions for Transferring Business represent 100% of River Re's UK GAAP technical provisions as at 30 September 2025.

4.2.3. Excluding the LPT, River Re has a small amount of external reinsurance, which reduces the UK GAAP technical provisions by £0.3m. On a net of all reinsurance basis, River Re's UK GAAP technical provisions are nil due to the LPT agreement in place between River Re and RIUK.

4.2.4. The gross of reinsurance provisions decreased by £7m between 31 March 2025 (ie the figures in my Scheme report) and 30 September 2025 driven mainly by claims being paid as RIUK's approach is to roll forward ultimates and perform a full reserve review ahead of booking provisions as at 31 December 2025.

4.2.5. The change in provisions for River Re since my Scheme Report does not lead to a change in any of my conclusions as stated in that report.

4.3. RIUK provisions (UK GAAP)

4.3.1. The table below shows the level of UK GAAP technical provisions as at 30 September 2025 (the latest available figures at the time of my writing of my report) for RIUK, broken down by portfolio and by Existing and Transferring Policyholders.

RIUK – Summary of UK GAAP technical provisions at 30 September 2025 (£m)

Portfolio	Gross of reinsurance	Net of external reinsurance	Net of all reinsurance
Existing Policyholders:			
UK Disease	225.0	216.3	108.1
RIUK Legacy	161.9	154.9	123.6
RIL	41.9	34.5	27.9
Sammy	30.9	30.9	30.9
Legacy 3500	5.7	5.7	5.7
Subtotal Existing Policyholders	465.3	442.3	296.2
Transferring Policyholders:			
Frision (River Re)	46.7	46.7	46.7
Total RIUK	512.1	489.0	343.0

Source: RIUK (converted to GBP)

The provisions are made up of the earned claims reserves. The figures net of all reinsurance are net of external reinsurance and net of intragroup reinsurance, and exclude ULAE. There was no unearned business as at this date.

4.3.2. The total booked provisions decreased between 31 March 2025 (ie the figures in my Scheme report) and 30 September 2025 by £36m gross (-7%) and £25m net of all reinsurance (-7%). Of this reduction, £7m (gross and net) relates to the Transferring Business, with the remainder attributable to the Existing Business.

4.3.3. As discussed in my Scheme Report, RIUK has held its estimate of the ultimate value of claims for the Transferring Business at the same level since the due diligence performed ahead of the commencement of the LPT agreement. This is the same approach used to set booked provisions for the Transferring Business as at 30 September 2025.

4.3.4. The decrease in provisions since 31 March 2025 is primarily due to claims payments made during the six months to 30 September 2025. This is expected as the claims liabilities continue to run off over time.

4.3.5. The changes in the booked provisions for RIUK since my Scheme Report do not lead me to change any of my conclusions as stated in that report.

4.4. Reserving estimates for the Transferring Business

4.4.1. The security of Transferring Policyholders depends on: (pre-transfer) the combined reserves and capital held by River Re; and (post-transfer) the reserves and capital held by RIUK. As such, this section on reserving estimates for the Transferring Business should be considered in conjunction with the capital considerations in section 6.

4.4.2. I have been provided with the most recent actuarial reviews undertaken by River Re and RIUK in respect of the liabilities of the Transferring Business. The following table sets out River Re's and RIUK's UK GAAP technical provisions for the Transferring Business as at 30 September 2025. These are the latest available booked figures at the time of my writing of this report.

UK GAAP technical provisions for the Transferring Business as at 30 September 2025

£m	River Re	RIUK
Gross of all reinsurance	57.8	46.7
Net of external reinsurance	0.0	46.7
Net of all reinsurance	0.0	46.7

Source: River Re and RIUK (converted to GBP). Figures are excluding ULAE.

On a net of reinsurance basis, because of the LPT agreement, River Re's reserve for the Transferring Business is zero.

4.4.3. The following table shows the breakdown by class of business (on a gross of all reinsurance basis).

UK GAAP technical provisions for the Transferring Business as at 30 September 2025

Gross of all reinsurance (£m)	River Re	RIUK	Difference (River Re - RIUK)
Motor XL	26.2	20.4	5.7
Motor XL – UK settled PPOs	11.0	11.8	(0.8)
Motor XL - Other	15.2	8.6	6.6
Motor QS	2.9	3.6	(0.7)
PI & GTP QS	10.6	9.8	0.8
PI & GTP XL	5.7	3.6	2.2
Other Property	4.7	4.7	0.0
Political Risks	6.4	3.3	3.1
Other	1.3	1.4	(0.1)
Total	57.8	46.7	11.0

4.4.4. River Re and RIUK have each carried out independent projections of the Transferring Business.

4.4.5. As at 30 September 2025, River Re estimated the gross of reinsurance UK GAAP technical provisions for the Transferring Business at £57.8m, and RIUK's estimate was £46.7m.

4.4.6. RIUK's gross of reinsurance reserves estimate for the Transferring Business as at 30 September 2025 is £11m (19%) lower than River Re's estimate. This compares to a £10.8m (17%) difference as at 31 March 2025 in my Scheme Report.

4.4.7. Key drivers of the differences between River Re and RIUK are the Motor XL class, the Political Risks class and the PI & GTP XL class. These drivers of difference remain unchanged from the position as at 31 March 2025.

