

**CIGNA GLOBAL INSURANCE COMPANY LIMITED**  
**(a Guernsey Company)**

**Annual Report and Financial Statements**

**For the year ended 31 December 2025**

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**MANAGEMENT AND ADMINISTRATION**

**DIRECTORS:**

Mr M J Best  
Mr M J Cutts-Watson  
Mr K Dhir (resigned 10 April 2025)  
Mr R Lofthouse  
Mr B Reynders  
Mr D Robinson (appointed 10 April 2025)

**REGISTERED OFFICE:**

Mill Court  
La Charroterie  
St. Peter Port  
Guernsey GY1 4ET

**SECRETARY AND GENERAL REPRESENTATIVE:**

Marsh Management Services Guernsey Limited  
Mill Court  
La Charroterie  
St. Peter Port  
Guernsey GY1 4ET

**INDEPENDENT AUDITOR:**

Forvis Mazars LLP  
30 Old Bailey  
London  
England, EC4M 7AU

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Directors present their report and the audited financial statements for the year ended 31 December 2025 of Cigna Global Insurance Company Limited (the “Company”).

**Structure of Company & Principal Activities**

The Company is a wholly owned subsidiary of Cigna Holdings Overseas Inc. (the “Parent”), an indirect wholly-owned subsidiary of The Cigna Group (the “Ultimate Parent”).

The Company was incorporated on 21 May 2004 in accordance with the provisions of The Companies (Guernsey) Law, 2008 and licensed under The Insurance Business (Bailiwick of Guernsey) Law, 2002 to carry on general insurance business, excluding domestic business.

The majority of the Company’s products are offered through employers and other groups such as governmental and non-governmental organizations, unions and associations. The Cigna Group also offers commercial health and dental insurance, Medicare and Medicaid products and health, life and accident insurance coverages to individuals in the United States and selected international markets. In addition to these ongoing operations, The Cigna Group also has certain run-off operations.

**Results**

The results for the year are shown in the Statement of Comprehensive Income on page 7.

**Dividends**

In December 2025, the Directors declared and paid an interim dividend of \$25,000,000 (2024: \$20,000,000). The Directors have not proposed a final dividend for the year ended 31 December 2025 (2024: \$nil).

**Directors**

The Directors of the Company throughout the year, and to the date of signing, are shown on page 1.

**Secretary**

The secretary of the Company during the year, and to the date of signing, was Marsh Management Services Guernsey Limited.

**Insurance Manager**

The management of the Company is delegated to Marsh Management Services Guernsey Limited and other parties within The Cigna Group.

**Going Concern**

The Company provides insurances services to members in many countries around the world and the business model is therefore inherently exposed to geopolitical risks. This can include international conflicts and political changes. The Company is included in Cigna group processes to monitor such risks. There are no such risks that are significant to the Company’s going concern but management will continue to monitor such risks in case of significant changes.

The financial statements have been prepared on a going concern basis. The Directors believe that this basis is appropriate as the Company has net assets in excess of its regulatory solvency requirement, is not dependent on any external finance, and is expected to continue to operate profitably in the foreseeable future.

**Directors’ Responsibilities**

The Directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Profit or Loss of the Company for that period and are in accordance with applicable Guernsey law and accounting principles generally accepted in the United States of America (“US GAAP”).

In preparing these financial statements, the Directors are required to:

1. Select suitable accounting policies and apply them consistently;
2. Make judgments and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and

**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**Directors' Responsibilities (continued)**

4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Insurance Business (Bailiwick of Guernsey) Law, 2002. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.


**Auditors and disclosure of information to auditors**

In accordance with Section 249 of The Companies (Guernsey) Law 2008, the Directors confirm that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have taken all the steps that he/she ought to have taken as a Director in order to make him/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the information given in the Report of the Directors is consistent with the financial statements.

**Independent Auditor**

Forvis Mazars LLP were appointed as statutory auditor of the Company for the year ended 31 December 2025. A resolution for reappointment of Forvis Mazars LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

DocuSigned by:  
  
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Director

Date: 27 April 2026

# Independent auditor's report to the members of Cigna Global Insurance Company Limited

## Opinion

We have audited the financial statements of Cigna Global Insurance Company Limited (the 'company') for the year ended 31 December 2025 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in total equity, the statement of cash flows and notes to the financial statements excluding the capital adequacy disclosures in note 16 to the financial statements that are marked as unaudited, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United States of America Generally Accepted Accounting Principles ("US GAAP").

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with US GAAP; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008 and The Insurance Business (Bailiwick of Guernsey) Law, 2002.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purposes of our audit.

### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 2-3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of the audit report**

This report is made solely to the company's members as a body in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



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Forvis Mazars LLP

Chartered Accountants

30 Old Bailey

London

EC4M 7AU

Date: 27 April 2026

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 \$	2024 \$
<b>INCOME</b>			
Gross premiums written		409,952,844	348,607,484
Movement in unearned premium reserve	9	(7,473,353)	(6,591,279)
		<b>402,479,491</b>	<b>342,016,205</b>
Reinsurance premium		(214,441,994)	(181,036,707)
Movement in ceded unearned premium reserves	9	3,916,167	2,959,720
		<b>(210,525,827)</b>	<b>(178,076,987)</b>
<b>Net premiums earned</b>		<b>191,953,664</b>	<b>163,939,218</b>
Ceding commissions		76,520,719	67,100,961
Premium fees		3,020,708	2,213,160
Fronting fees		2,616,948	1,514,679
Investment income		8,385,522	6,866,659
(Loss) / Gain on foreign exchange		(344,490)	39,900
<b>Total income</b>		<b>282,153,071</b>	<b>241,674,577</b>
<b>EXPENSES</b>			
Claims paid	9	(236,676,586)	(186,503,270)
Claims recoverable from reinsurers	9	123,929,837	98,127,500
Movement in FPB reserve	9	(4,140,077)	(6,856,675)
Movement in unpaid claims and claims expenses	9	(8,079,742)	(12,254,500)
Movement in reinsurance claims reserves	9	5,823,188	9,619,922
Interest on deposits held for reinsurers		(2,276,201)	(2,453,780)
Broker fees		(31,756,590)	(24,849,281)
Management fees	13	(173,620)	(162,607)
Directors' fees	13	(77,772)	(64,197)
Registration/filing fees		(75,502)	(68,572)
Bank charges		(4,233,732)	(4,138,859)
Administration expenses	14	(73,170,743)	(64,003,494)
<b>Total expenses</b>		<b>(230,907,540)</b>	<b>(193,607,813)</b>
<b>TOTAL INCOME BEFORE TAX</b>		<b>51,245,531</b>	<b>48,066,764</b>
Income tax	8	(8,236,893)	(9,525,938)
<b>NET INCOME</b>		<b>43,008,638</b>	<b>38,540,826</b>
Other comprehensive loss	15	(77,379)	(260,070)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>42,931,259</b>	<b>38,280,756</b>


