

Zenith National Insurance Corp. and Subsidiaries

**Consolidated Financial Statements and
Supplementary Consolidating Information
December 31, 2025 and 2024 and for the
Years Ended December 31, 2025, 2024 and 2023**

Zenith National Insurance Corp. and Subsidiaries

Consolidated Financial Statements

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Report of Independent Auditors

To the Management of Zenith National Insurance Corp.

Opinion

We have audited the accompanying consolidated financial statements of Zenith National Insurance Corp. and its subsidiaries (the "Company"), which comprised of the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of cash flows and of stockholders' equity for each of the three years then ended December 31, 2025, 2024, and 2023 including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years ended December 31, 2025, 2024 and 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Accounting principles generally accepted in the United States of America require that information about incurred and paid claims development that precedes the most recent reporting period and the historical claims payout percentages included in Note 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board (FASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PricewaterhouseCoopers LLP

Los Angeles, California
February 27, 2026

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except par value)	December 31,	
	2025	2024
Assets:		
Investments:		
Fixed maturity securities, at fair value (amortized cost \$930,446 in 2025 and \$948,679 in 2024)	\$ 951,122	\$ 946,696
Equity securities, at fair value (cost \$285,808 in 2025 and \$269,698 in 2024)	307,097	255,440
Equity-method investments	232,775	212,521
Short-term investments, at fair value which approximates cost	9,358	3,633
Mortgage loans, at fair value (amortized cost \$198,316 in 2025 and \$206,386 in 2024)	181,282	197,495
Other investments, at fair value (cost \$67,955 in 2025 and \$69,622 in 2024)	60,489	69,052
Derivative assets, at fair value (cost \$1,823 in 2025 and 2024)	391	5,475
Total investments	1,742,514	1,690,312
Cash and cash equivalents	84,370	50,623
Accrued investment income	10,063	9,938
Premiums receivable	76,618	73,536
Earned but unbilled premium receivable	1,619	3,219
Reinsurance recoverables	68,483	62,326
Deferred policy acquisition costs	28,042	25,095
Deferred tax asset	65,231	78,866
Income tax receivable	115	
Operating lease right-of-use assets	35,397	34,273
Goodwill	20,985	20,985
Other assets	53,954	55,887
Total assets	\$ 2,187,391	\$ 2,105,060
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 1,077,994	\$ 1,028,134
Unearned premiums	150,200	136,352
Policyholders dividends accrued	23,904	26,837
Long-term debt	38,426	38,397
Income tax payable		10,348
Operating lease liabilities	37,160	36,077
Derivative liabilities	2,295	
Other liabilities	116,464	105,792
Total liabilities	1,446,443	1,381,937
Commitments and contingencies (see Note 15)		
Stockholders' equity:		
Common stock, \$1 par value, 40 authorized shares; 39 shares issued and outstanding	39	39
Additional paid-in capital	400,635	397,429
Retained earnings	350,683	336,568
Accumulated other comprehensive loss	(10,409)	(10,913)
Total stockholders' equity	740,948	723,123
Total liabilities and stockholders' equity	\$ 2,187,391	\$ 2,105,060

The accompanying notes are an integral part of these Consolidated Financial Statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Revenues:			
Net premiums earned	\$ 765,714	\$ 733,916	\$ 741,764
Net investment income	58,312	58,887	75,711
Net realized gains on investments and other	16,185	57,099	88,328
Change in net unrealized gains/losses on fair value option investments	43,167	(87,920)	(45,510)
Net gains (losses) on derivatives	(7,566)	11,609	(6,439)
Service fee revenue	10,517	10,100	8,143
Total revenues	886,329	783,691	861,997
Expenses:			
Losses and loss adjustment expenses incurred, net of reinsurance	475,978	423,757	397,417
Underwriting and other operating expenses:			
Policy acquisition costs	171,948	161,384	157,779
Underwriting and other costs	139,060	141,278	132,796
Policyholder dividends	11,697	15,218	19,288
Interest expense	3,321	3,321	3,321
Total expenses	802,004	744,958	710,601
Income before tax	84,325	38,733	151,396
Current tax expense	3,709	23,700	44,915
Deferred tax expense (benefit)	13,501	(14,862)	(12,259)
Decrease in valuation allowance			(9,200)
Total income tax expense	17,210	8,838	23,456
Net income	\$ 67,115	\$ 29,895	\$ 127,940
Change in unrealized gains/losses on investments, net of tax	2,338	5,078	(3,045)
Change in unrealized foreign currency translation adjustments, net of tax	(1,834)	2,001	(3,099)
Other comprehensive income (loss)	504	7,079	(6,144)
Total comprehensive income	\$ 67,619	\$ 36,974	\$ 121,796