- 4.4.8. The underlying differences in reserve estimates are due to a difference in reserving methodology and assumptions between River Re and RIUK. My Scheme Report contains a detailed discussion of the differences.
- 4.4.9. The difference in gross of reinsurance reserve estimates between River Re and RIUK has increased slightly since my Scheme Report (19% as at 30 September 2025 vs 17% as at 31 March 2025). The main driver of this increase is Motor XL.
- 4.4.10. Within Motor XL, the reserve estimates for UK settled PPOs remain unchanged since 31 March 2025 for both River Re and RIUK. RIUK's assessment is that the incurred claims experience was £0.4m worse than expected since 31 March 2025 on the 'Other' claims, which contains UK non-PPOs and non-UK claims. On this basis, RIUK's approach has been to maintain its ultimates since 31 March 2025. River Re's approach has been to increase its ultimates slightly to reflect the experience. This has contributed to the larger difference between River Re and RIUK's reserves; £6.6m (43%) difference as at 30 September 2025 versus £6.1m (31%) difference as at 31 March 2025.
- 4.4.11. During Q4 2025, RIUK carried out a detailed reserve review, based on claims data as at 30 September 2025. This review involved updating ultimates for the emerging experience since RIUK's last detailed review.
- 4.4.12. RIUK's assessment is that the incurred claims experience from 2024 Q1 to 2025 Q3 has, overall, been £8.3m better than expected. RIUK has proposed reducing its ultimates by £8.1m in total to reflect the favourable experience. As at the time of writing this report, the results of the detailed review have been signed off by the Board, and the updated reserves will be booked at Q4 2025.
- 4.4.13. I had discussed the differences in reserving approaches in my Scheme Report and my view was that River Re's and RIUK's reserve estimates are both be within the range of reasonable best estimates given the nature of the underlying business including its inherent uncertainty. Having reviewed the proposed updates to RIUK's ultimates in light of the favourable actual versus expected experience, my conclusions in the Scheme Report remain unchanged ie I consider River Re's and RIUK's reserves to both be within the range of reasonable best estimates given the nature of the underlying business including its inherent uncertainty.
- 4.4.14. As part of its normal processes, River Re has notified RIUK and me of key elements of claims development on the Frisian portfolio since 30 September 2025. These included a reserve increase on one of the PI quota share contracts relating to late reporting of claims, as well as reserve releases on two PPOs. Having considered the movements, both the firms will be maintaining their overall 30 September 2025 provisions unaltered. I am satisfied with this approach given the nature and size of the movements. In addition, my view is that the uncertainties relating to future claims experience (including the potential for any future deteriorations) remain the same as they were when preparing my Scheme report.
- 4.4.15. The reserve developments were communicated to RIUK and me following River Re's internal Committee meetings that review material claims movements. Having discussed the developments with River Re, I am satisfied that they have applied their governance processes appropriately in relation to these claims. My conclusions stated above remain unchanged in light of claims experience since 30 September 2025.

4.5. Approach for setting Solvency UK technical provisions

4.5.1. The tables below show the main steps involved in going from UK GAAP technical provisions to Solvency UK TPs for both River Re and RIUK, based on data as at 30 September 2025.

Steps from UK GAAP to Solvency UK technical provisions as at 30 September 2025 – River Re

£m	Gross	Net of all reinsurance
UK GAAP reserves	59.9	2.2
Removal of UK GAAP discount	5.1	0.0
ENIDs	2.8	0.0
Change in expenses	1.1	1.1
Reinsurance default	0.0	0.0
Discount credit	-14.3	-0.5
Solvency UK TPs excluding risk margin (A)	54.6	2.7
Solvency UK risk margin (B)	0.6	0.6
Solvency UK TPs including risk margin (A + B)	55.2	3.3

Source: River Re converted to GBP. UK GAAP reserves include ULAE.

4.5.2 Overall, the total Solvency UK technical provisions excluding risk margin have decreased by £5.6m gross and £0.9m net of all reinsurance since my Scheme Report as at 31 March 2025.

4.5.3 The main reason for the decrease in technical provisions is the reduction in UK GAAP reserves and expenses, partially offset by a reduction in discount credit.

4.5.4 The risk margin has slightly increased by £0.2m since 31 March 2025 and is 20% of the net best estimate technical provisions as at 30 September 2025. The risk margin was 12.5% of the net best estimate technical provisions as at 31 March 2025.

4.5.5 The increase in risk margin is driven by a combination of an increase in credit risk due to a change in assets upon reinvestment, and a longer run-off period for the SCR overall since the decrease in provisions have been on the relatively shorter-tail classes.

Steps from UK GAAP to Solvency UK technical provisions as at 30 September 2025 – RIUK

£m	RIUK
UK GAAP net reserves *	355.6
Removal of UK GAAP discount	12.1
ENIDs	4.6
Expenses	23.2
Reinsurance default	(0.5)
Discount credit	(83.1)
Reclassification**	(28.6)
Solvency UK TPs excluding risk margin (A)	283.2
Solvency UK risk margin (B)	17.3
Solvency UK TPs including risk margin (A + B)	300.6

* Source: RIUK converted to GBP. UK GAAP reserves include ULAE.

** The reclassification is the transfer of (re)insurance receivables/payables into the Solvency UK TPs as required by the regulations.

- 4.5.6 Overall, the total net technical provisions excluding risk margin have decreased by £24.8m since my Scheme Report as at 31 March 2025. This is driven by the reduction in the net UK GAAP reserves.
- 4.5.7 The risk margin has decreased by £1.5m since 31 March 2025 and remains 6.1% of net best estimate technical provisions, unchanged from my Scheme Report.
- 4.5.8 The changes in the steps from UK GAAP provisions to Solvency UK technical provisions compared to my Scheme Report do not lead me to change my conclusions in that report.

4.6. Key uncertainties when setting provisions

- 4.6.1 The ultimate cost of settling general insurance claims is subject to uncertainty in terms of both the frequency (ie how many valid claims there will be) and severity (ie the cost of settling each claim), including exposure to inflation in claim amounts over time. Therefore, there are uncertainties when setting the corresponding provisions.
- 4.6.2 These uncertainties were considered in detail in section 5.7 of my Scheme Report

4.7. Overall conclusion: reserving considerations

- 4.7.1 I am satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

I have concluded that the Transferring Policyholders and Existing Policyholders will not be materially adversely affected by the reserving aspects of the Proposed Transfer.