The notes on pages 11 to 26 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 \$	2024 \$
<b>ASSETS</b>			
Investments	10	127,997,338	97,265,672
Cash and cash equivalents		26,366,430	27,487,129
Fixed deposits		60,990,000	42,990,000
Premium receivable		46,745,846	47,817,545
Deferred acquisition costs	5	22,947,124	18,620,521
Accounts receivable and prepaid expenses	6	29,499,864	21,150,881
Receivable from reinsurers		3,481,736	2,168,581
Reinsurance claims reserves	9	57,052,565	51,021,105
Due from other group companies	13	13,419,268	4,499,567
Ceded unearned premium reserve	9	29,226,449	24,597,869
<b>TOTAL ASSETS</b>		<b>417,726,620</b>	<b>337,618,870</b>
<b>LIABILITIES</b>			
Unpaid claims and claims expenses	9	79,744,111	70,091,770
Future policy benefit reserve	9	34,840,655	28,799,286
Deposits received from reinsurers		86,600,962	69,434,747
Unearned premium reserve	9	59,149,871	54,467,447
Deferred tax liability	8	2,079,543	1,633,252
<b>TOTAL INSURANCE LIABILITIES</b>		<b>262,415,142</b>	<b>224,426,502</b>
Owed to other group companies	13	9,907,626	-
Accrued expenses and other liabilities	7	37,610,029	23,329,804
<b>TOTAL LIABILITIES</b>		<b>309,932,797</b>	<b>247,756,306</b>
<b>CAPITAL AND RESERVES</b>			
Equity share capital	11	38,500,000	38,500,000
Accumulated other comprehensive income	15	564,004	641,383
Retained earnings		68,729,819	50,721,181
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>107,793,823</b>	<b>89,862,564</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>417,726,620</b>	<b>337,618,870</b>

The notes on pages 11 to 26 form an integral part of these financial statements.

The financial statements on pages 7 to 26 were approved by the Board of Directors on 27 April 2026 and signed on its behalf by:

DocuSigned by:  
  
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 Malcolm Cutts-Watson

Director

STATEMENT OF CHANGES IN TOTAL EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Equity share capital \$	Accumulated other comprehensive income/(loss) \$	Retained earnings \$	Total shareholder's equity \$
<b>At 1 January 2024</b>		<b>38,500,000</b>	<b>901,453</b>	<b>32,180,355</b>	<b>71,581,808</b>
Income for the year		-	-	38,540,826	38,540,826
Other comprehensive loss for the year	15	-	(260,070)	-	(260,070)
Dividends paid	17	-	-	(20,000,000)	(20,000,000)
<b>At 31 December 2024</b>		<b>38,500,000</b>	<b>641,383</b>	<b>50,721,181</b>	<b>89,862,564</b>
Income for the year		-	-	43,008,638	43,008,638
Other comprehensive loss for the year	15	-	(77,379)	-	(77,379)
Dividends paid	17	-	-	(25,000,000)	(25,000,000)
<b>At 31 December 2025</b>		<b>38,500,000</b>	<b>564,004</b>	<b>68,729,819</b>	<b>107,793,823</b>

The notes on pages 11 to 26 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Total income before tax	51,245,531	48,066,764
<b><u>Adjustments to reconcile net income to net cash from operating activities</u></b>		
Investment income	(8,385,522)	(6,866,659)
(Gain)/loss on foreign exchange on bank accounts	(1,398,134)	594,859
<b>Operating income before working capital changes</b>	<b>41,461,875</b>	<b>41,794,964</b>
<b><u>Net changes in assets and liabilities, net of non-operating effects</u></b>		
Decrease in premium receivable	1,071,699	2,486,246
Increase in deferred acquisition costs	(4,326,603)	(5,893,607)
Increase / (decrease) in debtors and prepaid expenses	(8,754,786)	1,471,428
Increase in reinsurance claims reserves	(6,031,460)	(9,796,115)
(Increase) in receivable from reinsurers	(1,313,155)	(249,367)
Decrease/(increase) in net due from group companies	987,925	(11,228,251)
Increase in deposits received from reinsurers	17,166,215	11,914,667
Increase/(decrease) in accrued expenses and other liabilities	19,251,429	(1,818,681)
Increase in unpaid claims and claims expenses	9,652,341	12,290,462
Increase in future policy benefit reserve	4,648,483	6,679,988
Increase in unearned premium reserve	4,682,424	9,228,989
Increase in ceded unearned premium reserve	(4,628,580)	(3,311,132)
<b>Net cash generated from operations</b>	<b>73,867,807</b>	<b>53,569,591</b>
Income taxes paid	(12,074,175)	(7,969,415)
<b>Net cash from operating activities</b>	<b>61,793,632</b>	<b>45,600,176</b>
<b><u>Cash flows from investing activities</u></b>		
(Purchases) / maturity of fixed deposit	(18,000,000)	7,010,000
Interest income from fixed deposits	3,101,333	1,879,512
Net bank interest income	4,692,090	4,785,414
Income/(loss) from investments	313,327	(268,483)
Purchase of bonds	(49,301,493)	(61,886,549)
Bonds matured or called early	19,882,278	8,702,247
<b>Net cash used in investing activities</b>	<b>(39,312,465)</b>	<b>(39,777,859)</b>
<b><u>Cash flows from financing activities</u></b>		
Dividends paid	(25,000,000)	(20,000,000)
<b>Net cash used in financing activities</b>	<b>(25,000,000)</b>	<b>(20,000,000)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,518,833)</b>	<b>(14,177,683)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>27,487,129</b>	<b>42,259,671</b>
Effects of foreign exchange rates	1,398,134	(594,859)
<b>Cash and cash equivalents at end of year</b>	<b>26,366,430</b>	<b>27,487,129</b>

The notes on pages 11 to 26 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. ORGANISATION**

Cigna Global Insurance Company Limited (the “Company”), is a wholly owned subsidiary of Cigna Holdings Overseas Inc. (the “Parent”), an indirect wholly-owned subsidiary of The Cigna Group (the “Ultimate Parent”).

The Company was incorporated in Guernsey on 21 May 2004 and is a Guernsey registered insurance company under The Companies (Guernsey) Law, 2008. The Company acts as a principal insurer of the insured risks in relation to policies issued by various business lines within The Cigna Group and companies under the strategic management of a global insurance operation.