The accompanying notes are an integral part of these Consolidated Financial Statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Premiums collected, net of reinsurance	\$ 777,673	\$ 735,275	\$ 737,366
Investment income received	44,590	49,222	43,543
Losses and loss adjustment expenses paid, net of reinsurance	(430,698)	(446,045)	(406,696)
Underwriting and other operating expenses paid	(300,010)	(299,101)	(295,794)
Interest paid	(3,292)	(3,292)	(3,292)
Income taxes paid	(14,171)	(14,057)	(44,904)
Net cash provided by operating activities	74,092	22,002	30,223
Cash flows from investing activities:			
Purchases of investments:			
Fixed maturity securities, at fair value	(61,498)	(111,911)	(977,446)
Equity securities, at fair value	(5,836)	(12,115)	(49,977)
Equity-method investments	(4,816)	(70,352)	(55,845)
Mortgage loans	(12,269)	(13,555)	(116,909)
Other investments	(4,592)	(10,010)	(4,754)
Derivatives			(8,800)
Proceeds from maturities and redemptions of investments:			
Fixed maturities securities, at fair value	3,523	12,361	33,397
Proceeds from sales of investments:			
Fixed maturity securities, at fair value	66,684	190,092	864,421
Equity securities, at fair value	15,915	74,880	195,367
Equity-method investments	479	4,436	1,658
Mortgage loans	21,652	22,270	63,898
Other investments	6,815	12,755	8,769
Net (purchases) sales of short-term investments	(4,288)	3,977	46,613
Net derivative cash settlements	(191)	6,409	2,620
Capital expenditures and other	(3,818)	(9,575)	(4,795)
Net cash provided by (used in) investing activities	17,760	99,662	(1,783)
Cash flows from financing activities:			
Dividends paid to common stockholders	(53,000)	(100,000)	(25,000)
Purchase of shares for restricted stock awards	(5,105)	(10,101)	(2,116)
Net cash used in financing activities	(58,105)	(110,101)	(27,116)
Net increase in cash and cash equivalents	33,747	11,563	1,324
Cash and cash equivalents at beginning of year	50,623	39,060	37,736
Cash and cash equivalents at end of year	\$ 84,370	\$ 50,623	\$ 39,060

The accompanying notes are an integral part of these Consolidated Financial Statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Reconciliation of net income to net cash provided by operating activities			
Net income	\$ 67,115	\$ 29,895	\$ 127,940
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	2,335	1,660	1,617
Net accretion	(11,483)	(12,416)	(12,447)
Net realized gains on investments and other	(16,185)	(57,099)	(88,328)
Change in net unrealized gains/losses on fair value option investments	(43,167)	87,920	45,510
Net (gains) losses on derivatives	7,566	(11,609)	6,439
Equity in (earnings) losses of investee	93	2,607	(11,739)
Stock-based compensation expense	8,311	6,331	5,633
Decrease (increase) in:			
Accrued investment income	(125)	2,020	(6,355)
Premiums receivable	(1,139)	(6,748)	(9,916)
Reinsurance recoverables	(6,157)	(13,935)	2,085
Deferred policy acquisition costs	(2,947)	(2,008)	(1,348)
Net income taxes	3,039	(5,220)	(21,447)
Increase (decrease) in:			
Unpaid losses and loss adjustment expenses	49,860	(13,618)	(13,621)
Unearned premiums	13,848	7,272	7,875
Policyholders dividends accrued	(2,933)	(5,011)	334
Accrued expenses	3,394	8,302	(771)
Prepaid policy and guarantee fund assessments	3,216	444	(2,693)
Other	(549)	3,215	1,455
Net cash provided by operating activities	\$ 74,092	\$ 22,002	\$ 30,223

The accompanying notes are an integral part of these Consolidated Financial Statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Common stock:			
Beginning of year	\$ 39	\$ 39	\$ 39
End of year	39	39	39
Additional paid-in capital:			
Beginning of year	397,429	401,199	397,682
Stock-based compensation expense	8,311	6,331	5,633
Purchases of shares for restricted stock awards	(5,105)	(10,101)	(2,116)
End of year	400,635	397,429	401,199
Retained earnings:			
Beginning of year	336,568	406,673	318,733
Net income	67,115	29,895	127,940
Dividends to common stockholders	(53,000)	(100,000)	(40,000)
End of year	350,683	336,568	406,673
Accumulated other comprehensive loss:			
Beginning of year	(10,913)	(17,992)	(11,848)
Change in unrealized gains/losses on investments, net of tax	2,338	5,078	(3,045)
Change in unrealized foreign currency translation adjustments, net of tax	(1,834)	2,001	(3,099)
End of year	(10,409)	(10,913)	(17,992)
Total stockholders' equity	\$ 740,948	\$ 723,123	\$ 789,919

The accompanying notes are an integral part of these Consolidated Financial Statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation and Summary of Operations

Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include Zenith National Insurance Corp. (“Zenith National”) and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Organization and Operations

Zenith National is a Delaware holding company, which is an indirect wholly-owned subsidiary of Fairfax Financial Holdings Limited (“Fairfax”). Fairfax is a Canadian financial services holding company, whose common stock is publicly traded on the Toronto Stock Exchange (“TSX”) and is principally engaged in property and casualty insurance, reinsurance and associated investment management.