5. Capital considerations

5.1. My considerations relating to capital

5.1.1. As IE, my overall assessments related to capital are:

- whether the projected capital requirements have been calculated appropriately for both River Re and RIUK;
- whether there are expected to be any material adverse changes in the strength of capital protection for any group of policyholders (I have assessed this by comparing the projected SCR coverage ratios pre- and post- the Proposed Transfer); and
- whether any other aspects of the capital considerations may lead to policyholders being materially adversely affected by the Proposed Transfer.

5.1.2. These assessments were considered in section 6 of my Scheme Report.

5.1.3. In this Supplementary Report, I have also considered the updated SCR coverage ratio and balance sheet projections for River Re and RIUK based on data as at 30 September 2025. In addition, I have discussed with River Re and RIUK the key elements of claims experience since 30 September 2025 (see section 4.4) and I am satisfied that this would not materially impact the SCR coverage ratios and balance sheet projections.

5.2. Projected SCR coverage ratios for River Re and RIUK

5.2.1. For the purposes of this report and the Scheme Report, I describe a company as having “sufficient capital” if the SCR coverage ratio is between 100% and 150%. I describe a company as “well capitalised” if the SCR coverage ratio is between 150% and 200% and “very well capitalised” if the SCR coverage ratio is in excess of 200%.

5.2.2. Since providing my Scheme Report, River Re and RIUK have updated their analysis of projected SCR coverage ratios based on more recent data. As such, the coverage ratios quoted in this report have changed since those included in the Scheme Report.

Projected SCR coverage ratios immediately pre- and post-transfer

5.2.3. The Effective Date of the Proposed Transfer is expected to be on 10 February 2026 at 23:59.

5.2.4. The table below sets out the projected SCR and coverage ratios, as prepared by River Re and RIUK, immediately before and after the Proposed Transfer ie at Day 0 and Day 1 respectively, based on data as at 30 September 2025. The projections below are based on assuming that Day 0 and Day 1 are on 31 January 2026 and 1 February 2026. Both River Re and RIUK have confirmed to me that these projections remain appropriate with Day 0 and Day 1 expected to be 9 February 2026 and 10 February 2026 respectively.

Projections before and after the Proposed Transfer	Own Funds	SCR	Own Funds less SCR	SCR coverage ratio	Movement in coverage ratio
Day 0 – before Transfer					
River Re £m	40.5	6.7	33.8	604%	
RIUK £m	205.0	94.2	110.8	218%	
Day 1 – after-Transfer					
River Re £m *	43.4	2.4	41.0	1,792%	1,188%
RIUK £m	216.8	94.2	122.6	230%	13%

Source: River Re and RIUK (converted to GBP)

Note: At Day 1, given that the River Re SCR is projected to be less than the MCR of £3.5m, the MCR would apply and the MCR coverage ratio for River Re would be 1,241%.

* I have been notified of an error in the Day 1 SCR projection provided by River Re and quoted in my Scheme Report. The correct projected day 1 SCR for the Scheme Report was £3.3m, rather than £3.1m, and the correct

SCR coverage ratio was 1,342% instead of 1,394%. Given that the corrected River Re Day 1 SCR is also projected to be less than the MCR of £3.5m, the MCR would have still applied. The magnitude of this error, the fact that it does not impact the regulatory capital, and that there are no Existing Policyholders in River Re post-Transfer means that there is no impact on my conclusions in my Scheme Report.

5.2.5. In summary:

- **Transferring Policyholders:** the SCR coverage ratio for Transferring Policyholders is projected to decrease from 604% to 230% as a result of the Proposed Transfer. I do not consider the security provided to Transferring Policyholders to be materially adversely affected by this change in SCR coverage ratio as RIUK will still be very well capitalised. Further, RIUK's own funds are c.5 times higher than River Re's, so Transferring Policyholders will have access to a higher volume of assets.
- On the face of it, the reduction in SCR coverage ratio for Transferring Policyholders from 604% to 230% would appear to be a significant fall in capital strength. However, the SCR is calibrated such that a 100% coverage ratio would equate to a 0.5% probability of insolvency over the next year. A 230% coverage ratio therefore equates to a remote probability of insolvency (ie much less than 0.5%). The difference in capital coverage ratios of 604% and 230% does not, in my opinion, equate to a material difference in the probability of insolvency. In addition, the excess of own funds less the SCR for the Transferring Policyholders post-transfer in RIUK is expected to be £122.6m, approximately 3.5 times the amount pre-transfer in River Re (£33.8m).
- **Existing Policyholders:** the SCR coverage ratio for Existing Policyholders is projected to increase from 218% to 230% after the Proposed Transfer.

5.2.6. RIUK is expected to be very well capitalised immediately following the Proposed Transfer.

Projected SCR coverage ratios after the Proposed Transfer

- 5.2.7. RIUK has provided me with their SCR coverage ratio projections following the Proposed Transfer through to 31 December 2030. All River Re policies will transfer to RIUK as part of the Proposed Transfer, so River Re has not provided me with SCR coverage ratio projections beyond Day 1.
- 5.2.8. RIUK's capital projections over the period to 31 December 2030 indicate that RIUK will remain very well capitalised, based on the existing and Transferring Business running off over time. In an alternative scenario where RIUK takes on additional portfolios in line with its business plan and releases reserves, I am satisfied that RIUK is projected to remain well capitalised over the majority of this period.
- 5.2.9. In practice, the actual coverage ratios may be higher or lower than projected depending on the claims and other experience of RIUK. RIUK will routinely monitor its capital and projected capital position in line with its capital management policy and risk appetite. This could also lead to the coverage ratios being higher or lower than projected but they are expected to remain above their risk appetite levels.

Conclusion

- 5.2.10. Overall, considering all of the above factors, I have concluded that there is no materially adverse impact from the Proposed Transfer for any group of policyholders in terms of capital security.
- 5.2.11. The changes in SCR coverage ratios since my Scheme Report have not led me to change my conclusions regarding capital considerations in that report.