The majority of these products are offered through employers and other groups such as governmental and non-governmental organisations, unions and associations. The Cigna Group also offers commercial health and dental insurance, Medicare and Medicaid products and health, life and accident insurance coverages to individuals in the United States and selected international markets. In addition to these ongoing operations, The Cigna Group also has certain run-off operations.

**2. GOING CONCERN**

As explained in detail in the Report of the Directors, the financial statements have been prepared on a going concern basis. The Directors believe that this basis is appropriate as the Company has net assets in excess of its regulatory solvency requirement, is not dependent on any external finance, and is expected to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of presentation***

These financial statements have been prepared on a going concern and accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Amounts recorded in the financial statements necessarily reflect Management’s estimates and assumptions about medical costs, investment valuation, interest rates and other factors. Significant estimates are discussed throughout these Notes; however, actual results could differ from those estimates. The impact of change in estimate is included in earnings in the period of adjustment.

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its “functional currency”). The Directors have considered the currency in which the capital is held, where distributions would be made and ultimately the currency in which capital would be returned in a liquidation. The Company is a subsidiary of The Cigna Group whose own functional currency is US Dollars (“\$” or “USD”). On balance, the Directors believe that US Dollars best represents the functional currency of the Company. For the purpose of the financial statements, the results and financial position are expressed in US Dollars, which is the reporting currency of the Company.

***Critical accounting estimates***

The preparation of the financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures in the financial statements. Management considers an accounting estimate to be critical if:

- It requires assumptions to be made that were uncertain at the time the estimate was made; and
- Changes in the estimate or different estimates that could have been selected could have a material effect on the Company’s results of operations or financial condition.

Management believes the assumptions used to estimate amounts reflected in the Company’s financial statements are appropriate. However, if actual experience differs from the assumptions used in estimating amounts reflected in the financial statements, the resulting changes could have a material adverse effect on the Company’s results of operations and, in certain situations, could have a material adverse effect on its liquidity and financial condition.

***Cash and cash equivalents***

Cash comprises bank balances with banks and financial institutions. Cash balances are carried at the notional value which equates to fair value. Foreign balances are converted to USD at the prevailing spot rate. All cash balances are readily accessible within 24 hours without penalty. Cash equivalents are classified as held to maturity and reported at amortised cost which approximates fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fixed deposits**

Fixed deposits include fixed term bank deposits with an initial term of more than three months which cannot be withdrawn before maturity without penalty. Fixed deposits are classified as available for sale and carried at fair value which approximates cost.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

**i) Initial recognition and subsequent measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**ii) Derecognition of financial instruments**

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**iii) Impairment of financial assets**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- (a) significant financial difficulty of the issuer or debtor;
- (b) a breach of contract, such as a default or delinquency in payments;
- (c) it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- (d) the disappearance of an active market for that financial asset because of financial difficulties; or
- (e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - (i) adverse changes in the payment status of issuers or debtors in the group; or
  - (ii) national or local economic conditions that correlate with defaults on the assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Financial instruments (continued)**iii) Impairment of financial assets (continued)*

The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed through the Statement of Comprehensive Income.

**Bonds**

Bonds include municipal bonds, corporate notes, U.S. Treasury securities, federal agency mortgage-backed securities and other asset-backed securities. These investments are classified as available-for-sale and are carried at fair value with changes in fair value recorded in accumulated other comprehensive income, net of applicable income taxes, within shareholder's equity.

**Investment gains and losses**

Realised investment gains and losses result from sales, investment asset write-downs based on specifically identified assets. Unrealised gains and losses on bonds carried at fair value are included in accumulated other comprehensive income, net of deferred taxes.

**Premiums**

Premium income, net of premium taxes, if any, are accounted for on an accruals basis. Gross premiums written and reinsurance premiums payable comprise the premiums on contracts entered during the year irrespective of whether they relate in whole or part to a later accounting year. Premiums collected on a monthly and quarterly basis are not annualised. Provision is made, as appropriate, for unearned premium, if any. Unearned premium is that proportion of premium written in a year that relates to periods of risk after the Statement of Financial Position date. Unearned premiums are calculated on a time apportionment basis. Premiums received in advance are placed into a deferred account and held in the Statement of Financial Position until the corresponding contract premium is recognised in the future.

**Reinsurance premium**

Reinsurance premiums relate to business incepted during the year together with any difference between reinsurance premiums for the prior year and those previously accrued. The proportion of any premium unexpensed at the Statement of Financial Position date is carried forward as an unearned reinsurance premium balance.

**Ceding commissions**

Ceding commissions represent non-deferrable expenses incurred by the Company which are reimbursed by the Reinsurer. The commissions recoverable are based on forecast loss ratios for the Company's business segments and are set for the year.

**Investment income**

Investment income represents interest receivable on deposits and bonds.

**Expenses**

Expenses are accounted for on an accruals basis.

**Broker fees**

Broker fees comprise amounts due in relation to contracts entered into during the year irrespective of whether they relate in whole or part to a later accounting year. Provision is made, as appropriate, for any portion of unearned broker fees. Unearned broker fees which are held within the unearned commission reserve account is that proportion of fees that relates to periods of risk after the Statement of Financial Position date. Unearned broker fees are calculated on a time apportionment basis.

**Deferred acquisition costs**

Costs eligible for deferral include incremental, direct costs of acquiring new or renewal insurance and other costs directly related to successful contract acquisition. Examples of deferrable costs include commissions, sales compensation and benefits, policy issuance and underwriting costs, and solicitation costs (primarily related to telemarketing, direct marketing or advertising campaigns). Deferred acquisition costs ("DAC") related to long-duration insurance contracts are amortised at the cohort level on a constant-level basis over the expected term of the related contracts. Policy count is used as the amortisation basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Claims provisions**

Claims provisions comprise provisions for the estimated cost of settling all claims and claims expenses reported but not paid ("OSLR"), incurred but not reported ("IBNR") and future policy benefits ("FPB"), at the Statement of Financial Position date whether reported or not.

FPB represent the present value of estimated future obligations, estimated using actuarial methods, for long-duration insurance policies and annuity products currently in force, consisting primarily of reserves for annuity contracts, life insurance benefits, and certain supplemental health products that are guaranteed renewable beyond one year. FPB reserves comprise of liabilities for future policy benefits (policy reserves) and are accrued when premium revenue is recognised.

Contracts are grouped at a level no higher than issue year, based on the original contract issue date, and at lower levels of disaggregation within each issue year for certain businesses to reflect factors including product type, plan type and currency. Management estimates these obligations based on assumptions for premiums, interest rates, mortality or morbidity, future claim adjudication expenses and lapses. Mortality, morbidity, and surrender assumptions are based on the Company's own experience and published actuarial tables, and are updated at least annually, to the extent changes in circumstances require.