Zenith National’s wholly-owned subsidiaries (primarily Zenith Insurance Company (“Zenith Insurance”)), specialize in the workers’ compensation insurance business nationally and in the property-casualty business for California agriculture (“Agribusiness P&C”). Unless otherwise indicated, all references to the “Company” refer to Zenith National together with its subsidiaries.

Use of Estimates

GAAP requires the use of assumptions and estimates in reporting certain assets, liabilities, revenues and expenses and related disclosures. Actual results could materially differ from those estimates.

Reclassifications

Certain prior year amounts in the accompanying Consolidated Financial Statements have been reclassified and amended to conform to the current year presentation.

Subsequent Events

The Company evaluated subsequent events through the date that the Consolidated Financial Statements were issued on February 27, 2026.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Accounting Policies

Cash and Cash Equivalents

Cash includes amounts held in operating accounts and demand deposits with financial institutions. Cash equivalents are carried at fair value on the Consolidated Balance Sheets and consist of money market funds which are highly liquid investments with original maturities of less than three months. The money market funds are measured using net asset value ("NAV") as a practical expedient, which approximates fair value.

Investments

As of December 31, 2025 and 2024, \$1.5 billion of investments in fixed maturity securities, equity securities, short-term investments, mortgage loans and certain other investments (see below) are recorded under the fair value option method of accounting. These investments are measured at fair value with changes in fair value recorded in the change in net unrealized gains/losses on fair value option investments in the Consolidated Statements of Comprehensive Income.

As of December 31, 2025 and 2024, other investments included investments in partnerships and limited liability companies ("LLCs") where the Company's ownership is minor and the Company does not have significant operating or financial influence, as well as corporate loans to affiliates and contingent consideration receivables.

Investments in partnerships and LLCs of an entity where the Company's ownership share is more than minor, as well as investments in affiliate partnerships and common stocks are recorded under the equity-method of accounting, unless the fair value option is elected. An affiliate is defined as a related party entity, generally when Fairfax is deemed to have control or when Fairfax or the Company have the ability to exercise significant influence over an entity.

Equity-method investments are initially recorded at cost and subsequently adjusted for additional purchases and distributions, other-than-temporary impairments ("OTTIs"), if any, the Company's proportionate share of the investee's earnings (losses) recognized in earnings, and changes in the investee's equity recognized in other comprehensive income (loss) since the date of initial acquisition. Due to the timing of when financial information is reported by an equity-method investee and subsequently received by the Company, results attributable to these investments are generally recognized by the Company on a one-quarter reporting lag.

The Company assesses equity-method investments for OTTIs whenever events or changes in circumstances indicate that an other-than-temporary decline in value may have occurred. This assessment includes consideration of the duration and extent to which the fair value of an investment is below its carrying value; the financial condition and near-term prospects of the investee, including historical and projected financial performance; and the Company's intent and ability to retain its investment for a period sufficient to allow for any anticipated recovery in fair value. OTTIs on equity-method investments are recorded as a reduction to the investment's carrying value in the Consolidated Balance Sheets, with a corresponding amount recognized in equity in earnings (losses) of investee in the Consolidated Statements of Comprehensive Income. In the year ended December 31, 2025, the Company did not record any OTTIs on its equity-method investments. In the years ended December 31, 2024 and 2023, the Company recorded OTTIs of \$1.5 million and \$10.9 million, respectively, on its equity-method common stock investments.

Realized gains and losses are recorded using the "average cost" method. Investment income is recorded when earned, and investment income accrued is recorded separately from related investments on the Consolidated Balance Sheets. The Company recognizes investment income on fixed maturities based on the effective interest method and recognizes dividend income when dividends are declared.

The Company assesses accrued investment income for expected credit losses on a quarterly basis in accordance with the Current Expected Credit Losses ("CECL") model. As of December 31, 2025 and 2024, accrued investment income was reported net of credit loss allowances of zero.