5.3. SCR scenario analysis

- 5.3.1. In section 6.10 of my Scheme Report, I considered the impact of a range of adverse scenarios for River Re and RIUK, based on projections prepared by each entity at my request. I considered each scenario pre- and post-transfer to assess the impact of the Proposed Transfer.
- 5.3.2. The purpose of the analysis is to assess whether River Re and RIUK can withstand adverse experience for their business and whether, under these circumstances, each insurer still provides appropriate security to all groups of policyholders. The scenarios do not attempt to represent the full range of possible adverse events to which the insurers may be exposed. Rather, they aim to focus on key areas relevant to River Re and RIUK.

5.3.3. All of the scenarios were specified and reviewed for reasonableness by me, but the calculations have been performed by River Re and RIUK respectively.

5.3.4. The tables below summarise the results of the scenario analysis on the updated balance sheet projections based on data as at 30 September 2025.

River Re scenarios

River Re	Area	SCR coverage ratio	
		Day 0	Impact
Base result		604%	
A) 40% deterioration of reserves	Reserves	456%	(148%)
B) 60% deterioration of reserves	Reserves	403%	(200%)
C) PPO scenario: 1.5% pa increase in inflation, 1.8% pa decrease in discount rate and 5 year increase in life expectancy	Reserves	496%	(108%)
D) Nominal interest rates fall to 0%	Market	933%	329%
E) 600 basis points increase in credit spreads and instantaneous 3 notch downgrade of bond portfolio	Market	588%	(15%)
F) A combination of Test A and Test D	Combined reserve and market	934%	331%

5.3.5. The scenarios are conservative in that they do not allow for any management actions that could mitigate the reduction in SCR coverage ratios. They also do not allow for the potential mitigating effect of any deferred tax assets.

5.3.6. For River Re, the updated scenario analysis demonstrates broadly similar impacts of the stresses as those set out in my Scheme Report, albeit now starting from a lower base SCR coverage ratio position ie 604% compared to 663%.

RIUK scenarios

RIUK	Area	SCR coverage ratios			
		Day 0	Impact on Day 0	Day 1	Impact on Day 1
Base result		218%		230%	
A) Deterioration of reserves: 40% for Transferring Business, 20% for all other RIUK liabilities	Reserves	128%	(90%)	138%	(92%)
B) Deterioration of reserves: 60% for Transferring Business, 30% for all other RIUK liabilities	Reserves	96%	(122%)	106%	(124%)
C) PPO scenario: 1.5% pa increase in inflation, 1.8% pa decrease in discount rate and 5 year increase in life expectancy on all RIUK PPOs	Reserves	200%	(18%)	213%	(18%)
D) Nominal interest rates fall to 0%	Market	189%	(28%)	200%	(31%)
E) 600 basis points increase in credit spreads and instantaneous 3 notch downgrade of bond portfolio	Market	127%	(90%)	138%	(93%)
F) A combination of Test A and Test D	Combined reserve and market	103%	(115%)	112%	(119%)
G) Failure of two large reinsurance counterparties combined with failure of guarantee and 30% loss of collateral	Reinsurance	147%	(71%)	156%	(74%)
H) Default of all external reinsurance on the Transferring Business	Reinsurance	218%	0%	230%	0%
I) Reverse stress test: a combination of Test G and a 35% deterioration of reserves for all RIUK liabilities, including the Transferring Business	Reverse stress test	29%	(189%)	36%	(194%)

5.3.7. The scenarios do not allow for any management actions that could mitigate the reduction in SCR coverage ratios.

5.3.8. For RIUK, the updated scenario analysis demonstrates broadly similar impacts of the stresses as those set out in my Scheme Report, albeit now starting from higher base SCR coverage ratio positions ie 218% compared to 200% at Day 0 and 230% compared to 209% at Day 1.

5.3.9. The updated scenario analysis has not led me to change any of my conclusions in my Scheme Report regarding capital considerations.

5.3.10. My conclusions from this scenario analysis are as follows:

Transferring Policyholders

5.3.11. Because of the LPT agreement, Transferring Policyholders are already exposed to the scenarios impacting RIUK's balance sheet pre-transfer. However, the collateral arrangements under the LPT agreement would provide the Transferring Policyholders with additional protection prior to the Proposed Transfer in the scenario where RIUK experienced significant financial difficulties.

5.3.12. Following the Proposed Transfer, the LPT agreement and the collateral arrangement will fall away. I am satisfied that the Transferring Policyholders are not materially worse off after the Proposed Transfer following loss of the collateral through the LPT agreement. One of the reasons for this is because the scenario where RIUK would be unable to pay claims following the Proposed Transfer is remote. The scenario analysis in this section supports this argument. Under the majority of scenarios considered, RIUK remains sufficiently capitalised. Under all scenarios, even in the most extreme and remote scenarios considered, RIUK is still expected to be able to pay its claims.

5.3.13. In addition, as explained in section 1:

- The BTA contains a long stop date of 31 December 2027, after which it would be terminated and, following which, the LPT agreement can be terminated and unwound ie the policyholders may then not be benefitting from the collateral arrangements after this point; and
- RIUK is obliged to top up the collateral following deterioration in reserves, but in the event of financial difficulty for example, this obligation is unsecured.

5.3.14. Given this, I am satisfied that the Transferring Policyholders are not materially adversely affected as a result of the Proposed Transfer.

Existing Policyholders

5.3.15. The impact of each stressed scenario on RIUK is similar both immediately pre-transfer (ie at Day 0) and post-transfer (ie at Day 1).

5.3.16. In all adverse scenarios considered, the RIUK SCR coverage ratio is slightly higher at Day 1 than at Day 0. This is due to the reduction in ring-fenced funds (and therefore increase in eligible own funds) following the Proposed Transfer.

5.3.17. Therefore, under these scenarios, I am satisfied that Existing Policyholders are not materially adversely affected as a result of the Proposed Transfer.