Interest rate assumptions are based on market-level yields for low credit risk fixed income instruments ("upper-medium grade fixed income instrument"). For interest accretion purposes, interest rates are fixed at the year of the cohort's inception, however for purposes of liability measurement, are updated to the current rate quarterly, with all changes in the interest rate from inception to current period reported through accumulated other comprehensive income. For policies written in USD, the Company uses observable inputs from a published spot rate curve for terms up to 30 years and extrapolate for longer terms using a constant forward rate approach.

For policies written in a currency other than USD, we use observable inputs to approximate a risk-free rate and add a credit spread adjustment to align with a low credit risk fixed income instrument. For terms beyond the last observable risk-free rates, which vary by international market, we extrapolate to the ultimate forward rate assuming a constant credit spread.

Liabilities for unpaid claims and claim expenses are estimates of payments to be made on health insurance, prepaid health and dental, disability, life and accident claims for reported losses and estimates of IBNR. Such liabilities are established by book of business and are generally not discounted.

The Company consistently estimates incurred but not yet reported losses using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size and the expected payment period. Actuarial best estimate of the ultimate liability within a level of confidence is used, consistent with actuarial standards of practice that the liabilities be adequate under moderately adverse conditions.

When estimates of these liabilities change, an adjustment is recorded in benefits and expenses. The level of the provision has been set on the basis of the information, which is currently available, including potential loss claims which have been intimated to the Company and experience of the development of similar claims.

Whilst the Directors consider that the provision for these claims is fairly stated on the basis of the information currently available to them, the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amount provided. Adjustments to the amounts of the provision are reflected in the financial statements in the accounting year in which the adjustments are made. Provision is made for reinsurance recoveries on a similar basis.

**Interest on deposits received from reinsurers**

Interest is payable to reinsurers on deposits which the Company holds on their behalf. Interest payable is included on an accruals basis.

**Recharge of group overheads**

Services are provided to the Company by other group companies under various contractual agreements and direct costs may be recharged to the Company as appropriate. In addition, charges incurred centrally are allocated to the Company on the basis of the entities' net premiums written relative to the total net premiums written. A proportion of such overheads are recharged to reinsurers under the relevant reinsurance agreements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****Reinsurance***

Under various reinsurance agreements, the Company reinsures a proportion of the risks underwritten, one of which is with Cigna Global Reinsurance Company Limited ("CGRC"). The amount reinsured varies from contract to contract.

Gross claims paid are shown in the Statement of Comprehensive Income. Amounts recoverable from reinsurers are recognised in the Statement of Financial Position as the relevant proportion of claims paid and payable less the amounts already received. The movement in reinsurance recoveries is shown in the Statement of Comprehensive Income. Deposits are received from reinsurers in order to fund claims payments. These are shown as a liability in the Statement of Financial Position.

***Foreign currency transactions***

Financial assets and liabilities denominated in foreign currencies are translated to US Dollars at the rates of exchange ruling at the Statement of Financial Position date. Other transactions are translated at the actual rate on the date of transactions. Foreign exchange differences are reported in the Statement of Comprehensive Income.

***Premium fees***

Premium fees represent administration charges on cancellation of policies where a claim has been reported against the policy. The balance of the premium is repaid to the customer as an administration charge and is recognised in the Statement of Comprehensive Income when they are due.

***Deposits received from reinsurers***

Deposits received from reinsurers represent funds withheld from CGRC. The funds are held and serve as security that the CGRC will meet its obligations. The amount of these deposits is calculated in accordance with the terms of the reinsurance contract. Adjustments are recorded at the end of the contract period to reflect the actual amount of premium earned by and owed to the Company for the reinsurance ceded.

***Taxation***

The Company is taxed at the standard rate of tax in Guernsey of 0%. The Company is resident in the United States for tax purposes and is liable for US income tax. The Company and its Parent are included in the consolidated United States federal income tax return filed by The Cigna Group. The Company's tax liability is calculated and paid centrally and recharged to the Company. Pursuant with a tax sharing agreement with The Cigna Group, the provision for federal income tax is computed as if the Company is filing separate federal income tax returns, except that benefits arising from tax credits and net operating losses are allocated to those subsidiaries producing such attributes only to the extent they have been utilised in the consolidated federal income tax provision. Deferred income taxes and benefits are generally recognised when assets and liabilities have different values for financial statement and tax reporting purposes. Interest and penalties related to unrecognised tax benefits on the income tax expense line in the Statement of Comprehensive Income. Accrued interest and penalties are included on the related tax liability line in the Statement of Financial Position. See note 8 for additional information.

***Recent Relevant Accounting Pronouncements***

There were no new accounting standards adopted during the year ended 31 December 2025 that had a material impact on the financial statements.

***Accounting Guidance Not Yet Adopted***

There are no significant accounting pronouncements not yet adopted as at 31 December 2025.

**4. FAIR VALUE MEASUREMENT*****Valuation of Investments***

The Company recognises bonds at fair value in the financial statements. Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the Statement of Financial Position date.

The investments of the Company are carried at fair value in accordance with Financial Accounting Standard Board ("FASB") ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") as well as ASC Topic 326, "Financial Instruments – Credit Losses" ("ASC 326-30"). ASC 820 provides a framework for measuring the fair value of assets and liabilities. ASC 820 also provides guidance regarding a fair value hierarchy which prioritises information used to measure fair value and the effect of fair value measurements on earnings and provides for enhanced disclosures determined by the level within the hierarchy of information used in the valuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FAIR VALUE MEASUREMENT (CONTINUED)

**Valuation of Investments (continued)**

ASC 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. ASC 326-30 provides guidance regarding the impairment of AFS debt securities and the estimating of credit losses.

ASC 820 defines fair value in terms of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The price used to measure the fair value is not adjusted for transaction costs while the cost basis of investments may include initial transaction costs.

Under ASC 820, the fair value measurement also assumes that the transaction to sell an asset occurs in the principal market for the asset or, in the absence of a principal market, the most advantageous market for the asset.

The principal market is the market in which the reporting entity would sell or transfer the asset with the greatest volume and level of activity for the asset. In determining the principal market for an asset or liability under ASC 820, it is assumed that the reporting entity has access to the market as of the measurement date. If no market for the asset exists or if the reporting entity does not have access to the principal market, the reporting entity should use a hypothetical market.

