

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 16, 2022

JAMES RIVER GROUP HOLDINGS, LTD.

(Exact name of registrant as specified in its charter)

Bermuda (State or other jurisdiction of incorporation)	001-36777 (Commission File Number)	98-0585280 (IRS Employer Identification No.)
Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke Bermuda (Address of principal executive offices)		HM 08 (Zip Code)

Registrant's telephone number, including area code: +1-441-278-4580

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, par value \$0.0002 per share	JRVR	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

James River Group Holdings, Ltd. (the “Company”) is furnishing a copy of its third quarter 2022 investor presentation as Exhibit 99.1 to this Current Report on Form 8-K (this “Form 8-K”). The Company intends to use the investor presentation from time to time in meetings with investors and analysts. The presentation will also be posted on the investor relations portion of the Company’s website.

The information provided pursuant to this Item 7.01, including Exhibit 99.1 in Item 9.01, is “furnished” and shall not be deemed to be “filed” with the Securities and Exchange Commission or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filings.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following Exhibit is furnished as a part of this Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JAMES RIVER GROUP HOLDINGS, LTD.

Dated: November 16, 2022

By: /s/ Sarah C. Doran

Name: Sarah C. Doran

Title: Chief Financial Officer



**Investor Presentation
Third Quarter 2022**

Disclosure

Forward-Looking Statements

This presentation contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, such forward-looking statements may be identified by terms such as believe, expect, seek, may, will, should, intend, project, anticipate, plan, estimate, guidance or similar words. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Although it is not possible to identify all of these risks and uncertainties, they include, among others, the following: the inherent uncertainty of estimating reserves and the possibility that incurred losses may be greater than our loss and loss adjustment expense reserves; inaccurate estimates and judgments in our risk management may expose us to greater risks than intended; downgrades in the financial strength rating of our regulated insurance subsidiaries impacting our ability to attract and retain insurance and reinsurance business that our subsidiaries write, our competitive position, and our financial condition; the potential loss of key members of our management team or key employees and our ability to attract and retain personnel; adverse economic factors resulting in the sale of fewer policies than expected or an increase in the frequency or severity of claims, or both; the impact of a persistent high inflationary environment on our reserves, the values of our investments and investment returns, and on our compensation expenses; exposure to credit risk, interest rate risk and other market risk in our investment portfolio; reliance on a select group of brokers and agents for a significant portion of our business and the impact of our potential failure to maintain such relationships; reliance on a select group of customers for a significant portion of our business and the impact of our potential failure to maintain, or decision to terminate, such relationships; our ability to obtain reinsurance coverage at prices and on terms that allow us to transfer risk and adequately protect our company against financial loss; losses resulting from reinsurance counterparties failing to pay us on reinsurance claims, insurance companies with whom we have a fronting arrangement failing to pay us for claims, or a former customer with whom we have an indemnification arrangement failing to perform their reimbursement obligations, and our potential inability to demand or maintain adequate collateral to mitigate such risks; inadequacy of premiums we charge to compensate us for our losses incurred; changes in laws or government regulation, including tax or insurance law and regulations; the ongoing effect of Public Law No. 115-97, informally titled the Tax Cuts and Jobs Act, which may have a significant effect on us including, among other things, by potentially increasing our tax rate, as well as on our shareholders; in the event we do not qualify for the insurance company exception to the passive foreign investment company ("PFIC") rules and are therefore considered a PFIC, there could be material adverse tax consequences to an investor that is subject to U.S. federal income taxation; the Company or any of its foreign subsidiaries becoming subject to U.S. federal income taxation; a failure of any of the loss limitations or exclusions we utilize to shield us from unanticipated financial losses or legal exposures, or other liabilities; losses from catastrophic events, such as natural disasters and terrorist acts, which substantially exceed our expectations and/or exceed the amount of reinsurance we have purchased to protect us from such events; the effects of the COVID-19 pandemic and associated government actions on our operations and financial performance; potential effects on our business of emerging claim and coverage issues; the potential impact of internal or external fraud, operational errors, systems malfunctions or cyber security incidents; our ability to manage our growth effectively; failure to maintain effective internal controls in accordance with Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley"); and changes in our financial condition, regulations or other factors that may restrict our subsidiaries' ability to pay us dividends. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those in the forward-looking statements, is contained in our filings with the U.S. Securities and Exchange Commission ("SEC"), including our most recently filed Annual Report on Form 10-K and our other documents on file with the SEC. These forward-looking statements speak only as of the date of this investor presentation and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures as defined by Regulation G of the rules of the SEC. These non-GAAP measures, such as underwriting profit, adjusted net operating (loss) income, tangible equity, tangible common equity, tangible equity per share, and tangible common equity per common share are not in accordance with, nor are they a substitute for, GAAP measures. We believe these non-GAAP measures provide users of our financial information useful insight into our performance. Investors should consider non-GAAP measures in addition to, and not as a substitute for, or superior to, the comparable GAAP measures. Please refer to pages 22 & 23 of this presentation for a reconciliation of the non-GAAP financial measures to the equivalent GAAP equivalents.

Ratings Disclaimer Notice

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Market and Industry Data

This presentation includes market and industry data, forecasts and projections. We have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on historical market data, and there is no assurance that any of the forecasts or projected amounts will be achieved.