Derivative Contracts

Derivative contracts may include consumer price index linked ("CPI-linked") derivatives, foreign currency forwards, options and warrant contracts, all of which derive their value mainly from changes in underlying inflation indexes, foreign exchange rates, or equity instruments. A derivative contract may be traded on an exchange or over-the-counter ("OTC"). OTC derivative contracts are individually negotiated between contracting parties and may include the Company's CPI-linked derivatives and forwards.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company uses derivatives principally to mitigate financial risks arising from its investment holdings and monitors its derivatives for effectiveness in achieving their risk management objectives. Derivative contracts entered into by the Company are considered investments or economic hedges and are not designated for hedge accounting treatment for financial reporting.

Derivatives are carried at fair value. The fair value of derivatives in a gain position and fair value of derivatives in a loss position are presented as derivative assets and derivative liabilities, respectively, in the Consolidated Balance Sheets. Initial premiums paid for derivative contracts, if any, are recorded as derivative assets and subsequently adjusted for changes in fair value at each balance sheet date with a corresponding offset to net gains (losses) on derivatives in the Consolidated Statements of Comprehensive Income. Cash settlements related to fair value changes on derivatives are also recorded in the Consolidated Statements of Comprehensive Income as net gains (losses) on derivatives and are recorded as an investing activity in the Consolidated Statements of Cash Flows.

Cash received from counterparties as collateral for derivative contracts is recorded in other assets with a corresponding liability recorded in other liabilities in the Consolidated Balance Sheets. Securities pledged by counterparties to the Company as collateral for derivatives in a gain position are not recorded as assets. Securities pledged by the Company as collateral to counterparties for derivative contracts in a loss position, as well as contractually required independent collateral, if any, are recorded in assets pledged for derivative obligations in the Consolidated Balance Sheets.

See Note 4, Derivative Contracts, for additional information related to derivative contracts.

Recognition of Insurance Revenue and Expense

Revenue Recognition - Premiums

The consideration paid for an insurance policy is generally known as a “premium.” Premiums are earned pro-rata over the terms of the policies. Premiums are billed and collected according to policy terms, predominantly in the form of installments during the policy period. Billed premiums applicable to the unexpired terms of policies in-force are recorded in the accompanying Consolidated Balance Sheets as a liability for unearned premiums.

Certain states in which the Company conducts business require that the Company bills additional amounts, or assessments, to policyholders in accordance with state statutes. In some cases, the Company is required to pay in advance estimated amounts of these assessments to the relevant regulatory agency. Premiums do not include these assessments and their collection does not have any impact on the Company’s results of operations.

Workers’ compensation premiums are determined based upon the payroll of the insured, the applicable premium rates and where applicable, an experience-based modification factor and a debit or credit applied by the Company’s underwriters based upon individual risk characteristics. Audits of policyholders’ records are conducted after policy expiration to make a final determination of applicable premiums. Included in premiums earned is an estimate of the impact of final audit premiums. The Company can estimate this adjustment because it monitors, by policy, how much additional premium will be billed or refunded in final audit invoices as a percentage of the original estimated amount that was billed. The Company uses the historical percentage and current trends to estimate the probable amount to be billed or refunded as of the balance sheet date. When payrolls increase during policy periods, the Company may bill less premium than is actually owed and will establish a receivable for the estimated amount due from its policyholders. When payrolls decline during policy periods (such as during a recession), the Company may bill more premium than is actually owed and will establish a liability for the estimated amount to be refunded to its policyholders. As of December 31, 2025 and 2024, premiums receivable included \$1.6 million and \$3.2 million, respectively, of estimated premiums due from policyholders.

The Company’s premiums receivables from insureds are generally due within one year or less. Any amounts receivable for billed premiums are charged-off upon initiating the legal collection process. The Company assesses premiums receivables for expected credit losses on a quarterly basis in accordance with the CECL model and establishes an allowance for credit losses at the end of the reporting period. As of December 31, 2025 and 2024, premiums receivables were reported net of credit loss allowances of \$0.3 million.

The Company has written a relatively small number of workers’ compensation policies that are retrospectively rated. Under this type of policy, subsequent to policy expiration, the policyholder may be entitled to a refund or owe additional premium based on the amount of losses sustained under the policy. These retrospective premium adjustments are limited in the amount by which they increase or decrease the standard amount of premium

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

applicable to the policy. The Company can estimate these retrospective premium adjustments based on the underlying loss experience of the policies involved. As of December 31, 2025 and 2024, the net premiums payable under retrospectively rated workers' compensation policies reflected in unearned premiums was \$4.8 million and \$4.7 million, respectively.

Losses and Loss Adjustment Expenses ("LAE") Incurred

Losses and LAE incurred, net of reinsurance, incurred in the accompanying Consolidated Statements of Comprehensive Income include provisions for the amount the Company expects to ultimately pay for all reported and unreported claims for the applicable periods. LAE are the expenses applicable to the process of administering, settling and investigating claims, including related legal expenses.