Securities that are listed on an exchange and are freely transferable are valued at their latest closing price as published by the relevant exchange or clearing house quoted on such exchange. Securities which are not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, are not regularly traded thereon or in respect of which no prices are available, are valued on the basis of the latest available valuation provided by a relevant counterparty and are adjusted in such a manner as the Directors, in their sole discretion, think fit. If no such valuation is available, the Directors determine the value in good faith in consultation with the appropriate advisors having regard to such factors as they deem relevant.

Details of the basis upon which the investments held by the Company as at 31 December 2025 were valued are contained in note 10.

ASC 820 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Financial assets and liabilities whose values are based on the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets;
- Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect the Directors' own assumptions about the assumptions a market participant would use in pricing the asset or liability. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In line with ASC 326-30, the Company reviews declines in fair value from a security's amortised cost basis to determine whether a credit loss exists. If a credit loss is identified, the Company recognises an allowance for credit loss with a corresponding charge to credit loss expense, presented in realised investment gains and losses in the Company's Statement of Comprehensive Income. The allowance for credit loss represents the excess of amortised cost over the greater of its fair value or the net present value of the debt security's projected future cash flows (based on qualitative and quantitative factors, including the probability of default, and the estimated timing and amount of recovery). Each period, the allowance for credit loss is adjusted through credit loss expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. DEFERRED ACQUISITION COSTS

	2025	2024
	\$	\$
<b>Beginning balance</b>	<b>18,620,521</b>	12,726,914
Capitalisations	12,681,896	12,448,067
Amortisation expense	(8,355,293)	(6,554,460)
<b>Ending Balance</b>	<b>22,947,124</b>	<b>18,620,521</b>

6. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	2025	2024
	\$	\$
US Trust Account (see note 6 (a) below)	6,959,231	6,968,536
Debtors and prepaid expenses	6,707,115	5,077,701
Other receivables	8,847,488	6,025,333
Commission receivable	159,333	780,955
Other taxes receivable	-	34,004
Accrued interest	1,434,043	1,155,271
Income tax receivable	5,392,654	1,109,081
	<b>29,499,864</b>	<b>21,150,881</b>

6 (a) US Trust Account

The Company is approved as a non-admitted insurer by the National Association of Insurance Commissioners ("NAIC"). In accordance with the NAIC's requirements a US Trust Account was established and this balance is held in trust at US Bank (see note 18).

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	2025	2024
	\$	\$
Reinsurance premium due	4,865,814	3,685,399
Premium taxes due	2,167,947	1,499,302
Commissions payable	8,978,235	2,675,746
Other payables	18,162,594	11,694,785
Experience rating refunds	3,435,439	3,774,572
	<b>37,610,029</b>	<b>23,329,804</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

8. INCOME TAXES

The Company is taxed at the standard rate of tax in Guernsey of 0% (2024: 0%).

8 (a) Current income taxes receivable

In keeping with the provisions of Section 953(d) of the Internal Revenue Code, the Company agreed to be treated as a domestic corporation for United States tax purposes. As a result, the Company is included in the consolidated United States federal income tax return that The Cigna Group (the Company's Ultimate Parent) files. In accordance with a tax sharing agreement, the income tax provision is computed as if each company was filing a separate income tax return. The only exception to this is benefits arising from foreign credits and net operating and capital losses which are allocated to those subsidiaries producing such attributes to the extent they are utilised in The Cigna Group's consolidated federal income tax provision.

Below is a summary of the change in the Company's current income tax receivable for the years ended 31 December 2025 and 2024:

	2025	2024
<b>Change in current income taxes receivable/(payable):</b>	<b>\$</b>	<b>\$</b>
Balance, beginning of year due from The Cigna Group	1,109,082	2,817,933
Current tax provision	(7,790,603)	(9,678,267)
Payments	12,074,175	7,969,415
Balance, end of year due from The Cigna Group	<u>5,392,654</u>	<u>1,109,081</u>

8 (b) Deferred income taxes

Deferred income taxes are generally recognised when assets and liabilities have different values for financial statement and tax reporting purposes. These differences primarily result from the Company's insurance operations.

Below is the summary of the change in the net deferred tax liability balance for the years ended 31 December 2025 and 2024:

	2025	2024
<b>The net deferred tax liability:</b>	<b>\$</b>	<b>\$</b>
Balance, beginning of year	(1,633,252)	(881,885)
Current tax provision	(446,291)	(751,367)
Balance, end of year	<u>(2,079,543)</u>	<u>(1,633,252)</u>

The tax effect of the temporary differences that create deferred income tax assets as at 31 December 2025 and 2024 is as follows:

	2025	2024
<b>Deferred tax assets:</b>	<b>\$</b>	<b>\$</b>
Other insurance and contract holder liability	3,179,104	2,417,567
Total deferred tax assets	<u>3,179,104</u>	<u>2,417,567</u>

The tax effect of the temporary differences that create deferred income tax liability as at 31 December 2025 and 2024 is as follows:

	2025	2024
<b>Deferred tax liabilities:</b>	<b>\$</b>	<b>\$</b>
Policy acquisition expenses	4,818,896	3,910,309
UCG Fixed Maturities	135,107	140,510
Investment Items	304,644	
Total deferred tax liabilities	<u>5,258,647</u>	<u>4,050,819</u>
<b>Total net deferred tax liability</b>	<u>(2,079,543)</u>	<u>(1,633,252)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

8. INCOME TAXES (CONTINUED)

8 (c) Statutory income taxes

The provision for federal and foreign income taxes incurred is different from what would be obtained by applying the statutory Federal income tax rate to income before income taxes. Significant items that drive this difference are as follows:

	<b>2025</b>	
<b>Items:</b>	<b>\$</b>	
Provision computed at statutory rate	10,699,749	21.00%
Withholding tax	654,683	1.28%
Foreign tax credits	(3,117,539)	-6.12%
<b>Total statutory income taxes</b>	<b>8,236,893</b>	<b>16.17%</b>

	<b>2024</b>	
<b>Items:</b>	<b>\$</b>	
Provision computed at statutory rate	10,094,021	21.00%
Withholding tax	151,009	0.31%
Foreign tax credits	(719,092)	(1.50)%
<b>Total statutory income taxes</b>	<b>9,525,938</b>	<b>19.81%</b>

The statutes of limitations for The Cigna Group's consolidated federal income tax returns through 2016 have closed. The statute of limitation for The Cigna Group's 2020 and 2021 tax returns have also closed. However, The Cigna Group filed amended returns for both the 2015 and 2016 tax years, which are under review by the Internal Revenue Service ("IRS"). Additionally, the IRS is examining The Cigna Group's returns for 2017, 2018, 2019, 2022, and 2023. The IRS has examined Express Scripts' tax returns for 2010 through 2017, for which there are significant disputed tax matters. In addition, the Company has pending refund claims for various years. The Company has established adequate reserves for these matters.