Executive Summary



Overview of James River

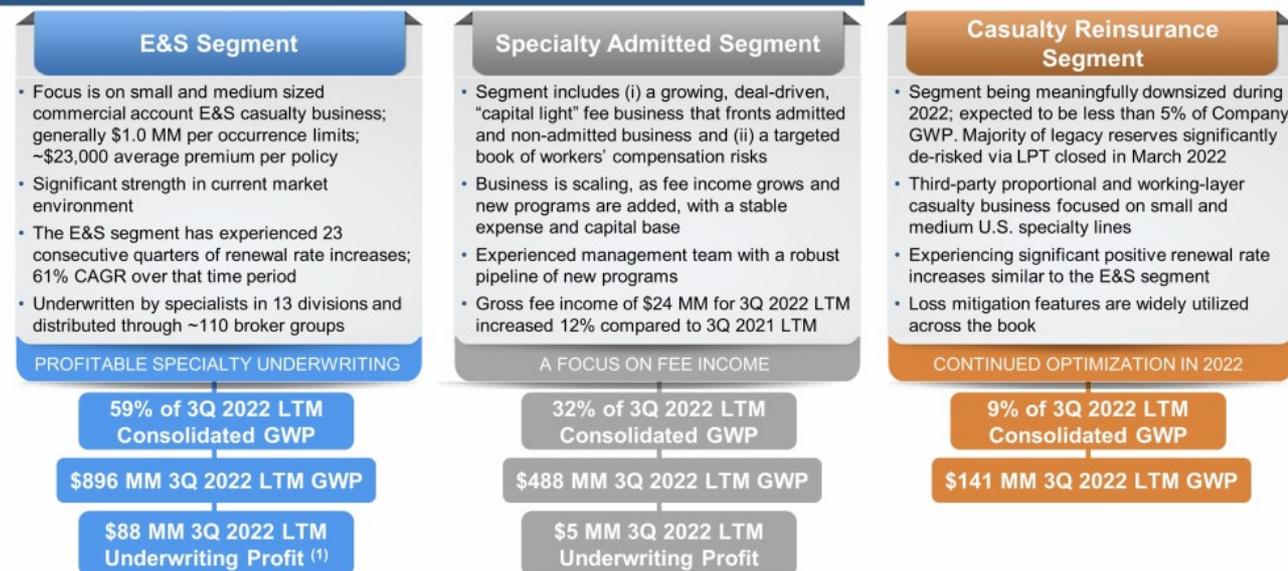
We seek to deliver a consistent, top tier return on tangible common equity and generate sector leading value creation for shareholders

- ✓ **Unique franchise predominantly focused on the Excess and Surplus lines market and fronting and program business**
- ✓ **Target low volatility casualty risk with low retentions and little property exposure**
- ✓ **Focused on the small and middle market, where we have meaningful expertise and have earned superior returns over our 20 year history**
- ✓ **Highly efficient operator with leading expense ratio**
- ✓ **Disciplined underwriting culture that is focused on margins, while taking advantage of the current attractive market conditions to grow highly profitable business**
- ✓ **Enhanced enterprise risk management (ERM) profile, with a refined ERM framework and additional expertise brought to the organization**
- ✓ **Significantly de-risked balance sheet following reserve adjustments and loss portfolio transfer transactions, as well as additional capital raised**
- ✓ **We anticipate a low double digit return on tangible common equity for 2022**

Our Business

- We are a specialty, low volatility underwriting company with an attractive, sizeable Excess & Surplus (“E&S”) franchise and scaling “capital light” fronting business experiencing an extremely robust market for property and casualty risk.
- Little catastrophe or cyber underwriting exposure, and effective use of reinsurance to limit volatility.
- Our focus is small and medium sized commercial account E&S casualty business which we look to continue to complement with a growing fee business within our Specialty Admitted segment.
- Our balance sheet has been significantly de-risked by two loss portfolio transfer (“LPT”) transactions on distinct books of business, as well as significant reserve strengthening, and capital raised, over the last 18 months.

Our Key Growth Opportunities



Note: Last twelve months (“LTM”) for 3Q 2022 is the sum of 4Q 2021 through 3Q 2022, and for 3Q 2021 is the sum of 4Q 2020 through 3Q 2021.
 (1) Underwriting profit is shown for Core E&S and excludes the commercial auto business.

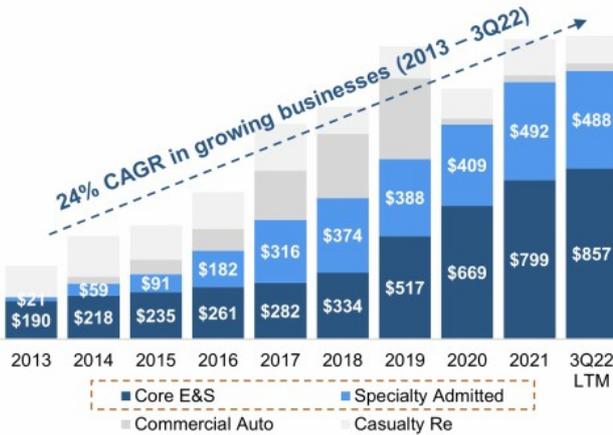
Attractive Growth Businesses

- Attractive E&S market poised for expected continued profitable growth as industry competitors retrench, and new businesses are forced to find insurance coverage in the E&S market given their lack of insurance loss history.
- Our primary businesses (Core E&S⁽¹⁾ and Specialty Admitted) have been profitable and consistently growing since 2013, and represented 88% of gross written premiums as of 3Q 2022 LTM.
- Core E&S has grown substantially during recent market strength, with a 3x increase from \$282 MM in 2017 to \$857 MM for 3Q 2022 LTM.
- Core E&S is benefiting from significant rate hardening over a multi year period and strong renewal submission flow.