Unpaid Losses and LAE

The liabilities for unpaid losses and LAE ("loss reserves") in the accompanying Consolidated Balance Sheets are estimates of the unpaid amounts that the Company expects to pay for the ultimate cost of reported and unreported claims as of the balance sheet date. Loss reserves are estimates and are inherently uncertain; they do not and cannot represent an exact measure of ultimate liability. The Company's actuaries perform a comprehensive review of loss reserves at the end of every quarter, from which a point estimate of loss reserves is determined. The loss reserve estimates recorded in the Consolidated Financial Statements reflect management's best estimate of loss reserves based on the actuarial point estimate as well as judgment regarding the inherent uncertainties of ultimate loss costs. As of December 31, 2025 and 2024, there was no material difference between the actuarial point estimate and the loss reserve estimate recorded in the Consolidated Financial Statements.

Workers' compensation, the Company's principal line of insurance and the Agribusiness P&C line accounted for 76% and 16%, respectively, of net premiums earned in 2025, 78% and 16%, respectively, of net premiums earned in 2024, and 80% and 15% of net premiums earned in 2023.

As of December 31, 2025 and 2024, workers' compensation and Agribusiness P&C lines of business accounted for 80% and 12% and for 82% and 12%, respectively, of the outstanding liabilities for unpaid losses and LAE, net of reinsurance recoverables.

Given the long-tail nature of workers' compensation and casualty component of Agribusiness P&C liabilities, the ultimate losses will not be known for many years and estimating loss reserves is a complex process which involves a combination of actuarial techniques and management judgment including the consideration of all relevant data.

The Company's actuaries produce a point estimate for loss reserves using the results of various actuarial estimation methods. The actuaries prepare reserve estimates for all accident years using the Company's historical claims data and many of the common actuarial methodologies for estimating loss reserves, such as paid loss development methods, incurred loss development methods, the Bornhuetter-Ferguson method and methods that utilize claim counts and average severity. The actuarial point estimate is based on a selection of the results of these various methods depending upon the line of business, the age of the accident year and the claim jurisdiction.

When losses are reported to the Company, it establishes individual estimates of the ultimate cost of the claims, known as "case reserves." These case reserves are continually monitored and revised in response to new information and for amounts paid. The Company's actuaries use this information about reported claims in some of their estimation techniques. In estimating the Company's total loss reserves, the Company makes provision for two types of loss development. At the end of any calendar period, there are a number of claims that have not yet been reported but will arise out of accidents that have already occurred. These are referred to in the insurance industry as incurred but not reported ("IBNR") claims and the Company's loss reserves contain an estimate for IBNR claims. In addition to this provision for late reported claims, the Company also has to estimate and make provision for the extent to which the case reserves on known claims may also develop. These types of reserves are referred to in the insurance industry as "bulk" reserves. The Company's loss reserves make provision for both IBNR and bulk reserves in total, but not separately. The large majority of claims are reported promptly and therefore, as of the balance sheet date, the number of IBNR claims is relatively insignificant.

The principal uncertainty in the Company's workers' compensation loss reserve estimates is the risk of increasing claim costs, particularly medical. In estimating loss reserves, the Company's actuaries consider medical costs by evaluating long-term trends. The additional uncertainties considered in estimating ultimate loss costs include the ultimate number of expensive cases and the length of time required to settle long-term

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

expensive cases. Expensive claims are those involving permanent disability of an injured worker and are paid over many years. The ultimate costs of expensive claims are difficult to estimate because of such factors as the on-going and possibly increasing need for medical care, complications from comorbidity, the duration of disability, life expectancy and benefits for dependents, as well as increased costs associated with obtaining settlement approval from Medicare.

The greater part of the challenge in estimating the workers' compensation loss reserves is associated with estimating the year-over-year increase (or decrease) in average claim severity for each accident year. Year-over-year rates of change of workers' compensation average claim severity (severity trends/inflation) vary considerably. The Company's initial workers' compensation loss reserve estimates for recent accident years provide for claim severity trends that contemplate the long-term trend observed in the Company's business. As loss experience emerges, actuarial estimates of ultimate losses and severity trends converge with those of the traditional dollar-based loss development methods, resulting in net favorable or unfavorable development of the total loss reserve estimate.

The most significant uncertainty in the Company's Agribusiness P&C loss reserve estimates is the risk of increasing claim costs from the impacts of social inflation. The additional uncertainties in estimating ultimate loss costs include the ultimate number of high-value claims and their related costs. In estimating loss reserves, the Company's actuaries consider historical loss development patterns for the Company as well as the industry. However, ultimate loss costs are difficult to estimate because of such factors as the extended length of time associated with the litigation process which includes delays in obtaining comprehensive injury and medical information.