In Management's opinion, the Company has adequate tax liabilities to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS upon audit. These liabilities could be revised in the near term if estimates of Cigna's ultimate liability change as a result of new developments or a change in circumstances. No material contingent tax liability is included in the Company's current federal income tax payable. The Company does not expect a significant increase in federal or foreign contingent tax liability within the next twelve months.

Pillar Two. Effective January 1, 2025, Guernsey has adopted the European Union ("EU") Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the Organization for Economic Co-operation and Development ("OECD"). A significant number of other countries have adopted this legislation, and the OECD continues to release additional guidance on these rules. The Company is within the scope of the OECD Pillar Two model rules. There is no material impact to the current year financial statements because the company meets the transitional safe harbor since it is taxed at the US tax rate. The company continues to evaluate the potential impact on future periods of the Pillar Two Framework.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

9. MOVEMENT IN INSURANCE LIABILITIES AND REINSURANCE ASSETS

9 (a) Claims development table

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The tables below illustrates how the Company's estimate of total claims notified during each financial year has changed at successive year-ends on a gross and net basis. FPB reserves are excluded from the tables.

Gross of reinsurance	Accident Year					Total
	2021	2022	2023	2024	2025	
Estimate of ultimate claims incurred:	\$	\$	\$	\$	\$	\$
- at first year end	98,917,021	105,555,634	158,334,874	216,127,817	264,779,541	843,714,887
Movement in ultimate claims incurred:						
- one year later	(4,499,160)	(6,679,828)	(16,901,395)	(16,880,529)	-	(44,960,912)
- two years later	376,397	2,162,005	1,189,953	-	-	3,728,355
- three years later	335,397	949,894	-	-	-	1,285,291
- four years later	608,122	-	-	-	-	608,122
Current estimate of cumulative claims	95,737,777	101,987,705	142,623,432	199,247,288	264,779,541	804,375,743
Cumulative payments to date	95,561,512	101,308,750	140,935,610	192,508,368	194,317,392	724,631,632
<b>Liability recognised in the Statement of Financial Position</b>	<b>176,265</b>	<b>678,955</b>	<b>1,687,822</b>	<b>6,738,920</b>	<b>70,462,149</b>	<b>79,744,111</b>

Net of reinsurance	Accident Year					Total
	2021	2022	2023	2024	2025	
Estimate of ultimate claims incurred:	\$	\$	\$	\$	\$	\$
- at first year end	49,647,736	53,127,107	78,643,896	105,770,707	131,880,974	419,070,420
Movement in ultimate claims incurred:	-	-	-	-	-	-
- one year later	(1,945,807)	(3,201,652)	(7,469,406)	(5,941,324)	-	(18,558,189)
- two years later	(177,501)	690,185	27,096	-	-	539,780
- three years later	40,400	219,618	-	-	-	260,018
- four years later	244,603	-	-	-	-	244,603
Current estimate of cumulative claims	47,809,431	50,835,258	71,201,586	99,829,383	131,880,974	401,556,632
Cumulative payments to date	47,780,756	50,654,375	70,467,805	96,254,184	97,158,696	362,315,816
<b>Liability recognised in the Statement of Financial Position</b>	<b>28,675</b>	<b>180,883</b>	<b>733,781</b>	<b>3,575,199</b>	<b>34,722,278</b>	<b>39,240,816</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

9. MOVEMENT IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)

9 (b) Claims and claims expenses

Year ended 31 December	2025			2024		
	Gross \$	Reinsurance \$	Net \$	Gross \$	Reinsurance \$	Net \$
OSLR and IBNR	70,091,770	(36,784,600)	33,307,170	57,801,308	(30,343,177)	27,458,131
FPB	28,799,286	(14,236,505)	14,562,781	22,830,775	(10,881,813)	11,948,962
<b>Total at beginning of year</b>	<b>98,891,056</b>	<b>(51,021,105)</b>	<b>47,869,951</b>	<b>80,632,083</b>	<b>(41,224,990)</b>	<b>39,407,093</b>
Claims paid in the year	(236,676,586)	123,929,837	(112,746,749)	(186,503,270)	98,127,500	(88,375,770)
Increase/(decrease) in liabilities:						
- Arising from prior year claims	(14,308,144)	7,463,432	(6,844,712)	39,556,298	(20,294,344)	19,261,954
- Arising from current year claims	265,766,142	(137,002,740)	128,763,402	166,058,147	(87,453,078)	78,605,069
Effect of movements in exchange rates	912,298	(421,989)	490,309	(852,202)	(176,193)	(1,028,395)
<b>Total at end of year</b>	<b>114,584,766</b>	<b>(57,052,565)</b>	<b>57,532,201</b>	<b>98,891,056</b>	<b>(51,021,105)</b>	<b>47,869,951</b>
OSLR and IBNR	79,744,111	(40,503,295)	39,240,816	70,091,770	(36,784,600)	33,307,170
FPB	34,840,655	(16,549,270)	18,291,385	28,799,286	(14,236,505)	14,562,781
<b>Total at end of year</b>	<b>114,584,766</b>	<b>(57,052,565)</b>	<b>57,532,201</b>	<b>98,891,056</b>	<b>(51,021,105)</b>	<b>47,869,951</b>

9 (c) Provisions for unearned premiums

Year ended 31 December	2025			2024		
	Gross \$	Reinsurance \$	Net \$	Gross \$	Reinsurance \$	Net \$
Total at beginning of year	54,467,447	(24,597,869)	29,869,578	45,238,458	(21,286,737)	23,951,721
Increase in year	58,749,110	(29,038,710)	29,710,400	52,898,722	(24,389,408)	28,509,314
Release in year	(54,800,302)	24,760,337	(30,039,965)	(46,307,443)	21,429,688	(24,877,755)
Effect of movements in exchange rates	733,616	(350,207)	383,409	2,637,710	(351,412)	2,286,298
<b>Total at end of year</b>	<b>59,149,871</b>	<b>(29,226,449)</b>	<b>29,923,422</b>	<b>54,467,447</b>	<b>(24,597,869)</b>	<b>29,869,578</b>

9 (d) Future policy benefits reserve

The weighted average interest rates applied and duration for future policy benefits were as follows:

	2025	2024
Interest accretion rate	4.86%	4.56%
Current discount rate	4.79%	5.28%
Weighted average duration	4.9 years	6.3 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

9. MOVEMENT IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONTINUED)

9 (d) Future policy benefits reserve (continued)

The net liability for future policy benefits represents the present value of benefits expected to be paid to policyholders, net of the present value of expected net premiums, which is the portion of expected future gross premium expected to be collected from policyholders that is required to provide for all expected future benefits and expenses. The present values of expected net premiums and expected future policy benefits are as follows:

	2025	2024
	\$	\$
<b>Present value of expected net premiums</b>		
Beginning balance	213,637,235	209,446,865
Reversal of effect of beginning of period discount rate assumptions	<u>6,279,231</u>	<u>8,151,558</u>
Beginning balance at original discount rate	<u>219,916,466</u>	<u>217,598,423</u>
Effect of assumption changes and actual variances from expected experience <sup>(1)</sup>	<u>(5,107,416)</u>	<u>(32,159,644)</u>
Balance adjusted for variances from expectation	<u>214,809,050</u>	<u>185,438,779</u>
Issuances and lapses	177,025,216	185,363,812
Net premiums collected	(153,592,583)	(157,638,425)
Interest and other <sup>(2)</sup>	10,412,963	7,130,078
Current period experience	<u>-</u>	<u>(377,778)</u>
Ending balance at original discount rate	<u>248,654,646</u>	<u>219,916,466</u>
Effect of flooring liability at zero	(184,807)	-
Effect of period discount rate assumptions	<u>(797,828)</u>	<u>(6,279,231)</u>
<b>Ending balance <sup>(3)</sup></b>	<b><u>247,672,011</u></b>	<b><u>213,637,235</u></b>
<b>Present value of expected policy benefits</b>		
Beginning balance	242,436,522	232,277,641
Reversal of effect of discount rate assumptions	<u>7,543,234</u>	<u>8,877,109</u>
Beginning balance at original discount rate	<u>249,979,756</u>	<u>241,154,750</u>
Effect of assumption changes and actual variances from expected experience	<u>(2,013,684)</u>	<u>(33,233,257)</u>
Balance adjusted for variances from expectation	<u>247,966,072</u>	<u>207,921,493</u>
Issuances and lapses	191,964,495	170,749,439
Benefit payments	(168,620,970)	(136,725,080)
Interest and other <sup>(2)</sup>	<u>12,071,043</u>	<u>8,033,904</u>
Ending balance at original discount rate	<u>283,380,640</u>	<u>249,979,756</u>
Effect of discount rate assumptions	<u>(867,972)</u>	<u>(7,543,234)</u>
<b>Ending balance <sup>(4)</sup></b>	<b><u>282,512,668</u></b>	<b><u>242,436,522</u></b>
<b>Total liability for future policy benefits <sup>(5)</sup></b>	<b><u>34,840,655</u></b>	<b><u>28,799,286</u></b>

(1) Includes the effect of actual variances from expectation, which increased the total liability for future policy benefits by \$2,619,410 for the year ended 31 December 2025 (2024: \$1,294,345).

(2) Includes a positive FX impact of \$2,714,114 on Present Value of Expected Future Policy Benefits and \$2,424,966 on Present Value of Expected net Premiums. The net impact on original discount rate reserves is positive \$289,148.

(3) As at 31 December 2025 undiscounted expected future gross premiums were \$664,182,161 (2024: \$600,051,149). As at 31 December 2025 discounted expected future gross premiums were \$571,469,688 (2024: \$502,413,892).

(4) As at 31 December 2025, undiscounted expected future policy benefits were \$328,871,709 (2024: \$295,277,581).

(5) \$17,420,327 of reinsurance recoverable asset reported in the Statement of Financial Position as at 31 December 2025 relates to the liability for future policy benefits (2024: \$14,399,643).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

10. INVESTMENTS

The following table shows an analysis of assets and liabilities recorded at fair value, between those whose fair value was based on quoted market prices (Level 1), those involving valuation techniques where model inputs were observable in the market (Level 2) and those where the valuation technique involved the use of non-market observable inputs (Level 3).

**Assets at fair value as at 31 December 2025**

<b>Class</b>	<b>Total \$</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>
Bonds at fair value (Cost: \$127,353,981)	127,997,338	-	127,997,338	-
<b>Total</b>	<b>127,997,338</b>	<b>-</b>	<b>127,997,338</b>	<b>-</b>

**Assets at fair value as at 31 December 2024**

<b>Class</b>	<b>Total \$</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>
Bonds at fair value (Cost: \$97,934,767)	97,265,672	-	97,265,672	-
<b>Total</b>	<b>97,265,672</b>	<b>-</b>	<b>97,265,672</b>	<b>-</b>

The investment balances disclosed above comprise of investments in 129 (2024: 121) separate highly rated Corporate Bonds, with staggered maturity dates.

The table below provides an analysis of the performance of these investments and by maturity date:

**Assets at fair value as at 31 December 2025**

<b>Class</b>	<b>Total \$</b>	<b>Less than 1 year \$</b>	<b>Greater than 1 less than 5 years \$</b>	<b>Greater than 5 years \$</b>
Bonds at cost	127,353,981	16,283,108	101,742,518	9,328,355
Unrealised gain	643,357	62,565	565,362	15,430
Allowance for expected credit losses	-	-	-	-
<b>Total bonds at fair value</b>	<b>127,997,338</b>	<b>16,345,673</b>	<b>102,307,880</b>	<b>9,343,785</b>

**Assets at fair value as at 31 December 2024**

<b>Class</b>	<b>Total \$</b>	<b>Less than 1 year \$</b>	<b>Greater than 1 less than 5 years \$</b>	<b>Greater than 5 years \$</b>
Bonds at cost	97,934,767	14,473,946	69,168,303	14,292,518
Unrealised (loss) / gain	(669,095)	26,600	(207,088)	(488,607)
Allowance for expected credit losses	-	-	-	-
<b>Total bonds at fair value</b>	<b>97,265,672</b>	<b>14,500,546</b>	<b>68,961,215</b>	<b>13,803,911</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

11. EQUITY SHARE CAPITAL

Issued capital:

<b>31 December 2025</b>	<b>Number of Ordinary Shares</b>	<b>\$</b>
Ordinary Shares at 1 January 2025	38,500,000	38,500,000
Ordinary Shares at 31 December 2025	38,500,000	38,500,000
<b>31 December 2024</b>	<b>Number of Ordinary Shares</b>	<b>\$</b>
Ordinary Shares at 1 January 2024	38,500,000	38,500,000
Ordinary Shares at 31 December 2024	38,500,000	38,500,000

No shares were issued or repurchased by the Company during the year (2024: none).

The authorised share capital of the Company is represented by an unlimited number of Ordinary Shares of no par value which are denominated in USD. The holders of Ordinary Shares are entitled to:

- receive and participate in any dividends or other distributions out of the profits of the Company available for dividend or distribution;
- the right to the surplus assets remaining after payment of all the creditors of the Company in the case of winding up; and
- the right to receive notice of, and to attend and vote at, general meetings of the Company and each holder of Ordinary Shares being present in person or by attorney at a meeting upon a show of hands has one vote and upon a poll each such holder present in person or by proxy or by attorney has one vote in respect of each share held by him.