5.4. Overall conclusion: Capital considerations

5.4.1. I am satisfied that my conclusions related to capital remain unchanged from my Scheme Report.

5.4.2. In summary:

- I do not consider the security provided to Transferring Policyholders to be materially adversely affected by the projected reduction in SCR coverage ratio post-transfer, as RIUK will still be very well capitalised, and Transferring Policyholders will have access to a higher volume of assets.
- For Existing Policyholders, the capital strength of RIUK, as measured by the SCR coverage ratio, is slightly higher post-transfer than pre-transfer.
- I have also considered a number of stress scenarios for both River Re and RIUK. Under all scenarios, even the most extreme and remote scenarios considered, RIUK is still expected to be able to pay its claims.
- Further, RIUK has provided capital projections until 31 December 2030, which indicate that RIUK will remain very well capitalised, based on the existing and Transferring Business running off over time. In an alternative scenario where RIUK takes on additional portfolios in line with its business plan and releases reserves, I am satisfied that RIUK is projected to remain well capitalised over the majority of this period.
- I do not expect there to be any materially adverse changes in the strength of capital protection for any group of policyholders as a result of the Proposed Transfer.

6. Policyholder security

6.1. My considerations relating to policyholder security

6.1.1. As IE, my overall assessments related to policyholder security are:

- whether the likelihood of valid policyholder claims being paid is maintained following the Proposed Transfer for Transferring Policyholders and Existing Policyholders; and
- whether any change in policyholder security results in policyholders being materially adversely affected by the Proposed Transfer.

6.1.2. These assessments were considered in section 7 of my Scheme Report.

6.1.3. In this Supplementary Report, I have also considered the updated projected balance sheets of River Re and RIUK immediately pre- and post- the Proposed Transfer.

6.2. Impact on the balance sheets of River Re and RIUK

6.2.1. I have updated the analysis set out in section 7.2 of the Scheme Report to reflect River Re and RIUK's latest projections.

6.2.2. The table below shows Solvency UK balance sheets for River Re and RIUK pre- and post-transfer. At the time of writing my report, the latest (unaudited) balance sheet available is as at 30 September 2025. This is shown below.

Solvency UK balance sheets of River Re and RIUK: £m

Converted £m	As at 30 September 2025 (unaudited)		Projected Day 0		Projected Day 1	Movement due to Proposed Transfer
	River Re	RIUK	River Re	RIUK	RIUK	RIUK
Cash and investments	51.9	554.3	51.3	521.5	521.5	0.0
Reinsurance recoverables	51.0	173.5	48.4	181.8	181.9	0.1
Receivables & other assets	2.5	81.7	2.5	78.3	78.3	0.0
Total assets	105.3	809.5	102.2	781.6	781.7	0.1
Technical provisions	55.2	501.4	52.0	465.5	465.6	0.1
Accounts payable & other liabilities	9.7	10.4	9.7	10.0	10.0	0.0
Total liabilities	64.9	511.8	61.8	475.5	475.6	0.1
Excess of assets over liabilities	40.5	297.8	40.5	306.1	306.1	0.0
Adjustment for restricted own fund items	0.0	(106.1)	0.0	(101.1)	(89.3)	11.8
Total Eligible Own Funds to meet the SCR	40.5	191.7	40.5	205.0	216.8	11.8
Tier 1	40.5	187.3	40.5	200.8	212.6	11.8
Tier 2	0.0	0.0	0.0	0.0	0.0	0.0
Tier 3	0.0	4.3	0.0	4.2	4.2	0.0
Total capital (SCR)	7.1	107.9	6.7	94.2	94.2	0.0
SCR coverage ratio	570%	178%	604%	218%	230%	13%

Source: River Re and RIUK (converted to GBP)

Note 1: RIUK figures as at 30 September 2025, Day 0 and Day 1 have been converted from USD to GBP at an exchange rate of £1 = USD 1.35.

Note 2: The balance sheet figures shown in this table include some simplifications e.g. allocating the (net) discount margin entirely to the (gross) technical provisions liability.

6.2.3. The balance sheet was last audited as at 31 December 2024, and these figures were shown in my Scheme Report. I consider the unaudited September 2025 balance sheet numbers sufficiently reliable to be used as a basis for my conclusions, in light of the emerging experience of both firms since the last formal audit and the production of the Scheme report.

Key movements - River Re

6.2.4. Following the Proposed Transfer, River Re will have no remaining policyholders, as all River Re policies will transfer to RIUK as part of the Proposed Transfer. I have, therefore, not considered the River Re balance sheet after the Proposed Transfer.

Key movements - RIUK

6.2.5. RIUK's SCR coverage ratio increases from 178% as at 30 September 2025 to 218% at Day 0 (31 January 2026). This is driven by:

- The legal transfer of a portfolio of insurance liabilities, unrelated to the River Re legal transfer, to another entity within the wider RiverStone Group. This transfer results in a reduction in the SCR between 30 September 2025 and Day 0 due to c.£30m of reserves transferring out of RIUK's balance sheet. In addition, there is a c.£5m removal in ring-fenced funds upon this transfer, which increases RIUK's Eligible Own Funds.
- A projected \$5m release in reserves for the overall RIUK portfolio as at 31 December 2025 following a detailed review of the data as at 30 September 2025 during the fourth quarter of 2025. The release in reserves reflects favourable actual vs expected experience over the last 12 months since the previous detailed review.
- In addition to the projected planned release in reserves above, there is a general reduction of reserves expected as liabilities run off over time.

The releases in reserves increase the Eligible Own Funds and correspondingly decrease the SCR, thereby increasing the SCR coverage ratio between 30 September 2025 and Day 0.

6.2.6. Overall RIUK's excess assets over liabilities and SCR are unchanged between Day 0 and Day 1, because the Proposed Transfer replicates the current economic position due to the LPT agreement.

6.2.7. There is an increase in the eligible own funds to meet the SCR between Day 0 and Day 1 due to a reduction in ring-fenced funds. The LPT agreement includes a collateral arrangement pursuant to which RIUK has committed to maintaining a specified level of collateral above the reserves amount. These funds are restricted under Solvency UK and therefore this reduces the eligible own funds pre-transfer. Following the Proposed Transfer, the LPT agreement will terminate and the eligible own funds will increase accordingly.