Estimates of losses from environmental and asbestos related claims are included in overall loss reserves and to date have not been material in 2025 and 2024.

Different assumptions about the claim severity inflation rates would change the workers' compensation and Agribusiness P&C loss reserve estimates; a material change is reasonably possible although management cannot predict if, when and to what extent such a change will occur. If the average annual inflation rate for each of the accident years 2023 through 2025 were increased or decreased by one percentage point in each year, the loss reserve estimates as of December 31, 2025 would change accordingly by approximately \$18.6 million.

The Company believes its loss reserve estimates are adequate. However, the ultimate losses will not be known with any certainty for several years. The Company evaluates its loss reserve estimates every quarter to reflect the most current data and judgments. Any resulting adjustments to loss reserves are reflected in the Company's Consolidated Statements of Comprehensive Income in the period in which the change is made.

Deferred Policy Acquisition Costs

Agent commissions and premium taxes that are included in policy acquisition costs in the Company's Consolidated Statements of Comprehensive Income vary with and are primarily related to the production of new or renewal business, and thus are deferred and amortized as the related premiums are earned.

A premium deficiency is recorded if the sum of expected losses and LAE, expected dividends to policyholders, unamortized acquisition costs and policy maintenance costs exceeds the remaining unearned premiums. A premium deficiency would first be recorded by charging any unamortized acquisition costs to expense to the extent required to eliminate the deficiency. If the premium deficiency were greater than unamortized acquisition costs, a liability would be accrued for the excess deficiency. The Company does not consider anticipated investment income when determining if a premium deficiency exists. As of December 31, 2025 and 2024, no premium deficiency existed.

Policyholders Dividends

The Company issues certain policies in which the policyholder may qualify to receive a dividend. An estimated provision for workers' compensation policyholders dividends is accrued as the related premiums are earned. Such dividends do not become a fixed liability unless and until declared by the respective Board of Directors of Zenith National's insurance subsidiaries. The dividend to which a policyholder may be entitled is set forth in the policy. Dividends are calculated after policy expiration. The Company is able to estimate any liability it may have because it knows the underlying loss experience of the policies it has written with dividend provisions and can estimate the future liability from the policy terms. Approximately 39% of the Company's workers' compensation net premiums were earned from participating policies with dividend provisions.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

State Guaranty Fund Assessments

Guaranty Funds Assessment (“Guaranty Funds”) exist in several states to ensure that policyholders (holders of direct insurance policies but not of reinsurance policies) receive payment of their claims if insurance companies become insolvent. A Guaranty Fund is funded primarily by statutorily required assessments on insurance companies doing business in the state. Various mechanisms exist in some of these states for assessed insurance companies to recover these assessments. Upon the insolvency of an insurance company, the Guaranty Funds become primarily liable for the payment of the insolvent company’s liabilities to policyholders. The declaration of an insolvency establishes the presumption that assessments by the Guaranty Funds are probable. The Company writes workers’ compensation insurance in many states in which unpaid workers’ compensation liabilities are the responsibility of the Guaranty Funds and has received, and expects to continue to receive, Guaranty Fund assessments, some of which may be based on a certain amount of the premiums it has already earned as of December 31, 2025.

As of December 31, 2025 and 2024, the Company recorded an estimate of \$1.2 million and \$1.6 million, respectively, for the expected net liability for Guaranty Fund assessments. The ultimate impact of such assessments will depend upon the amount and timing of actual assessments and of any recoveries to which the Company may be entitled.

Assumed Reinsurance

Reinsurance assumed premiums written, unearned premium reserves, incurred losses and LAE and loss and LAE reserves are based on reports received from ceding companies which are established on a basis that is consistent with the terms of the corresponding reinsurance agreements and reflect the coverage periods under the terms of the underlying insurance contracts. See Note 10, Reinsurance, for additional information on the Company’s assumed reinsurance operations.

Ceded Reinsurance

In the ordinary course of business and in accordance with general insurance industry practices, the Company purchases excess of loss reinsurance to protect it against the impact of large, irregularly occurring losses in the workers’ compensation and Agribusiness P&C business. The Company has also entered into quota share reinsurance agreements to cede a portion of certain coverages within the Agribusiness P&C business. Such reinsurance reduces the magnitude of such losses on net income and the capital of the Company. Reinsurance makes the assuming reinsurer liable to the ceding company to the extent of the reinsurance coverage. It does not, however, discharge the ceding company from its primary liability to its policyholders in the event the reinsurer is unable to meet its obligations under such reinsurance agreement.

Premiums earned and losses and LAE incurred are stated in the accompanying Consolidated Statements of Comprehensive Income after deduction of amounts ceded to reinsurers. The cost of reinsurance purchased by the Company (reinsurance premiums ceded) for quota share contracts is incurred based on a percentage of both the underlying premiums written and unearned premiums for the coverage provided. For excess of loss protection, the cost is based on a percentage of the earned premium of the underlying policies for the coverage provided.

