

BHP PETROLEUM (AMERICAS) INC. • SANTOS LTD. • WOODSIDE
PETROLEUM LTD. • OMV AG • BRASKEM S.A. • CANADIAN NATURAL
RESOURCES LTD. • CENOVUS ENERGY INC. • HUSKY ENERGY INC.
NOVA CHEMICALS CORPORATION • PARAMOUNT RESOURCES LTD
• SUNCOR ENERGY INC. • TRANSCANADA PIPELINES LIMITED
PUERTO RICO ELECTRIC POWER AUTHORITY • CNOOC LIMITED
• ØRSTED A/S • ÉLECTRICITÉ DE FRANCE • TOTAL S.A. • BASF SE
MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY
ENI S.P.A. • EQUINOR ASA • YARA INTERNATIONAL ASA • GALI
ENERGIA, SGPS, S.A. • COMPAÑÍA ESPAÑOLA DE PETRÓLEOS S.A.
(CEPSA) • REPSOL, S.A. • LYONDELLBASEL
INDUSTRIES N.V. • ROYAL VOPAK N.V.
ANADARKO PETROLEUM CORPORATION • ANDEAVOR
APACHE CORPORATION • ARENA ENERGY, LP • BUCKEYE
PARTNERS, L.P. • CHEVRON CORPORATION • CHEVRON
PHILLIPS CHEMICAL COMPANY LLC • CITGO PETROLEUM
CORPORATION • CONOCOPHILLIPS COMPANY • DELEK US
HOLDINGS, INC. • DRUMMOND COMPANY, INC. • DTE ENERGY
COMPANY • ENERGY TRANSFER, LP • HESS CORPORATION
HOLLYFRONTIER CORPORATION • LOOP LLC • MARATHON OIL
COMPANY • MARATHON PETROLEUM CORPORATION
MURPHY OIL CORPORATION • NOBLE ENERGY, INC. • OCCIDENTAL
PETROLEUM CORPORATION • PHILLIPS 66 COMPANY • PLAIN
ALL AMERICAN PIPELINE, L.P. • SEMPRA ENERGY • THE SINCLAIR
COMPANIES • THE WILLIAMS COMPANIES,
INC. • VALERO ENERGY CORPORATION •
WESTLAKE CHEMICAL CORPORATION

BACKED BY OIL

1st QUARTER REPORT 2019



OIL INSURANCE LIMITED
Leaders in Global Energy Insurance

OIL INSURANCE LIMITED
1st QUARTER REPORT 2019
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(\$'000)	31-Mar-19	31-Dec-18
Assets		
Cash and cash equivalents	794,819	565,374
Investments in marketable securities and derivatives	5,093,965	4,983,464
Other investments	665,923	664,859
Investment sales pending settlement	209,172	57,375
Accrued investment income	26,089	20,480
Amounts due from affiliates	111	54
Retrospective premiums receivable	23,004	24,158
Accounts receivable	311,455	808
Deferred acquisition costs	270	372
Other assets	2,026	1,435
Total assets	7,126,834	6,318,379
Liabilities		
Reserve for unearned premiums	348,167	-
Outstanding losses and loss expenses	2,515,483	2,508,335
Retrospective premiums payable	2,962	2,840
Securities sold short	335,907	302,165
Investment purchases pending settlement	344,567	271,726
Amounts due to affiliates	1,192	3,973
Premiums received in advance	7,007	8,461
Accounts payable	262,926	11,014
Total liabilities	3,818,211	3,108,514
Shareholders' equity		
Preferred shares	274,788	293,421
Common shares	540	550
Retained earnings	3,033,295	2,915,894
Total shareholders' equity	3,308,623	3,209,865
Total liabilities and shareholders' equity	7,126,834	6,318,379

OIL INSURANCE LIMITED
1st QUARTER REPORT 2019
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(000's)	THREE MONTHS ENDED	
	31-Mar-19	31-Mar-18
Premiums written	464,234	352,208
Change in unearned premiums written	<u>(348,167)</u>	<u>(266,056)</u>
Net premiums earned	116,067	86,152
Discount on retrospective premiums receivable	102	(27)
Losses and loss expenses incurred	(43,061)	(70,142)
Acquisition costs	<u>(101)</u>	<u>-</u>
Net underwriting income	<u>73,007</u>	<u>15,983</u>
Interest income	25,899	22,670
Net gains (losses) on investments	279,984	(45,752)
Dividend income	8,435	8,239
Interest expense and financing costs	(101)	(77)
Investment advisory and custodian fees	<u>(7,197)</u>	<u>(8,400)</u>
Net investment income (loss)	<u>307,020</u>	<u>(23,320)</u>
General and administrative expenses	<u>(4,583)</u>	<u>(4,349)</u>
Net income (loss)	<u>375,444</u>	<u>(11,686)</u>

OIL INSURANCE LIMITED
1st QUARTER REPORT 2019
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

(\$'000)	31-Mar-19
Capital	
Preferred shares at beginning of period	293,421
Preferred shares issued in period	-
Preferred shares repurchased in period	(18,633)
Preferred shares at end of period	<u>274,788</u>
Common shares at beginning of period	550
Common shares issued in period	-
Common shares redeemed in period	(10)
Common shares at end of period	<u>540</u>
Retained earnings	
Retained earnings at beginning of period	2,915,894
Net income for period	375,444
Preferred share dividend	(8,010)
Common share dividend	(250,000)
Loss on repurchase of preferred shares	(33)
Retained earnings at end of period	<u>3,033,295</u>
Total shareholders' equity	<u>3,308,623</u>

SHAREHOLDERS' EQUITY:

During the three months ended March 31, 2019, shareholders' equity increased by \$98.8 million to \$3,308.6 million. Net underwriting income of \$73.0 million and net investment income of \$307.0 million were offset by common share dividends of \$250.0 million, preferred share dividends of \$8.0 million, general and administrative expenses of \$4.6 million, and the repurchase of preference shares totaling \$18.6 million (net of issuance costs).

INSURANCE OPERATIONS:

During the three months ended March 31, 2019, gross premiums written totaled \$464.2 million, a \$112.0 million increase from the three months ended March 31, 2018. Net premiums earned increased from \$86.2 million for the three months ended March 31, 2018 to \$116.1 million for the three months ended March 31, 2019. The increase in premiums written and earned premiums in the three month period ended March 31, 2019, is primarily due to the increase in losses in the most recent 5 year period, resulting in an overall increase in the annual premium charged by OIL.

Losses and loss expenses incurred totaled \$43.1 million for the three month period ended March 31, 2019. The loss and loss expenses incurred are due to an increase of \$41.4 million in prior year claims. Net loss expenses incurred for the three months ended March 31, 2019, totaled \$1.7 million.

INVESTMENTS:

During the three month period ended March 31, 2019, the global equity, fund of hedge funds and bond portfolios posted favorable results. For the three months ended March 31, 2019, returns on the Company's equity, global fixed income and fund of hedge funds portfolios were approximately 11.2%, 2.3% and 3.2%, respectively, with a total return on cash and invested assets of 5.3%.

COMMON SHARE DIVIDENDS:

During March 2019, the Company declared a dividend in an aggregate amount of \$250 million to all common shareholders on record as of January 1, 2019, payable on or before August 30, 2019.