

BRIT UW LIMITED

SECTION 172 (1) STATEMENT

31 DECEMBER 2023

Registered No. 03217775

This Section 172 (1) Statement is reproduced from Brit UW Limited’s 2023 ‘Strategic Report, Directors’ Report and Financial Statements’ document which was approved by its Board on 22 July 2024.

Introduction

As Directors, our key responsibility is to promote the success of the Company. This principle is the cornerstone of our discussions and our decision making. Each Director is cognisant that in discharging this key responsibility, they must have regard to matters set out in s172(1)(a-f) of the Companies Act. The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company.

Our strategy

The Board is responsible for a number of key strategic decisions and on-going performance monitoring. In doing so, the Board assesses and manages core risks to the business and considers the long-term sustainability of the Company’s business model.

Board information

The Board receives information on a range of relevant topics, and receives information on other areas as requested by the Directors from time to time.

Our policies and practices

All relevant factors are appropriately addressed by the Board when considering matters reserved for it. It ensures that all relevant considerations to assist it discharge its responsibilities are embedded in the key operations of the business, in order to help promote the long-term success of the Company.

The Board reviews its key stakeholders on an annual basis. New key stakeholder relationships are identified through information received and considered by the Board on a regular basis, or through the Board’s consideration and approval of substantial contracts and commitments.

Training

To assist the Directors discharge their responsibilities, they are provided with on-going training and development opportunities. They have received a number of in-depth briefings on specific relevant issues. For the wider workforce, there is a comprehensive staff development program tailored to meet individual needs. Elements of this training are mandatory, with all staff required to successfully complete e-learning modules on key areas such as money laundering, bribery and corruption, data protection, fraud and cyber risk.

Our culture

Building and maintaining the Company’s reputation and its high standards of business conduct are essential to the future success of the Company. This is embedded in our culture. Although the Company has no employees, the wider workforce of Brit Group Services Limited is subject to a Code of Conduct setting out the standard we expect from all our staff. This is regularly reviewed and updated, and compliance is attested to by each employee on an annual basis.

Our stakeholders

The Board recognises the importance of engaging with its broader stakeholder base. Key stakeholders are set out below, together with why and how we engage with them and the outcomes of that engagement.

Why we engage	Form of engagement	Impact of engagement
<p><i>Members and the wider Brit Group</i></p> <p>Brit UW Limited is owned by Brit Insurance Holdings Limited, and ultimately by Fairfax Financial Holdings Limited. Our aim is to provide long term sustainable</p>	<p>Brit UW Limited has common Directors with Brit Insurance Holdings Limited and Brit Limited, and the Brit Executive Committee has two representatives on the</p>	<p>This engagement helps ensure that Brit UW Limited’s strategy is aligned to and supported by our shareholder and the wider Brit Group. Such engagement also</p>

<p>value for our shareholder and the wider Brit and Fairfax Groups. Engagement ensures that our objectives are aligned and that our strategy, operating environment and performance are clearly understood.</p>	<p>Brit UW Limited Board. There is also regular contact between Brit executives and senior management and those of our ultimate shareholder.</p>	<p>presents us with underwriting and investment opportunities, and can result in favourable collaboration with other members of the Fairfax Group.</p>
<p>Investment managers</p> <p>We implement our investment strategy using the expertise of investment managers. We engage with them to monitor performance and to ensure guidelines are adhered to.</p>	<p>Brit UW Limited is supported by the Brit Investment Department and is represented on the Brit Investment Committee. Brit has regular discussions with its managers to monitor performance and assess market outlook, and receives regular reports.</p>	<p>Such engagement ensures assets are managed within risk tolerances and guidelines and that any changes are implemented in a timely fashion. Insights from our managers enhance our investment strategy and performance.</p>
<p>Reinsurers</p> <p>Brit UW Limited purchases a fully collateralised material reinsurance contract from another Group company, Brit Reinsurance (Bermuda) Limited. Engagement ensures the terms of the contacts meets our needs and that an appropriate premium is charged.</p>	<p>Brit UW Limited, in conjunction with the Brit outwards reinsurance team, engages directly with Brit Reinsurance (Bermuda) Limited. We also employ the services of third party experts to validate the terms and cost of the policy.</p>	<p>This engagement allows us to ensure we have the appropriate level of protection purchased at an appropriate price.</p>
<p>Key suppliers</p> <p>We rely on a number of key suppliers to help us meet the needs of our customers and those of other stakeholders. On-going engagement helps us ensure that those needs are met and standards are maintained. Such suppliers include Brit Group Services Limited.</p>	<p>Brit has a rigorous on-boarding process for new suppliers. Partnerships with critical suppliers are fostered by a range of activities including ongoing dialogue and face to face meetings. We also engage in areas such as technical and product roadmaps, integration planning and disaster recovery.</p>	<p>Such engagement helps us to:</p> <ul style="list-style-type: none"> • Provide a better service to and satisfy stakeholders needs; • Enhance operational processes, leading to efficiencies and increased competitive advantage; • Comply with laws and regulations; • Improve technological resilience; • Ensure supplier robustness and integrity.
<p>Brit Syndicates Limited (BSL) and its syndicates 2987 and 2988</p> <p>BSL is the managing agent for the syndicates 2987 and 2988 and is responsible for monitoring the returns to Lloyd's and for providing the annual Lloyd's solvency statement.</p>	<p>The Brit UW Limited board engages with BSL as required, and G Wilkinson is a director on the board of both companies.</p>	<p>This engagement allows us to ensure that Lloyd's requirements are met.</p>

Key decisions made by the Directors during the year

- **Approval of 2022 financial statements**

The Directors approved the Company's strategic report, directors' report and financial statements for the year ended 31 December 2022 in September 2023.

- **Funds at Lloyd's**

Following the identification of capital surpluses within the May 2023 'Coming into Line' process and the Q3 'Quarterly Corridor Test', the Directors agreed to release Funds at Lloyd's on both occasions. In making those decisions the Directors considered, among other factors, the possibility of capital requirements increasing in the short-term.

The Funds at Lloyd's requirement for the Company is provided in part through a fully collateralised reinsurance contract with the group company, Brit Reinsurance (Bermuda) Limited. Following an improvement in the forecast financial position of the Company (and thus greater availability of own assets for Funds at Lloyd's), the directors took the opportunity to increase the attachment point and reduce the limit of that contract for the 2024 renewal. Together with a reduced rate-on-line, those changes aim to deliver a reduction in the cost of the contract compared to 2023.

- **Revolving Credit Facility**

Being party to the agreement, the Directors approved an extension to a Revolving Credit Facility supporting the Brit Group. In making that approval, the Directors were satisfied that the extension of the facility provided benefit to the Company as well as the Group as a whole.

- **Cash Call**

Following the issuance of a cash call by Brit Syndicates Limited on the 2022 Year of Account of Syndicate 2987, the Directors agreed to offset that amount by the equivalent profit due for distribution on the 2020 Year of Account.