Reinsurance recoverables are recorded as assets on the Consolidated Balance Sheets and include balances due from reinsurers for paid and unpaid losses. Balances due from reinsurers on unpaid losses, including an estimate of such recoverables related to reserves for IBNR losses are included in reinsurance recoverables even though amounts due on unpaid losses and LAE are not recoverable from the reinsurer until such losses are paid.

The Company assesses reinsurance recoverables for expected credit losses on a quarterly basis in accordance with the CECL model and establishes an allowance for credit losses, if any, at the end of the reporting period. In estimating the allowance for credit losses, the Company evaluates the financial condition of its reinsurers and considers several factors including, but not limited to historical information, financial strength of reinsurers, collateralization amounts and ratings to determine the appropriateness of the allowance. Historically, the Company has not experienced a significant indication of credit losses from reinsurance transactions; write-offs have been infrequent and insignificant; and most of its reinsurance balances are recoverable from large, well-capitalized reinsurers. As of December 31, 2025 and 2024, reinsurance recoverables were reported net of credit loss allowances of zero.

See Note 10, Reinsurance, for additional information on ceded reinsurance.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Properties and Equipment

Properties and equipment used in operations, including certain costs incurred to develop and obtain computer software, are capitalized and carried at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis using the following useful lives: buildings — up to 40 years; and other property and equipment — 3 to 10 years. Expenditures for maintenance and repairs are charged to operations as incurred. Additions and improvements to buildings and other fixed assets are capitalized and depreciated over the useful lives of the properties and equipment. Upon disposition, the asset cost and related depreciation are removed from the accounts and the resulting gain or loss is included in the Company's Consolidated Statements of Comprehensive Income.

Intangible Assets

As of December 31, 2025 and 2024, goodwill from acquisitions was \$21.0 million, of which \$19.0 million is included in the assets of Zenith Insurance with the remaining \$2.0 million included in Zenith National's assets. As of December 31, 2025 and 2024, the Company had no intangible assets other than goodwill. The Company assesses goodwill for impairment using the qualitative approach by evaluating the facts and circumstances at the end of the reporting period to determine whether a triggering event indicating potential impairment exists and if so, whether it is more likely than not that goodwill is impaired. Only when the Company concludes, through the qualitative assessment, that goodwill is impaired, it performs a quantitative assessment to compare the carrying amount of goodwill to its fair value, estimated based on the present value of future cash flows of the corresponding reporting unit which is an operating segment or a unit one level below the operating segment. There were no indicators of goodwill impairment as of December 31, 2025 and 2024.

Restricted Stock

Under a restricted stock plan adopted by Fairfax in September 2010 ("Restricted Stock Plan"), certain Company officers are awarded shares of Fairfax Subordinate Voting Shares, no par value, with restricted ownership rights ("Restricted Stock"). As of December 31, 2025 and 2024, 500,000 of Fairfax Subordinate Voting Shares were authorized for purchase. The Restricted Stock vests on the fifth anniversary of the award date and contains no performance conditions. The Restricted Stock vests in full upon the death or disability of the recipient of Restricted Stock. Restricted Stock is generally forfeited by employees who terminate employment prior to vesting. During the vesting period, the Restricted Stock Plan participants are entitled to voting rights and ordinary cash dividends paid by Fairfax from the date of the award. Restricted Stock awards are recorded as a reduction of additional paid in capital in the Company's stockholders' equity based on the amount paid by the Company for the open market purchase of Fairfax Subordinate Voting Shares. Stock-based compensation expense is recorded over the vesting period based on the grant date fair value with an offsetting entry to additional paid in capital; and at vesting, the difference between cost and grant date fair value is reclassified from additional paid in capital to retained earnings.

Adopted Accounting Standards

Improvements to Income Tax Disclosures

In December 2023, the FASB issued new guidance requiring expanded income tax disclosures, including the disaggregation of existing disclosures related to the effective tax rate reconciliation and income taxes paid. For public business entities, the guidance was effective for annual periods beginning after December 15, 2024. Prospective application was required, with retrospective application permitted. The Company meets the definition of a public business entity and adopted the provisions of the guidance on a retrospective basis. The guidance did not have a material impact on the Company's consolidated financial position, results of operations, or cash flows. See Note 7, Income Tax.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

In June 2022, the Financial Accounting Standards Board ("FASB") issued new guidance which clarifies the existing fair value measurement guidance, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security and introduces new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value. The guidance clarifies that a contractual restriction on the sale of an equity security that has characteristics of the equity security should be considered in measuring the fair value of the security, while characteristics of the holder of the equity security should not be considered in measuring the fair value of the security. The guidance also requires an entity holding equity securities with contractual sale restrictions to disclose the fair value of equity securities subject to contractual sale restrictions, the nature and remaining duration of the restrictions and the circumstances that could cause a lapse in the restrictions. For Public Business Entities, the guidance was effective for periods beginning after December 15, 2023, and interim periods within those fiscal years. The Company adopted the guidance in 2024. Its adoption did not have a material impact on the Company's consolidated financial position, results of operations, or cash flows.