Historical GWP (\$M) ⁽²⁾

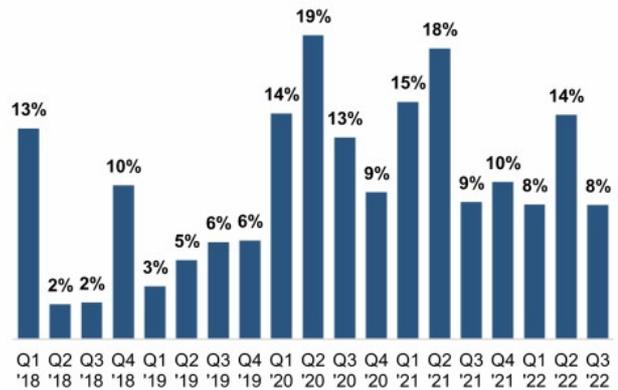
Growing businesses % of Consolidated GWP:

57% 53% 57% 60% 55% 61% 61% 86% 86% 88%



Quarterly Core E&S Renewal Rate Increases

Compound aggregate rate increases on renewal book last 23 quarters = 61%



(1) The term "Core E&S" used in this presentation refers to our Excess and Surplus lines segment excluding the commercial auto business written in such segment.

(2) The large commercial auto account in run off represents the bulk of our commercial auto gross written premiums through 12/31/2019. None of the remaining commercial auto business we write is exposed to the "ride-share" sector.

What is Driving Growth in the E&S Market?

The E&S market began experiencing rate hardening in late 2018 / early 2019 and the hardening significantly accelerated in 2020 driven by the Global Pandemic. Admitted market carriers have been tightening underwriting guidelines or non-renewing business, pushing it to the E&S market



Increasing **jury verdicts** and **social inflation**



We believe we have little exposure to social inflation in our Core E&S book given its small account nature, risk profile and limit deployment



Reopening **economy** in the wake of a **recession**



New business formation and small business revamp are our key clients; significant growth in contract binding business



Increased risk of **cyber threats** as the world becomes more digitized



We have negligible cyber exposure as an underwriter



Emergence of novel **health risks**



The overwhelming majority of our Core E&S book has an organic pathogen exclusion



Increasing **catastrophe losses** and risk of **climate change**



We write little cat exposed property, and for the risks we do insure we have robust reinsurance protection up to the 1:1,000 year level ⁽¹⁾

(1) We have structured our reinsurance agreements so that our modeled net pre-tax loss from a 1:1,000 year probable maximum loss ("PML") event would not exceed 2.5% of shareholders' equity on a group-wide basis. Please refer to our most recent Form 10-K and 10-Q filings for a detailed description of our reinsurance program.

The E&S Market is Highly Attractive

U.S. Excess & Surplus Lines DWP (\$BN)

E&S industry DWP has grown at double digit rates the past 4 years driven by rising renewal rates and changes in risk appetite

2012 – 2017 Average Growth Rate: 5%



Profitability of E&S Industry vs. Total P&C Industry: 10 Year Combined Ratio

— P&C Industry 2012 – 2021 Average Combined Ratio: 100%
 — E&S Industry 2012 – 2021 Average Combined Ratio: 86%



E&S market generated 14 points of underwriting alpha compared to the broader P&C industry



Source: S&P Global Market Intelligence (and its affiliates, as applicable).

E&S: Broad Risk Appetite Permits Us to ‘Pick Our Spots’

Our high caliber underwriting team, and use of technology, provide significant expertise to price our flow of skillfully underwritten risks

- 13 separate underwriting divisions focused on growth in very attractive markets.
- Renewal rates increased more than 13% in each of 2020 and 2021 across our E&S business, as well as 11% during the first nine months of 2022.
- The 8% renewal rate increase in 3Q 2022 was the twenty-third consecutive quarter of rate increases compounding to 61%.
- Significant growth and scale achieved during recent market strength; 26% compound annual growth rate (CAGR) in Core E&S lines from 2017 to 3Q 2022.

Division	Lead U/W Years of Industry Experience	Gross Written Premium			% Change 9M 2022	FY 2017 to 3Q22 CAGR	Description
		FY 2021	9M 2021	9M 2022			
Excess Casualty	39	\$285.1	\$204.7	\$220.3	8%	45%	Following form excess on risks similar to GC and MC
General Casualty	35	140.6	103.1	122.8	19%	35%	Premises ops (e.g., apartments, offices & restaurants)
Manufacturers & Contractors	39	139.7	102.0	116.3	14%	13%	Products liability & completed operations exposure
Excess Property	33	47.2	35.3	38.9	10%	30%	CAT-exposed excess property > 1/100 year return period
Energy	39	46.2	32.5	32.3	-1%	10%	Oil field service contractors, mining, etc.
Life Sciences	39	35.9	24.8	23.1	-7%	23%	Nutrition products, medical devices and human clinical trials
Allied Health	29	35.2	27.9	26.3	-6%	13%	Long-term care, outplacement facilities & social services
Commercial Auto ⁽¹⁾	35	34.6	30.9	35.2	14%	4%	Hired / non-owned auto
Small Business	29	32.6	24.2	27.7	15%	28%	Small accounts similar to GC and MC; includes contract binding
Environmental	39	17.1	13.3	15.1	13%	20%	Environmental contractors and consultants
Sports & Entertainment	35	9.4	6.7	9.7	44%	35%	Amusement parks, campgrounds, arenas
Professional Liability	29	8.1	6.1	6.8	12%	7%	E&O for non-medical professionals (lawyers, architects, engineers)
Medical Professionals	29	1.8	1.5	1.1	-27%	-9%	Non-standard physicians and dentists
Total E&S		\$833.7	\$613.0	\$675.7	10%	12%	
Core E&S		\$799.0	\$582.2	\$640.5	10%	26%	
Commercial Auto		\$34.6	\$30.9	\$35.2	14%	-32%	