6.2.8. I am, therefore, comfortable that RIUK's projected Day 0 and Day 1 financial positions and future projections are reasonable in this regard.

6.3. Reinsurance arrangements

- 6.3.1. The LPT agreement between River Re and RIUK, whereby all of the Transferring Business is reinsured by RIUK, will terminate as part of the Proposed Transfer.
- 6.3.2. There is a small amount of external reinsurance for the Transferring Business. These outwards reinsurance policies are provided by Australian Reinsurance Pool Corp, Tokio Marine Kiln and Pool Re.
- 6.3.3. The Proposed Transfer will not affect the underlying terms and conditions of the existing Tokio Marine Kiln and Pool Re reinsurance arrangements on the Transferring Business. RIUK will assume all of River Re's rights and obligations under these arrangements for the Transferring Business including any entitlements in respect of reinsurance recoveries, with effect from the Effective Date. The reinsurers of the Transferring Business will be exposed to the same claims after the Proposed Transfer.
- 6.3.4. As discussed in section 1, River Re has engaged with ARPC to secure a novation of their reinsurance contract from River Re to RIUK, as the Proposed Transfer may not automatically be recognised by New South Wales. ARPC has confirmed in writing that it is comfortable with the novation provided RIUK agrees to the current operative wording of the reinsurance policy. RIUK has confirmed that it accepts the novation

of the reinsurance policy on its existing terms. Once the Proposed Transfer has taken place, ARPC will need to be notified, and it will draft a name change endorsement to reflect RIUK as the new policyholder.

6.3.5. There are no further updates to the ARPC reinsurance contract novation plans since my Scheme Report.

6.4. Access to the Financial Services Compensation Scheme

6.4.1. There have been no changes related to access to the Financial Services Compensation Scheme since my analysis included in the Scheme Report in section 7.5.

6.4.2. Therefore, my conclusion that I do not expect the rights of the policyholders in respect of access to the FSCS to change as a result of the Proposed Transfer remains unchanged.

6.5. Access to the Financial Ombudsman Service

6.5.1. There have been no changes related to access to the Financial Ombudsman Service since my analysis included in section 7.6 of my Scheme Report.

6.5.2. Therefore, my conclusion that I do not expect the rights of policyholders in respect of access to the FOS to change as a result of the Proposed Transfer remains unchanged.

6.6. Insurance regulation

6.6.1. There have been no changes related to prudential or conduct regulation since my analysis included in section 7.7 of my Scheme Report that would impact my conclusions.

6.6.2. Therefore, my conclusion that River Re and RIUK policyholders will not be adversely affected by the Proposed Transfer from a regulatory standpoint remains unchanged.

6.6.3. River Re and RIUK's legal advisers have confirmed that no additional transfer process and/or approval is required from overseas regulators in respect of:

- Policies that are not subject to the laws of England and Wales; and
- River Re's outwards reinsurance policies, with the exception of ARPC, which River Re is seeking to novate prior to the Transfer as discussed in section 3.2.

6.7. Overall conclusion: Policyholder security

6.7.1. Based on the analysis set out above, I am satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

I have concluded that policyholders will not be materially adversely affected by the Proposed Transfer in regard to policyholder security.

7. Policyholder communications

7.1. My considerations relating to policyholder communications

7.1.1. As IE, my overall assessments related to policyholder communications are:

- the appropriateness of River Re and RIUK's communication strategy to inform policyholders of the Proposed Transfer.
- whether the policyholders are to be provided with sufficient and clear enough information so that they can understand how the Proposed Transfer may affect them.

7.1.2. These assessments were considered in section 8 of the Scheme Report.

7.1.3. In this Supplementary Report, I have also considered the following:

- Policyholder and other stakeholder responses to River Re and RIUK's communications; and
- Policyholder and other stakeholder objections to the Proposed Transfer.

7.2. Policyholder responses to River Re and RIUK's communications

7.2.1. River Re and RIUK have confirmed that communications with policyholders have been carried out in line with the communications plan agreed at the Directions Hearings on 22 October 2025:

- Of the River Re policyholders who were to be notified directly, 60 were notified directly by email on 23 October 2025 and 20 were sent hard copies of the communication pack and covering letters by post on 24 October 2025.
- The 27 brokers who were identified as the relevant contact points for Broker Notified Policyholders were sent emails on 24 October 2025.

7.2.2. River Re and RIUK have confirmed that all notices detailed in the communications plan agreed with the High Court at the Directions Hearing have been published. RIUK has also confirmed that there have been no diversions from the communications strategy. River Re has faced some challenges when implementing the communications plan and these are discussed further in this section.

7.2.3. As at 23 January 2026, which was the latest available data prior to finalising this Supplementary Report:

- River Re had received 19 policyholder responses, 12 of which were general enquiries eg requesting why they had received notification of the Proposed Transfer given the policies had expired years ago. The remaining 7 are "tracker returns", which are responses from various brokers confirming that they had complied with the notification process.
- RIUK had received no policyholder responses.

7.2.4. I have reviewed a summary of the policyholder responses. The reasons for the contact are summarised in the following table:

Reason	Number of responses – River Re	Number of responses - RIUK
General enquiry	12	0
Tracker returns	7	0
Objection	0	0
Complaint	0	0
Technical enquiry	0	0
Other	0	0
Total	19	0

7.2.5. As at 23 January 2026, which was the latest available data prior to finalising this Supplementary Report:

- River Re has only received one returned (bounced back) email, which relates to a policyholder holding a single contract from 2005 with no reserves. Due to security protocols related to the recipient's location in Russia, River Re did not attempt to resend this email.
- River Re has not received any returned hard copy mail which was posted to policyholders.

