

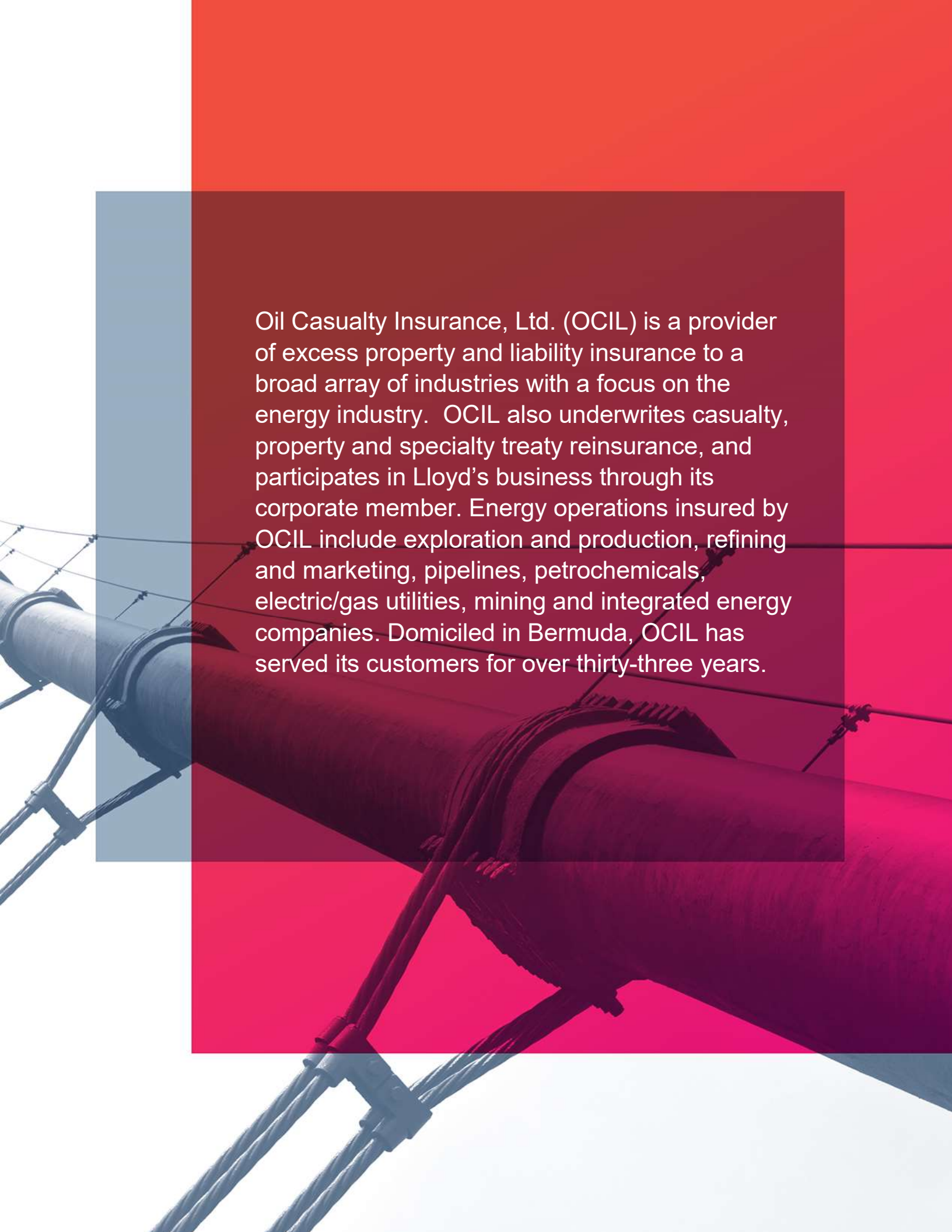


FIRST QUARTER REPORT

OIL CASUALTY INSURANCE, LTD.



FOR THE PERIOD ENDED February 29, 2020



Oil Casualty Insurance, Ltd. (OCIL) is a provider of excess property and liability insurance to a broad array of industries with a focus on the energy industry. OCIL also underwrites casualty, property and specialty treaty reinsurance, and participates in Lloyd's business through its corporate member. Energy operations insured by OCIL include exploration and production, refining and marketing, pipelines, petrochemicals, electric/gas utilities, mining and integrated energy companies. Domiciled in Bermuda, OCIL has served its customers for over thirty-three years.