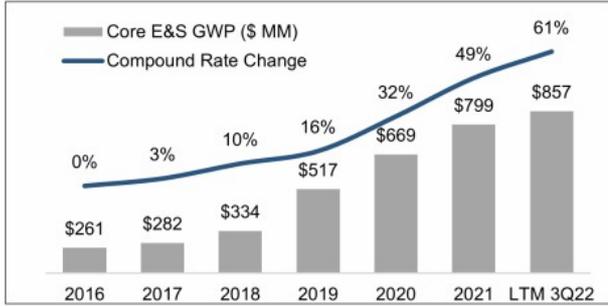
\$ in millions

(1) Commercial Auto CAGR excludes legacy commercial auto business exited in 2019.

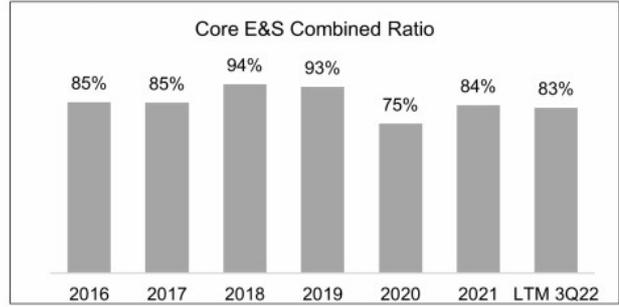
Finding Profitable Growth Opportunities

Attractive underwriting conditions have allowed for meaningful growth in our Core E&S book at highly profitable margins

Achieving meaningful scale at highly attractive rates – disciplined underwriting culture



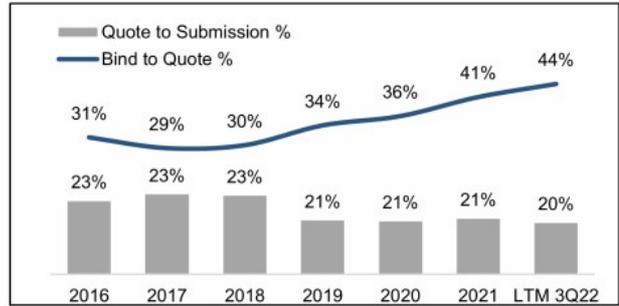
Highly profitable Core E&S underwriting margins, poised to benefit from expected rate increases in the current environment



PIF growth has been strong as we maintain our core, profitable small and middle market business focus



Remaining disciplined with quoting business, but binding a higher % as market capacity remains tight and renewal business grows



Specialty Admitted: Growth With Limited Risk Retention

Fronting business continues to experience meaningful growth as recently added programs mature and expand

- Capital light, deal-driven business with limited risk retention.
- Lower risk fee-income business complements our highly profitable Core E&S underwriting business.
- Increased demand for fronting paper driven by hard market conditions as start-ups and MGAs / MGUs search for capacity.
- Seeing an active flow of submissions for new fronting programs; new programs added are expected to continue to ramp.
- Workers' compensation gross written premium declined compared to the prior year during 9M22 due to prudent portfolio management in a competitive market. Excluding a large workers' compensation program, fronted programs premium increased 4.5% in the first nine months of 2022 compared to the prior year period.

Fronted Programs GWP ⁽¹⁾

Fronted programs premium represent 89% of the GWP of our Specialty Admitted Segment ⁽¹⁾



Fee Income ⁽¹⁾

Consistent and predictable stream of earnings



\$ in millions

(1) Presented on an LTM basis as of the period indicated.

We Represent a Unique Investment Opportunity

2022 YTD Cat Losses % of Loss Ratio ⁽¹⁾

Our focus on low volatility, niche casualty E&S business and prudent reinsurance purchasing results in little catastrophe exposure, differentiating us from specialty peers



2021 E&S DWP as a % of total GWP ⁽²⁾

We are the 2nd most concentrated company in terms of E&S exposure, providing investors concentrated exposure to an attractive market



Source: S&P Global Market Intelligence (and its affiliates, as applicable), SEC filings.

(1) Represents total pre-tax catastrophe losses as disclosed in company filings divided by net earned premiums for the 9 months ended September 30, 2022.

(2) Statutory E&S direct written premium as defined and calculated by S&P Global Market Intelligence. Represents statutory E&S direct written premium divided by GAAP consolidated gross written premium.

(3) 59% based on statutory E&S DWP as defined and calculated by S&P Global Market Intelligence. 70% based on GAAP E&S GWP (including assumed business in our Casualty Reinsurance segment).