7.3. Communications plan updates

7.3.1. As part of the Communications strategy, River Re has had some challenges with two of the brokers it has engaged with and has kept the PRA/FCA and me informed of the latest position on a weekly basis:

- Willis Towers Watson ('WTW') has been unable to identify those policies which have transferred to Arthur J. Gallagher (AJ Gallagher) following the sale of Willis Re in 2021. In addition, WTW advised that the broker references that are held on file by River Re are not accurate. Further, WTW has advised that, where the risks are expired, they have no on-going relationship with the policyholder. As of 23 January 2026, there has been no positive response from WTW.
- Marsh (in respect of policies formerly with Guy Carpenter) has advised that it will provide River Re with the policyholder contact details in order for River Re to notify policyholders directly. However, despite enquiries, River Re has yet to receive any confirmation on the timeline for this information. River Re has therefore requested that Marsh prioritise the notification of any policyholders with a contract holding an active reserve and this process is ongoing.

Policies with an active reserve

7.3.2. I have discussed these issues with River Re and note that, of the circa 6,000 policies in scope for this Part VII transfer, there are less than 400 policies with an active reserve. These relate to 116 policyholders.

WTW / AJ Gallagher

- Of the c. 400 River Re policies with active reserves that will be part of the Proposed Transfer, WTW's share represents around 5%. For these 5%, in some cases, River Re has located a contact directly at the Insured / Reinsured and notified them. Where this information isn't available, River Re has requested its regular contact at Willis to notify the policyholder as soon as possible.
- Additionally, AXA XL has been in touch with the CEO of Willis Europe to see if there is anything further that can be done to assist River Re with the communications strategy. As of 23 January 2026, no response has been received.
- River Re has also engaged with AJ Gallagher to try to identify details of those policies that moved from Willis Re. So far there has not been a comprehensive response from AJ Gallagher. However, River Re has requested that AJ Gallagher prioritise the notification of any policyholders with an active reserve.

Marsh

- Of the policies with active reserves, 35% are with Marsh.
- River Re has shared a list of policies with active reserves on them with Marsh to ensure these policyholders are notified as quickly as possible.
- As with WTW, where possible, River Re has notified policyholders directly. In addition, River Re has identified multiple policyholders with policies placed through other brokers who have already been notified of the proposed transfer.

Remainder

- The remaining 60% of policies are either with Aon and have been notified or are with other brokers. The policyholders on the policies that are with other brokers have either been notified directly or are in the process of being notified by the AXA LM Claims team.

I have been provided a summary of all the River Re policies with active reserves and their notification status:

Notification status	Number of policyholders with an active reserve	Proportion of total
Policyholders notified directly	77 *	66%
Further communication sent to broker contact	36**	31%
No further information on file	3	3%
Total	116	

* Of the 77 policyholders notified directly, only 8 were originally meant to be notified directly as per the Communication strategy. The remainder are those that were notified by River Re as part of additional steps taken followed the challenges with the brokers.

** Of the 36 policyholders, 12 are with WTW and 17 are with Marsh.

Policies whose risks have expired

7.3.3. The remainder of the policies with expired risks relate to 1,095 policyholders:

- 83 of these policyholders have been notified directly by River Re.
- Notifications have been sent to brokers relating to 1,004 of the policyholders. Of these, 355 policyholders are confirmed to have been notified. Of the remaining 649 policyholders that have not yet been confirmed to be notified, 159 are with WTW and 247 are with Marsh.
- The remaining 8 policyholders are dissolved cedants.

As these risks have now expired, River Re considers that the Proposed Transfer will have no impact on these policyholders.

7.3.4. The widespread advertising (ie publishing notices in the Gazette and four other publications) regarding the Proposed Transfer provides a further opportunity for policyholders to become aware of the Proposed Transfer.

7.3.5. In my opinion, River Re has dealt appropriately with the unexpected challenges from the brokers and has made extensive efforts to notify the remaining policyholders of the Proposed Transfer. Having considered the additional actions taken by River Re eg notifying policyholders directly where possible, finding alternative contacts at the brokers, providing brokers with information on policies with active reserves, etc, alongside the widespread advertising of the Proposed Transfer, my overall conclusions remain unchanged from those set out in my Scheme Report.

7.4. Policyholder objections to the Proposed Transfer

7.4.1. No objections to the Proposed Transfer had been raised as at 23 January 2026 by either River Re or RIUK policyholders.

7.4.2. As such, my conclusions in my Scheme Report and this Supplementary Report are unchanged with regard to any objections, as none have been raised.

7.5. Overall conclusion: Policyholder communications

7.5.1. Notwithstanding the issues described in section 7.3, the communications regarding the Proposed Transfer have been carried out in line with the communications plan agreed with the High Court at the Directions Hearing on 22 October 2025.

7.5.2. I have not identified any objections or complaints that have caused me to change my overall conclusions related to the Proposed Transfer. In my opinion, policyholders and interested parties will have had sufficient time to consider the impact of the Proposed Transfer on them before the Sanction Hearing.

7.5.3. I am, therefore, satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

I have concluded the communications strategy will ensure adequate coverage of affected parties.

I have also concluded that the planned communication is sufficiently clear for policyholders to understand the effects of the Proposed Transfer and that RIUK and River Re have sufficient resources to deal with any objections, enquiries or complaints received following the Part VII communication exercise.

8. Customer service and other considerations

8.1. My considerations relating to customer service

8.1.1. The assessments related to the customer service and other considerations were considered in section 9 of my Scheme Report.

8.2. Customer service

8.2.1. I have reviewed the customer service arrangements of River Re and RIUK and concluded that there will be no material changes to policyholder administration and claims handling, ie the policyholder experience, in respect of Transferring Policyholders and Existing Policyholders.

8.2.2. There have been no changes to the customer service arrangements, in respect of policyholder administration and claims handling, of River Re and RIUK since my analysis included in the Scheme Report.

8.2.3. As such, my conclusions from the Scheme Report remain unchanged ie I anticipate no changes in service levels following the Proposed Transfer.

