



OIL INSURANCE LIMITED  
Leaders in Global Energy Insurance

WE'RE UNIQUE.  
AND IT WORKS.

1<sup>st</sup> Quarter Report 2020

OIL INSURANCE LIMITED  
1st QUARTER REPORT 2020  
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(\$'000)	31-Mar-20	31-Dec-19
<b>Assets</b>		
Cash and cash equivalents	702,333	526,159
Investments in marketable securities and derivatives	4,389,415	5,000,614
Other investments	667,032	705,907
Investment sales pending settlement	426,115	306,087
Accrued investment income	18,733	18,804
Amounts due from affiliates	2,712	101
Retrospective premiums receivable	28,953	29,907
Accounts receivable	285,469	1,714
Deferred acquisition costs	145	199
Other assets	2,765	2,655
<b>Total assets</b>	<b>6,523,672</b>	<b>6,592,147</b>
<b>Liabilities</b>		
Reserve for unearned premiums	348,835	-
Outstanding losses and loss expenses	2,044,856	2,068,752
Retrospective premiums payable	2,223	2,910
Securities sold short	192,067	276,422
Investment purchases pending settlement	740,266	536,503
Amounts due to affiliates	1,269	2,984
Premiums received in advance	4,871	5,553
Accounts payable	8,085	10,643
<b>Total liabilities</b>	<b>3,342,472</b>	<b>2,903,767</b>
<b>Shareholders' equity</b>		
Common shares	580	580
Retained earnings	3,180,620	3,687,800
<b>Total shareholders' equity</b>	<b>3,181,200</b>	<b>3,688,380</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,523,672</b>	<b>6,592,147</b>

OIL INSURANCE LIMITED  
1st QUARTER REPORT 2020  
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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(000's)	THREE MONTHS ENDED	
	31-Mar-20	31-Mar-19
Premiums written	465,691	464,234
Change in unearned premiums written	<u>(348,835)</u>	<u>(348,167)</u>
Net premiums earned	116,856	116,067
Discount on retrospective premiums receivable	91	102
Losses and loss expenses incurred	7,103	(43,061)
Acquisition costs	<u>(54)</u>	<u>(101)</u>
<b>Net underwriting income</b>	<u>123,996</u>	<u>73,007</u>
Interest income	21,502	25,899
Net (losses) gains on investments	(649,397)	279,984
Dividend income	6,679	8,435
Interest expense and financing costs	(141)	(101)
Investment advisory and custodian fees	<u>(5,366)</u>	<u>(7,197)</u>
<b>Net investment (loss) income</b>	<u>(626,723)</u>	<u>307,020</u>
General and administrative expenses	<u>(4,453)</u>	<u>(4,583)</u>
<b>Net (loss) income</b>	<u>(507,180)</u>	<u>375,444</u>

OIL INSURANCE LIMITED  
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CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

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<b>(\$'000)</b>	<b>31-Mar-20</b>
<b>Capital</b>	
Common shares at beginning of period	580
Common shares issued in period	-
Common shares redeemed in period	-
Common shares at end of period	<u>580</u>
<b>Retained earnings</b>	
Retained earnings at beginning of period	3,687,800
Net loss for the period	(507,180)
Common share dividend	-
Retained earnings at end of period	<u>3,180,620</u>
<b>Total shareholders' equity</b>	<u>3,181,200</u>

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**SHAREHOLDERS' EQUITY:**

During the three months ended March 31, 2020, shareholders' equity decreased by \$507.2 million to \$3,181.2 million. Net underwriting income of \$124.0 million was offset by net investment loss of \$626.7 million and general and administrative expenses of \$4.5 million.

**INSURANCE OPERATIONS:**

During the three months ended March 31, 2020, gross premiums written totaled \$465.7 million, a \$1.5 million increase from the three months ended March 31, 2019. Net premiums earned increased from \$116.1 million for the three months ended March 31, 2019 to \$116.9 million for the three months ended March 31, 2020. The increase in premiums written and premiums earned in the three month period ended March 31, 2020, is primarily due to the introduction of four new members to the Company.

Losses and loss expenses incurred totaled \$(7.1) million for the three month period ended March 31, 2020. The loss and loss expenses incurred are due to a decrease of \$8.0 million in prior year claims and net loss expenses incurred of \$0.9 million over the three month period.

**INVESTMENTS:**

During the three month period ended March 31, 2020, the Company's global equity, fund of hedge funds and bond portfolios posted negative returns of 24.3%, 10.0%, and 2.4%, respectively. Including cash, the Company's total invested assets had a negative return of 10.7% over the three month period. Investment results for the period were largely attributable to market volatility experienced in March, resulting from the COVID-19 pandemic.

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