Capital Position

Our balance sheet enables us to continue to capitalize on an extremely attractive P&C market

	Balance Sheet as of:				
	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Assets					
Total Invested Assets	\$2,061.4	\$2,130.5	\$2,125.0	\$2,038.0	\$2,176.0
Cash and Cash Equivalents ⁽¹⁾	220.6	190.1	270.2	350.7	187.5
Goodwill and Intangible Assets	218.0	217.9	217.8	217.7	217.6
Total Assets	4,784.1	4,948.6	5,267.2	5,265.3	5,205.5
Liabilities and Shareholders' Equity					
Reserve for Losses and LAE	2,596.8	2,748.5	2,750.2	2,730.6	2,786.7
Deferred Reinsurance Gain	-	-	-	-	20.8
Senior Debt	262.3	262.3	222.3	222.3	222.3
Junior Subordinated Debt	104.1	104.1	104.1	104.1	104.1
Total Debt	366.4	366.4	326.4	326.4	326.4
AOCI	43.1	30.0	(56.0)	(114.6)	(175.2)
Series A Redeemable Preferred Shares	-	-	144.9	144.9	144.9
Shareholders' Equity	813.6	725.4	647.7	594.4	526.8
Leverage Metrics					
Leverage Ratio ⁽²⁾	29%	31%	23%	23%	23%
Net Written Premium / Tangible Equity ⁽³⁾	1.22x	1.47x	1.30x	1.43x	1.64x
Per Share Metrics					
Shareholders' Equity per Share	\$21.82	\$19.41	\$17.30	\$15.87	\$14.07
- Ex AOCI	\$20.66	\$18.61	\$18.79	\$18.93	\$18.75
Tangible Equity per Share	\$15.98	\$13.58	\$13.34	\$12.10	\$11.02
- Ex AOCI	\$14.82	\$12.78	\$14.64	\$14.76	\$15.09
Tangible Common Equity per Share	\$15.98	\$13.58	\$11.48	\$10.06	\$8.81
- Ex AOCI	\$14.82	\$12.78	\$12.97	\$13.12	\$13.49

\$ and shares in millions, except per share figures.

(1) Excluding restricted cash equivalents.

(2) Leverage ratio, in accordance with the Company's credit agreements, is calculated as adjusted consolidated debt / total capital. Adjusted consolidated debt treats hybrid securities as equity capital up to 15% of total capitalization. Total capital is defined as total debt plus tangible equity excluding accumulated other comprehensive income.

(3) Net written premium presented on an LTM basis as of the period indicated.

 JAMES RIVER GROUP HOLDINGS, LTD.*

Commentary

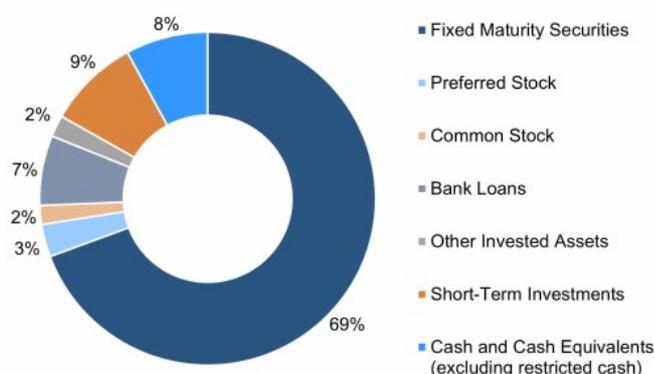
- Completed issuance of Series A preferred shares in 1Q 2022, along with LPT transactions covering run off commercial auto in 3Q 2021 and the majority of Casualty Reinsurance segment reserves in 1Q 2022.
- Have reduced debt and financial leverage ratio in recent periods.
- These actions have bolstered the balance sheet and position the business for expected profitable growth at the current strong pace in order to generate a compelling return on tangible common equity.
- The decline in AOCI during 9M22 primarily reflects the impact of a decline in market value of our fixed maturity securities due to a rise in interest rates. This change does not impact our leverage ratio, in accordance with our credit agreements.
- Tangible equity per share excluding AOCI and tangible common equity per share excluding AOCI have increased on a year-to-date basis due to positive net income available to common shareholders and the proceeds from the Series A preferred shares issued during 1Q 2022.

Investment Portfolio

The Company holds a conservative portfolio given its focus on underwriting risk

Investment Portfolio as of September 30, 2022

Total Cash and Investments (excluding restricted cash): \$2,364 MM



Commentary

- Balanced portfolio focused on high quality fixed maturities, with small allocation to unique strategies to enhance returns.
- Weighted average rating of A+ across the portfolio, similar to recent periods.
- Total cash and invested assets increased 4% from the prior year quarter, as strong operating cash flow and the proceeds of the Series A preferred shares in 1Q 2022 were partially offset by declines in the market value of securities.
- Annualized gross investment yield increased primarily as a result of higher yields on fixed maturity securities and bank loan participations.
- Investment income increased from 3Q 2021 levels due to:
 - i. Higher yields on high grade fixed maturities as stronger reinvestment rates are increasing the book yield of the portfolio.
 - ii. Income from bank loans increased due to higher base rates in the portfolio.

Net Investment Income	Third Quarter		Change (%)
	2021	2022	
Renewable Energy Investments	\$0.9	\$0.1	(85)%
Other Private Investments	0.8	(0.6)	NM
All Other Net Investment Income	13.5	17.7	31%
Total Net Investment Income	\$15.3	\$17.3	13%

	Portfolio Statistics	
	3Q21	3Q22
Gross Investment Yield ⁽¹⁾	2.8%	3.6%
Average Duration ⁽²⁾	4.1 years	4.2 years

\$ in millions

(1) Includes fixed maturity, bank loan and equity securities.

(2) Excluding restricted cash equivalents.

 JAMES RIVER GROUP HOLDINGS, LTD.