**OIL CASUALTY INSURANCE, LTD.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

(\$'000)	29-Feb-20	30-Nov-19
ASSETS		
Cash and cash equivalents	143,800	134,150
Investments at fair value	722,450	710,938
Other investments	106,049	102,371
Restricted assets	217,665	216,594
Investment sales pending settlement	47,550	56,790
Accrued investment income	5,072	4,799
Losses recoverable from reinsurers	254,810	247,004
Accounts receivable	240,789	191,281
Funds withheld	47,910	42,545
Prepaid reinsurance premiums	21,517	33,987
Other assets	44,736	38,778
Total assets	1,852,348	1,779,237
LIABILITIES		
Outstanding losses and loss expenses	764,725	715,753
Unearned premiums	231,162	207,208
Investment purchases pending settlement	94,101	96,946
Loan payable	136,621	136,591
Reinsurance premium payable	26,920	43,719
Amounts due to affiliates	3,365	2,629
Accounts payable	87,459	70,185
Total liabilities	1,344,353	1,273,031
SHAREHOLDERS' EQUITY		
Common shares	295	275
Retained earnings	507,700	505,931
Total shareholders' equity	507,995	506,206
Total liabilities and shareholders' equity	1,852,348	1,779,237

**OIL CASUALTY INSURANCE, LTD.,
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)**

THREE MONTHS ENDED

(\$'000)	29-Feb-20	28-Feb-19
INCOME		
Gross premiums written	144,229	87,525
Change in unearned premiums written	(23,954)	(16,006)
Premiums earned	120,275	71,519
Premiums ceded	(5,754)	(16,375)
Change in prepaid reinsurance premiums	(12,470)	(6,395)
Net premiums earned	102,051	48,749
Losses and loss expenses incurred, net	(78,690)	(59,001)
Commission and brokerage fees, net	(19,734)	(15,971)
Net underwriting income (loss)	3,627	(26,223)
Interest income	6,515	6,379
Net (losses) gains on investments	(541)	15,309
Dividend income	736	419
Investment advisory and custodian fees	(889)	(825)
Interest expenses	(2,968)	(2,884)
Net investment income	2,853	18,398
General and administrative expenses	(4,711)	(3,841)
Net income (loss)	1,769	(11,666)

**OIL CASUALTY INSURANCE, LTD.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)**

(\$'000)	29-Feb-20
CAPITAL	
Common shares at beginning of period	275
Shares issued in period	20
Shares redeemed in period	-
Common shares outstanding at end of period	295
RETAINED EARNINGS	
Retained earnings at beginning of period	505,931
Net income for period	1,769
Retained earnings at end of period	507,700
Total shareholders' equity	507,995

INSURANCE OPERATIONS

Premiums written for the three months ended February 29, 2020, increased to \$144.2 million from \$87.5 million in the comparative period. Net premiums earned for the three months ended February 29, 2020 increased to \$102.1 million from \$48.7 million in the comparative period.

The increases in premiums written and earned for the three months ended February 29, 2020 was primarily due to growth in assumed reinsurance, direct property, and OCIL's Lloyd's corporate member businesses.

During the three months ended February 29, 2020, losses and loss expenses incurred of \$78.7 million primarily related to: (i) net case and IBNR reserves totaling \$51.0 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves totaling \$5.4 million on the direct liability and property books of business; and (iii) net reserves on OCIL's Lloyd's corporate member business of \$22.1 million.

INVESTMENTS

During the three month period ended February 29, 2020, OCIL's fund of hedge funds and bond portfolios generated favorable returns of 0.7% and 2.1% respectively, while the equity portfolio posted a negative return of 7.7%. Including cash and OCIL's insurance trust assets, the Company's total invested assets returned 0.4% over the three month period.

NET INCOME (LOSS)

During the three months ended February 29, 2020, the Company recorded net income of \$1.8 million compared to a net loss of \$11.7 million in the comparative period.

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