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

As a result of its investment strategy, the Company is also exposed to varying degrees of market risk, credit risk and liquidity risk, these are explained below:

**a) Market Risk**

Market risk is the risk that the value of the Company's investments will fluctuate due to changes in interest rates, currency rates and other market factors. Price risk embodies not only the potential for loss but also the potential for gain. Market risk also reflects that investments in unlisted companies are further subject to the limitations of fair value as a measurement device.

**b) Credit Risk**

Credit risk is represented by the possibility that counterparties or exchanges will not perform under the terms of contracts agreed to with the Company. Key areas where the Company is exposed to credit risk are:

- Accounts receivable;
- Receivable from reinsurers;
- Investments; and
- Cash and cash equivalents

Although there is concentration risk associated with the Company's reinsurance receivables, by virtue of these being held against a single intercompany counterparty, this risk is mitigated by collateral deposits received from the reinsurer in excess of the amounts receivable. Management has considered and determined there is minimal risk related to expected credit losses given that reinsurance receivables are predominantly internal to The Cigna Group.

Cash and deposits are held with various banking counterparties. Credit risk includes the potential for covenant violations and possible repercussions therefrom of underlying debt instruments owned by investee companies. This also includes the potential of investee companies not meeting scheduled principal and interest payments. The Company continuously monitors the credit standing of its counterparties and does not expect any material losses.

**c) Liquidity Risk**

Liquidity risk, is the risk that the Company may encounter as a result of its inability to sell its investments quickly at fair value. It also includes the risk of not meeting unscheduled demands from vendors and third parties. The Company is able to meet its liquidity requirements by only holding cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

**13. RELATED PARTIES**

Related parties comprise subsidiary companies, associated undertakings, other related companies and key management personnel. The Company, in the normal course of business carries out transactions with various related parties on an arms-length basis, details of these transactions are as follows:

The total remuneration paid to the independent non-executive Directors during the year ended 31 December 2025 amounted to \$77,772 (2024: \$64,197). Total fees paid to the Company's Insurance Manager during the year ended 31 December 2025 totalled \$173,620 (2024: \$162,607).

Various amounts are owed to and from other group companies. As at 31 December 2025, a net amount of \$3,511,642 was due from group companies (2024: \$4,499,567 due from group companies).

**14. ADMINISTRATION EXPENSES**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Recharge of group overheads	53,860,094	41,997,785
Solicitation costs	11,011,271	10,588,838
Other expenses	8,299,378	11,416,871
	<u><b>73,170,743</b></u>	<u><b>64,003,494</b></u>

**15. OTHER COMPREHENSIVE INCOME**

**Year ended 31 December 2025**

	<b>Investments</b>	<b>FPB reserve</b>	<b>Capital gains</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total at beginning of year	(669,095)	1,447,050	(136,572)	641,383
Movement in year (net of income taxes)	1,312,452	(1,392,886)	3,055	(77,379)
<b>Total at end of year</b>	<u><b>643,357</b></u>	<u><b>54,164</b></u>	<u><b>(133,517)</b></u>	<u><b>564,004</b></u>

**Year ended 31 December 2024**

	<b>Investments</b>	<b>FPB reserve</b>	<b>Capital gains</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total at beginning of year	209,975	735,573	(44,095)	901,453
Movement in year (net of income taxes)	(879,070)	711,477	(92,477)	(260,070)
<b>Total at end of year</b>	<u><b>(669,095)</b></u>	<u><b>1,447,050</b></u>	<u><b>(136,572)</b></u>	<u><b>641,383</b></u>

**16. CAPITAL MANAGEMENT**

The Company defines capital resources in accordance with regulations prescribed by the Guernsey Financial Services Commission (the "GFSC"). The capital structure of the Company consists of equity attributable to equity shareholders, comprising issued share capital and retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**16. CAPITAL MANAGEMENT (CONTINUED)**

The Company's objectives when managing capital are:

- i) to comply with legal and statutory obligations and maintain capital resources commensurate with the nature, scale and risk profile of its business;
- ii) to provide a framework for monitoring the financial and capital position of the Company, including the procedures to be followed during periods of general financial distress, either due to internal or external events; and
- iii) to safeguard the Company's ability to continue as a going concern.

Under the rules prescribed by the GFSC, the Company must at all times maintain assets of a value sufficient to cover its liabilities, including liabilities arising under or in connection with contracts of insurance and that there is a suitable matching of assets and liabilities.

Management information to monitor the Company's capital requirements and solvency position is produced and presented to the Board on a regular basis ensuring that the Company meets its capital requirements at all times. The Company has complied with the rules in respect of capital during the period.

The Insurance Business (Solvency)(Amendment) Rules 2024, require that the Company must at all times hold Regulatory Capital Resources greater than or equal to its Minimum Capital Requirement ("MCR") and its Prescribed Capital Requirement ("PCR").

As at 31 December 2025, the Company held a surplus of \$75,209,993 above its MCR requirement of \$32,583,830 and a surplus of \$47,118,463 above its PCR requirement of \$60,675,360 (2024: \$61,467,329 surplus and \$32,026,284 surplus above its MCR requirement of \$28,395,234 and PCR of \$57,836,279 respectively) (2025 and 2024 figures unaudited).

**17. DIVIDENDS**

In December 2025, the Directors declared and paid an interim dividend of \$25,000,000 (2024: \$20,000,000). The Directors have not proposed a final dividend for the year ended 31 December 2025 (2024: \$nil).

**18. COMMITMENTS AND CONTINGENCIES**

In accordance with the NAIC's requirements, a minimum balance of \$6,500,000 must be held in a US Trust Account at all times (see note 6 (a)) (2024: \$6,500,000).

In the normal course of business, the Company may enter into contracts that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Company. The risk of material loss from such claims is considered remote.

**19. SUBSEQUENT EVENTS**

Subsequent to the year end, there was a significant escalation in geopolitical conflict in the Middle East, including military activity involving Iran, which has contributed to increased volatility in global financial markets, energy prices, and global supply chains. Because these events occurred after the balance sheet date, they do not provide evidence of conditions that existed as of December 31, 2025. Accordingly, these events have been evaluated and treated as non-adjusting subsequent events.

Management is continuing to assess the potential future impact of these events on the Company's financial condition, operations, liquidity, and cash flows. As of the date the financial statements were issued, the Company is unable to reasonably estimate the financial effects, if any, of these matters.