Key Investment Highlights



Market Leading E&S Carrier

Proven market leader with focus on the small and middle market; one of the highest E&S concentrations with minimal property catastrophe exposure



Capitalizing on a 'once in a generation' pricing market

Robust E&S market poised for continued profitable growth driven by favorable macro trends and strong pricing conditions



Strong Track Record of Profitable Underwriting in Core Business

Track record of generating superior underwriting margins from our core niche casualty focused risks



Well Capitalized and Strong Balance Sheet

Strengthened reserves as well as LPT transactions covering run off commercial auto and the majority of historical Casualty Reinsurance reserves, result in a significantly de-risked balance sheet



Valuation Upside Potential

Significant valuation upside when compared to public trading multiples of E&S focused peers



Appendix: 3Q 2022 Earnings

Consolidated Performance

<i>\$ in millions, except per share figures</i>				
	3Q21	3Q22	%	Commentary
			Change	
Key Income Statement Items				
Gross Written Premium	\$346.6	\$358.5	3%	<ul style="list-style-type: none"> Gross written premium increased 3% due primarily to an increase in Casualty Re and Specialty Admitted, partially offset by a slight decline in E&S.
Net Written Premium	158.2	190.3	20%	
Net Earned Premium	170.6	190.2	11%	
Underwriting (Loss) Profit	(37.6)	11.3	NM	<ul style="list-style-type: none"> Net written and net earned premium growth was 20% and 11%, respectively, reflecting higher premium retention in E&S and growth in Casualty Re.
Net Investment Income	15.3	17.3	13%	
Adjusted Net Operating (Loss) Income	(26.8)	15.5	NM	<ul style="list-style-type: none"> Net investment income increased 13% due largely to stronger income from fixed maturities, bank loans and cash, while income from renewable energy and other private investments declined from the prior year period primarily due to market volatility.
Underwriting Ratios				
Accident Year, ex-CAT Loss Ratio	68.6%	67.5%	(1.1)%	<ul style="list-style-type: none"> The accident year loss ratio excluding catastrophes was 67.5% and decreased 1.1 points from the prior year quarter due to a lower current accident year loss ratio in E&S.
Catastrophe Losses	2.9%	2.6%	(0.3)%	
Prior Year Development	25.8%	(0.6)%	(26.4)%	
Loss Ratio	97.3%	69.5%	(27.8)%	<ul style="list-style-type: none"> Favorable prior year development of \$1.1 MM or 0.6 points was primarily due to workers' compensation exposures within the Specialty Admitted segment.
Expense Ratio ⁽¹⁾	24.8%	24.6%	(0.2)%	
Combined Ratio	122.1%	94.1%	(28.0)%	<ul style="list-style-type: none"> The expense ratio of 24.6% was down slightly compared to the 24.8% reported in the prior year quarter due to 11% growth in net earned premium and 5% growth in fee income, while underwriting expenses increased at a slightly lower rate.
Accident Year, ex-CAT Combined Ratio	93.4%	92.1%	(1.3)%	
Key Balance Sheet Items				
Shareholders' Equity per Share ⁽²⁾	\$21.82	\$14.07	(33)%	
Tangible Equity per Share ⁽²⁾	\$15.98	\$11.02	(28)%	
Tangible Equity per Share, excluding AOCI ⁽²⁾	\$14.82	\$15.09	5%	
Tangible Common Equity per Share ⁽²⁾	\$15.98	\$8.81	(42)%	

(1) Calculated with a numerator comprising other operating expenses less gross fee income (in specific instances when the Company is not retaining insurance risk) included in "Other income" in our Condensed Consolidated Income Statements of \$0.9 million for the three months ended September 30, 2022 (\$1.0 million in the prior year period), and a denominator of net earned premiums.

(2) % change is adjusted for dividends per common share paid from 4Q 2021 to 3Q 2022 totaling \$0.45 per share.

E&S Segment Performance

<i>\$ in millions</i>	3Q21	3Q22	% Change	Commentary
Key Segment Results				
Gross Written Premium	\$217.7	\$204.8	(6)%	<ul style="list-style-type: none"> Gross written premium declined 6% from the prior year quarter, primarily due to discrete actions and pricing strategies impacting select underwriting divisions. Net written and net earned premium growth of 10% and 16%, respectively, due to higher premium retention and historical growth in gross premium for the segment. Renewal rates increased 8.4% across the segment during the third quarter of 2022, which was the twenty-third consecutive quarter of renewal rate increases compounding to 61.5%. The accident year loss ratio excluding catastrophes was 65.6% compared to 69.0% in the prior year quarter. The ratio in the prior year period was impacted by reinstatement premium. Net catastrophe losses totaled \$5.0 MM in both periods. Prior year development was de minimis during the third quarter of 2022, while the prior year quarter included \$29.5 MM or 24.7 points of adverse reserve development due to the impact of the legacy commercial auto loss portfolio transfer. The expense ratio of 18.9% decreased 1.2 points compared to the prior year period due to strong growth in earned premium.
Net Written Premium	127.9	141.0	10%	
Net Earned Premium	119.8	139.1	16%	
Losses and Loss Adjustment Expenses	117.2	96.4	(18)%	
Underwriting Expenses	24.1	26.3	9%	
Underwriting (Loss) Profit	(21.5)	16.4	NM	
Underwriting Ratios				
Accident Year, ex-CAT Loss Ratio	69.0%	65.6%	(3.4)%	
Catastrophe Losses	4.2%	3.6%	(0.6)%	
Prior Year Development	24.7%	0.1%	(24.6)%	
Loss Ratio	97.9%	69.3%	(28.6)%	
Expense Ratio	20.1%	18.9%	(1.2)%	
Combined Ratio	118.0%	88.2%	(29.8)%	
Accident Year, ex-CAT Combined Ratio	89.1%	84.5%	(4.6)%	

