

Westfield Specialty International's Tax Policy

Our Approach to Tax

Introduction

The Westfield Group of companies ("Westfield") was founded in 1848. An Ohio based mutual, Westfield is a leading US property and casualty insurance company which underwrites commercial, personal, surety and specialty lines of business.

In 2023 the UK group now known as Westfield Specialty International ("WSI") joined Westfield. WSI specialises in writing worldwide specialty insurance through Syndicate 1200 at Lloyd's of London.

During 2015, the UK Government consulted on a package of large business tax compliance measures. Following that consultation, legislation was introduced requiring large businesses to publish their strategy as it relates to or affects UK tax. WSI has prepared this Tax Policy (the "Policy") to set out WSI's approach to tax and to comply with its duty under Paragraphs 16(2) and 25, Schedule 19 Finance Act 2016.

WSI's tax strategy reflects:

- Consideration of its reputation, brand and corporate and social responsibilities.
- The regulated nature of its business, which requires further compliance with local laws, regulations and guidance, including strict adherence to the Lloyd's Code of Practice which sets out the principles and behaviours expected for underwriting at Lloyd's.

WSI is committed to fully complying with all statutory obligations and full disclosure to, and co-operation with tax authorities in all jurisdictions in which it operates.

Our organisation

Westfield has subsidiaries in UK, USA and Dubai and as such is subject to tax obligations in the jurisdictions it operates in. Some of these jurisdictions are subject to lower corporate income tax rates than those applicable in the UK.

Westfield operates in these jurisdictions for commercial, operational and regulatory reasons. Its tax obligations and its tax assessments in these jurisdictions reflect where the economic and material substance of the business lies – being, capital and a highly qualified workforce to run the business.

Dubai, United Arab Emirates

Westfield Specialty (ME) Ltd was registered with the Dubai International Finance Centre (“DIFC”) in September 2011 and is regulated by the Dubai Financial Services Authority (“DFSA”). The company serves the Middle East and North Africa (MENA) region, underwriting specialised insurance and reinsurance coverages.

Tax obligations

WSI has tax obligations arising in all jurisdictions where it operates, which can be summarised as follows

Corporate Income Taxes	Arising on the profits of the individual entity, and overseas taxes in respect of permanent establishments arising in other jurisdictions
Employment Taxes	Arising in respect of salaries paid to employees and other benefits provided, such as participation in the group share incentive schemes
VAT, GST etc.	Incurred in respect of services procured by the group and recoverable in part as determined by the mix of Insurance and Reinsurance policies written by the group.
Insurance Premium Taxes	Incurred in the UK and Worldwide and collected from policy holders in respect of premiums received
Withholding taxes	Incurred on certain investment income earned by the group
Other taxes	Including stamp duties, property taxes and other insurance related levies arising in the normal course of business.

Approach of the UK group to risk management and governance arrangements in relation to UK tax

The WSI Chief Finance Officer is responsible for WSI tax affairs. Day to day responsibilities for the WSI's tax matters is delegated to the WSI Financial Controller who oversees the finance team and other process teams with tax responsibilities within the business. The Finance team is the main contact point with external advisers who provide timely support on day-to-day taxation related matters as well as advice on significant transactions and where the tax treatment on specific items is uncertain.

WSI manages its tax matters and identifies tax risks through a clear internal governance framework, business controls and processes. These are subject to reviews and continuous improvement to ensure that tax accounting arrangements are robust and accurate to satisfy the Senior Accounting Officer provisions in the UK.

Any significant issues that occur during the year are raised with the Audit Committee. The Board of Directors then addresses these risks and matters and determines what actions should be taken, taking account of materiality and reporting requirements.

Further oversight of the UK taxation process is carried out by the Tax and Finance function of Westfield, for consolidation and reporting of worldwide results and ASC740-10 disclosures of group tax risks for US accounting purposes.

The Criminal Finances Act 2017 received Royal Assent on 27th April 2017. This Act includes the Corporate Criminal Offence provisions to prevent tax evasion and the facilitation of tax evasion. Given the regulatory nature of the group and its obligations under the Proceeds of Crime Act 2002 the internal processes of the group are considered likely to be sufficient to ensure the prevention of tax evasion and the facilitation of tax evasion.

Attitude to tax planning

In structuring WSI business activities, Westfield takes into account tax laws as well as all other regulatory requirements in the relevant jurisdictions. When entering into commercial transactions, WSI will aim to make use of available tax incentives, reliefs and exemptions intentionally provided in law, for example avoiding double taxation (where the same income is assessed to tax twice in more than one tax jurisdiction) and claiming capital allowances.

WSI does not undertake tax planning unrelated to such commercial transactions. WSI seeks to minimise uncertainty, risk or disputes and engage external qualified advisors as appropriate to achieve this.

Westfield has no appetite to enter into transactions where the main purpose, or one of the purposes, is to secure a tax advantage that is contrary to the intention of the local government in enacting the relevant legislation.

Level of risk in relation to UK taxation that Westfield is prepared to accept

Westfield has a low tolerance for accepted tax risk. Westfield seeks to identify tax liabilities and filing obligations well in advance of the due date for each to ensure that such obligations are accurately met in a timely manner.

Where any inadvertent errors, omissions or delays arise in respect of any tax filing obligation Westfield policy is to remedy such issues by way of full and transparent disclosure to HMRC at the earliest reasonable opportunity, and recorded by the Chief Finance Officer to ensure that processes are reviewed to prevent reoccurrence.

Use of Experts

WSI retains tax professionals to assist with identifying and meeting its tax obligations both in the UK and Worldwide, who are aware of our level of tolerance to tax risk and provide advice only within that framework.

The Statutory Auditors of Westfield do not provide tax advisory services to the UK entities, providing a secondary level of independent oversight.

Our relationship with HMRC

WSI engages with HMRC in an honest, transparent and constructive manner.

WSI will work openly with HMRC wherever possible to resolve disputes or where there is uncertainty in the interpretation of tax laws.

Westfield will also update HMRC in respect of developments in its business, current, future and past tax risks.

List of entities covered by this Tax Strategy

The following UK entities are held under WSI

Westfield Specialty Ltd

Westfield Specialty Capital (Alpha) Ltd

Westfield Specialty Management Services Ltd

Westfield Specialty Direct Ltd

Westfield Specialty (ME) Ltd (Dubai)

Westfield Specialty Managing Agency Ltd

Westfield Specialty Capital (No. 604) Ltd

Westfield Specialty Capital (No. 607) Ltd

Westfield Specialty Capital (No. 616) Ltd

Westfield Specialty Capital (No. 617) Ltd

Westfield Specialty Capital (No 703) Ltd

Westfield Specialty Capital (No. 704) Ltd

Westfield Specialty Capital (Chi) Ltd

Westfield Specialty Capital (Delta) Ltd

Westfield Specialty Capital (Epsilon) Ltd

Westfield Specialty Capital (Gamma) Ltd

Westfield Specialty Capital (Zeta) Ltd

WSI considers that the publication of this statement complies with its duty set out in Paragraphs 16(2) and 25, Schedule 19 Finance Act 2016 to publish a tax strategy in relation to the financial year ended 31 December 2024

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