8.3. Tax implications

8.3.1. There are no direct tax implications of the Proposed Transfer on Transferring or Existing Policyholders.

8.3.2. River Re and RIUK have both informed me that they do not anticipate any material tax implications as a result of the Proposed Transfer. Although I am not an expert in matters of taxation, I consider it to be a reasonable assumption that there will not be any material tax implications for any group of policyholders as a result of the Proposed Transfer.

8.3.3. As such, my conclusion is unchanged from the Scheme Report.

8.4. Pension arrangements

8.4.1. River Re and RIUK have both informed me that there are no pension arrangements in place for either entity as they do not directly employ any staff. Therefore, the Transferring and Existing Policyholders are not impacted by the Proposed Transfer in terms of pensions arrangements.

8.4.2. As such, my conclusion is unchanged from the Scheme Report.

8.5. Investment management implications

8.5.1. There are no planned changes to RIUK's investment strategy or risk appetite as a result of the Proposed Transfer. Therefore, I do not anticipate any materially adverse impact for Transferring or Existing Policyholders in terms of investment management as a consequence of the Proposed Transfer.

8.5.2. As such, my conclusion is unchanged from the Scheme Report.

8.6. Implications for ongoing expense levels

8.6.1. All costs and expenses incurred relating to the Proposed Transfer will be borne by River Re and RIUK and will not be borne by policyholders. One-off costs associated with the Proposed Transfer are expected to be modest relative to the size of the Transferring Business and existing portfolios of River Re and RIUK.

8.6.2. Therefore, there are no impacts for Transferring or Existing Policyholders as a result of any changes to ongoing expense levels.

8.6.3. As such, my conclusion is unchanged from the Scheme Report.

8.7. Impact on liquidity position

- 8.7.1. There are no expected changes to RIUK's liquidity position as a result of the Proposed Transfer. Therefore, I do not anticipate any materially adverse impacts on the liquidity position for Transferring or Existing Policyholders as a consequence of the Proposed Transfer.
- 8.7.2. As such, my conclusion is unchanged from the Scheme Report.

8.8. Impact of other transfers

- 8.8.1. I am not aware of any other future transfers into or out of RIUK that will affect any of the Transferring or Existing Policyholders.
- 8.8.2. Any future transfers would need to go through a separate approval process to ensure that policyholders would not be materially adversely affected.

8.9. Set-off

- 8.9.1. River Re and RIUK have confirmed that there are no changes in set-off rights as a result of the Proposed Transfer. I have also not identified any material set-off rights as part of my review.
- 8.9.2. Therefore, considerations around set-off do not impact my conclusions, which are unchanged from the Scheme Report.

8.10. Overall conclusion: Customer service and other considerations

- 8.10.1. Since the Scheme Report, there have been no material changes to the Proposed Transfer that affect my analysis on customer service and other aspects of the Proposed Transfer. I am, therefore, satisfied that my conclusions remain unchanged from the Scheme Report. In summary:

I have concluded that no material impact on service standards (or any other considerations within this section of the report) is expected following the Proposed Transfer.

9. Conclusions and Statement of Truth

9.1. Conclusion

- 9.1.1. I have considered the Proposed Transfer and its likely effects on the Transferring Policyholders, the Existing Policyholders and the reinsurers of the Transferring Business.
- 9.1.2. In reaching the conclusions set out below, I have applied the principles as set out in relevant professional guidance, being the Technical Actuarial Standards (TASs) TAS 100: General Actuarial Standards and TAS 200: Insurance.
- 9.1.3. I have concluded that:
 - The security provided to Transferring Policyholders will not be materially adversely affected by the Proposed Transfer. No material impact on service standards is expected for Transferring Policyholders following the Proposed Transfer.
 - The security provided to Existing Policyholders will not be materially adversely affected by the Proposed Transfer. No material impact on service standards is expected for Existing Policyholders following the Proposed Transfer.
 - Reinsurers who provide cover for the Transferring Business will not be materially adversely affected by the Proposed Transfer.

9.2. IE duty and declaration

- 9.2.1. My duty to the High Court overrides any obligation to those from whom I have received instructions or paid for this Report. I confirm that I have complied with that duty.
- 9.2.2. I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 9.2.3. I confirm that I am aware of the requirements applicable to experts in Part 35 of the Civil Procedure Rules, Practice Direction 35 and the Guidance for the Instruction of Experts in Civil Claims 2014. As required by Part 35 of the Civil Procedure Rules, I hereby confirm that I have understood and complied with my duty to the Court.

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Appendix 1 – Summary of data provided

The following is a list of the key data items I have requested and received in assessing the Proposed Transfer. All data I have requested has been provided to me. Each of River Re and RIUK has provided a data accuracy statement confirming that the data and information provided to me regarding the Proposed Transfer are accurate and complete.

- Draft High Court and regulatory documents prepared by River Re and RIUK for the Proposed Transfer, including:
 - First Witness Statements for River Re (drafts received 5 December 2025 and 19 December 2025)
 - Second Witness Statements for River Re and RIUK (drafts received 5 December 2025 and 19 December 2025)
 - Scheme Sanction Order
 - Frisian – Deed Poll
- Documents relating to provisions and reserving processes, including:
 - Reserves summary for River Re and RIUK (as at 30 September 2025)
 - Actual vs expected incurred experience and draft recommended reserves to be booked at Q4 2025
- Documents relating to capital and related processes, including:
 - Updated River Re and RIUK SCR calculations
 - Updated capital stress scenarios for River Re and RIUK
 - Updated projections of future balance sheets and capital requirements up to 31 December 2030 for RIUK
- Data accuracy statement:
 - River Re and RIUK have provided data accuracy statements confirming that the data and information provided to me regarding the Proposed Transfer is accurate and complete.
 - River Re and RIUK have read this IE Supplementary Report and have confirmed that it is correct in terms of all factual elements of the Proposed Transfer.