Specialty Admitted Segment Performance

<i>\$ in millions</i>	3Q21	3Q22	% Change	Commentary
Key Segment Results				
Gross Written Premium	\$121.2	\$123.4	2%	<ul style="list-style-type: none"> Gross written premium increased 2%, reflecting an 8% reduction in individual risk workers' compensation and 3% growth in fronting and program premium. Excluding a large workers' compensation focused program, fronting and program premium increased 5% in the third quarter of 2022 despite the loss of a fronting partner that was acquired at the end of 2021. Strong fronting and programs pipeline remains intact, including new programs bound during 2022. Workers' compensation gross written premium declined due to prudent portfolio management in a competitive market. Gross fee income increased 5% compared to the prior year quarter. The accident year loss ratio of 93.4% during the third quarter of 2022, was 13.4 points higher than the prior year quarter due to a higher full year loss pick in the individual risk workers' compensation business. Favorable prior year development of 7.1 points in the third quarter of 2022 was related to the workers' compensation business and compared to 2.5 points in the prior year quarter.
Net Written Premium	22.6	18.9	(16)%	
Net Earned Premium	19.7	17.8	(10)%	
Gross Fee Income	5.6	5.9	5%	
Losses and Loss Adjustment Expenses	15.3	15.4	1%	
Underwriting Expenses	1.4	2.2	59%	
Underwriting Profit ⁽¹⁾	3.1	0.3	(91)%	
Underwriting Ratios				
Accident Year Loss Ratio	80.0%	93.4%	13.4%	
Prior Year Development	(2.5)%	(7.1)%	(4.6)%	
Loss Ratio	77.5%	86.3%	8.8%	
Expense Ratio	6.8%	12.1%	5.3%	
Combined Ratio	84.3%	98.4%	14.1%	
Accident Year Combined Ratio	86.8%	105.5%	18.7%	

(1) Underwriting profit includes gross fee income of \$5.9 million for the three months ended September 30, 2022 (\$5.6 million for the same period in the prior year).

Casualty Reinsurance Segment Performance

<i>\$ in millions</i>	3Q21	3Q22	% Change	Commentary
Key Segment Results				
Gross Written Premium	\$7.8	\$30.3	291%	<ul style="list-style-type: none"> Gross written premium increased significantly compared to the prior year quarter primarily driven by premium adjustments and a timing difference with one renewal and extension. Segment gross written premiums are expected to decline by approximately \$100 MM in FY 2022 compared to FY 2021. Since the earning patterns of the business can extend over multiple years, changes in net earned premium for this segment will lag the expected decline in gross and net written premium. The accident year loss ratio during the third quarter of 2022 was 61.6%, which was 2.1 points above the prior year quarter. There was no prior year development during the third quarter of 2022, compared to 48.4 points of reserve strengthening in the prior year quarter.
Net Written Premium	7.8	30.3	291%	
Net Earned Premium	31.1	33.3	7%	
Losses and Loss Adjustment Expenses	33.6	20.5	(39)%	
Underwriting Expenses	9.5	9.7	3%	
Underwriting (Loss) Profit	(11.9)	3.0	NM	
Underwriting Ratios				
Accident Year Loss Ratio	59.5%	61.6%	2.1%	
Prior Year Development	48.4%	0.0%	(48.4)%	
Loss Ratio	107.9%	61.6%	(46.3)%	
Expense Ratio	30.3%	29.3%	(1.0)%	
Combined Ratio	138.2%	90.9%	(47.3)%	
Accident Year Combined Ratio	89.8%	90.9%	1.1%	



**Appendix:
Underwriting
Performance Ratios
& Non-GAAP
Reconciliation**

Underwriting Performance Ratios

Underwriting Performance Ratios	3Q21	3Q22	9M21	9M22
Excess and Surplus Lines				
Loss Ratio	97.9%	69.3%	122.0%	66.2%
Impact of Retroactive Reinsurance	0.0%	14.9%	0.0%	5.1%
Loss Ratio Including Impact of Retroactive Reinsurance	97.9%	84.2%	122.0%	71.3%
Combined Ratio	118.0%	88.2%	141.4%	85.3%
Impact of Retroactive Reinsurance	0.0%	14.9%	0.0%	5.1%
Combined Ratio Including Impact of Retroactive Reinsurance	118.0%	103.1%	141.4%	90.4%
Consolidated				
Loss Ratio	97.3%	69.5%	109.1%	68.7%
Impact of Retroactive Reinsurance	0.0%	10.9%	0.0%	3.7%
Loss Ratio Including Impact of Retroactive Reinsurance	97.3%	80.4%	109.1%	72.4%
Combined Ratio	122.1%	94.1%	135.6%	94.2%
Impact of Retroactive Reinsurance	0.0%	10.9%	0.0%	3.7%
Combined Ratio Including Impact of Retroactive Reinsurance	122.1%	105.0%	135.6%	97.9%

Source: Company filings.

Note: During the third quarter of 2022, due to adverse paid loss trends on the legacy commercial auto portfolio, the Company recognized adverse prior year development of \$46.7 million on the reserves subject to the commercial auto loss portfolio transfer agreement. The Company recorded a retroactive reinsurance benefit of \$25.9 million in loss and loss adjustment expenses and a deferred retroactive reinsurance gain of \$20.8 million on the Balance Sheet.

Note: The above table provides the underwriting performance ratios of the Company inclusive of the business subject to retroactive reinsurance accounting for loss portfolio transfers. There is no economic impact to the Company over the life of a loss portfolio transfer contract so long as any additional losses subject to the contract are within the limit of the loss portfolio transfer and the counterparty performs under the contract. Retroactive reinsurance accounting is not indicative of our current and ongoing operations. Management believes that providing loss ratios and combined ratios on business not subject to retroactive reinsurance accounting for loss portfolio transfers gives the users of our financial statements useful information in evaluating our current and ongoing operations.

Note: Under the terms of the agreement, the commercial auto loss portfolio transfer is not subject to an aggregate limit.

Non-GAAP Measures Reconciliation

Underwriting Profit (Loss)	12 Months Ended Dec 31,			3Q21	3Q22
	2019	2020	2021		
Underwriting Profit (Loss) of The Operating Segments:					
Excess and Surplus Lines	\$19.2	\$9.8	(\$121.5)	(\$21.5)	\$16.4
Specialty Admitted Insurance	5.9	4.2	9.7	3.1	0.3
Casualty Reinsurance	(7.2)	(18.4)	(117.5)	(11.9)	3.0
Total Underwriting Profit (Loss) of Operating Segments	17.9	(4.4)	(229.3)	(30.4)	19.7
Operating Expenses of Corporate and Other Segment	(27.7)	(29.4)	(27.6)	(7.3)	(8.4)
Underwriting Profit (Loss)	(9.8)	(33.8)	(256.9)	(37.6)	11.3
Losses and Loss Adjustment Expenses - Retroactive Reinsurance	-	-	-	-	(20.8)
Net Investment Income	75.7	73.4	56.9	15.3	17.3
Net Realized and Unrealized (Losses) Gains on Investments	(2.9)	(16.0)	15.6	4.0	(7.8)
Other Income and Expenses	0.1	(1.0)	(2.2)	(0.6)	0.4
Interest Expense	(10.6)	(10.0)	(8.9)	(2.2)	(5.0)
Amortization of Intangible Assets	(0.6)	(0.5)	(0.4)	(0.1)	(0.1)
Income (Loss) Before Taxes	\$51.9	\$11.9	(\$196.0)	(\$21.3)	(\$4.6)

Adjusted Net Operating Income (Loss)	12 Months Ended Dec 31,			3Q21	3Q22
	2019	2020	2021		
Income (Loss) Available to Common Shareholders	\$38.3	\$4.8	(\$172.8)	(\$23.9)	(\$7.2)
Losses and Loss Adjustment Expenses - Retroactive Reinsurance	-	-	-	-	16.4
Net Realized and Unrealized Losses (Gains) on Investments	3.8	14.8	(13.3)	(3.4)	6.6
Other Expenses	0.8	1.6	1.8	0.5	(0.2)
Adjusted Net Operating Income (Loss)	\$42.9	\$21.2	(\$184.2)	(\$26.8)	\$15.5

\$ in millions
Source: Company filings.

Non-GAAP Measures Reconciliation

Tangible Equity & Tangible Common Equity	12 Months Ended Dec 31,			3Q21	3Q22
	2019	2020	2021		
Shareholders' Equity	\$778.6	\$795.6	\$725.4	\$813.6	\$526.8
Plus: Series A Redeemable Preferred Shares	-	-	-	-	144.9
Plus: Deferred Reinsurance Gain	-	-	-	-	20.8
Less: Goodwill and Intangible Assets	(218.8)	(218.2)	(217.9)	(218.0)	(217.6)
Tangible Equity	\$559.8	\$577.4	\$507.5	\$595.7	\$474.9
Less: Series A Redeemable Preferred Shares	-	-	-	-	(144.9)
Tangible Common Equity	\$559.8	\$577.4	\$507.5	\$595.7	\$330.0
Accumulated Other Comprehensive Income (AOCI)	31.1	81.9	30.0	43.1	(175.2)
Shareholders' Equity, excluding AOCI	747.5	713.7	695.4	770.5	702.1
Tangible Equity, excluding AOCI	528.7	495.5	477.5	552.6	650.1
Tangible Common Equity, excluding AOCI	528.7	495.5	477.5	552.6	505.2
Shares Outstanding (000's)	30,424	30,649	37,373	37,287	37,450
Shares From Conversion of Series A Preferred	-	-	-	-	5,640
Shares Outstanding After Conversion of Series A Preferred	30,424	30,649	37,373	37,287	43,091
Shareholders' Equity per Share	\$25.59	\$25.96	\$19.41	\$21.82	\$14.07
- <i>Shareholders' Equity per Share, excluding AOCI</i>	\$24.57	\$23.29	\$18.61	\$20.66	\$18.75
Tangible Equity per Share	\$18.40	\$18.84	\$13.58	\$15.98	\$11.02
- <i>Tangible Equity per Share, excluding AOCI</i>	\$17.38	\$16.17	\$12.78	\$14.82	\$15.09
Tangible Common Equity per Share	\$18.40	\$18.84	\$13.58	\$15.98	\$8.81
- <i>Tangible Common Equity per Share, excluding AOCI</i>	\$17.38	\$16.17	\$12.78	\$14.82	\$13.49

\$ in millions
Source: Company filings.

 JAMES RIVER GROUP HOLDINGS, LTD.*



InvestorRelations@jrgh.net