Measurement of Credit Losses on Financial Instruments

Effective January 1, 2023, the Company adopted CECL, which provides for the recognition and measurement of all expected credit losses for financial assets that are not recorded under the fair value option method of accounting. The adoption involved reassessing credit losses on the Company's financial assets that are not accounted for at fair value, following the prescribed methodology for recognizing credit losses that reflects expected credit losses. The Company's investment portfolio, excluding accrued investment income, was not affected by CECL as it applies the fair value option to the majority of its investments. Therefore, the Company's financial assets within the scope of this guidance primarily included accrued investment income, premiums receivable and reinsurance recoverable. Following the adoption of CECL, the Company reassesses credit losses on its financial assets within the scope of the guidance quarterly. The adoption of this guidance did not result in any additional credit losses recorded on the Company's significant financial assets in scope.

Recent Accounting Standards Not Yet Adopted

Internal Use Software - Targeted Improvements

In September 2025, the FASB issued new guidance on accounting for internal-use software. The guidance requires internal-use software development cost capitalization to begin when both of the following occur: management has authorized and committed to funding the software project, and it is probable that the project will be completed and that the software will be used to perform its intended function. The guidance also eliminates the accounting considerations of software development stages. The guidance is effective for fiscal years beginning after December 15, 2027. Early adoption is permitted. The guidance is not expected to have a material impact on the Company's consolidated financial position, results of operations, or cash flows.

Reporting Comprehensive Income - Expense Disaggregation Disclosures

In November 2024, the FASB issued new guidance requiring the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. For public business entities, the guidance is effective for annual periods beginning December 15, 2026. The guidance is not expected to have a material impact on the Company's consolidated financial position, results of operations, or cash flows.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Investments

The cost or amortized cost and fair value of investments recorded at fair value under the fair value option in the Consolidated Balance Sheets as of December 31, 2025 and 2024 were as follows:

(In thousands)	Cost or Amortized Cost	Gross Unrealized		Fair Value (b)
		Gains	(Losses)	
December 31, 2025				
Fixed maturity securities:				
U.S. Government debt	\$ 884,441	\$ 20,500	\$ (398)	\$ 904,543
Foreign government debt	14,890		(273)	14,617
Corporate debt	31,115	847		31,962
Total fixed maturity securities	930,446	21,347	(671)	951,122
Equity securities	285,808	72,833	(51,544)	307,097
Short-term investments	9,358			9,358
Mortgage loans	198,316		(17,034)	181,282
Partnerships and LLCs (a)	38,674	8,794	(1,787)	45,681
Affiliate corporate loans (a)	8,042		(52)	7,990
Contingent consideration receivables (a)	21,239		(14,421)	6,818
Total fair value option investments	\$ 1,491,883	\$ 102,974	\$ (85,509)	\$ 1,509,348
December 31, 2024				
Fixed maturity securities:				
U.S. Government debt	\$ 884,555	\$ 2,916	\$ (5,016)	\$ 882,455
Foreign government debt	16,123		(3,797)	12,326
Corporate debt	48,001	3,994	(80)	51,915
Total fixed maturity securities	948,679	6,910	(8,893)	946,696
Equity securities	269,698	29,943	(44,201)	255,440
Short-term investments	3,633			3,633
Mortgage loans	206,386		(8,891)	197,495
Partnerships and LLCs (a)	40,563	10,004	(3,403)	47,164
Affiliate corporate loans (a)	6,851		(832)	6,019
Contingent consideration receivables (a)	22,208		(6,339)	15,869
Total fair value option investments	\$ 1,498,018	\$ 46,857	\$ (72,559)	\$ 1,472,316

(a) Other investments in the Consolidated Balance Sheets consist of partnerships, LLCs, affiliate corporate loans and contingent consideration receivables.

(b) For additional disclosures regarding methods and assumptions used in estimating fair value, see Note 5, Fair Value Measurements.

Fixed maturity securities, including short-term investment, by contractual maturity as of December 31, 2025 were as follows:

(In thousands)	Fair Value
Due in one year or less	\$ 138,588
Due after one year through five years	768,598
Due after five years through ten years	50,055
Due after ten years	3,239
Total	\$ 960,480

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

As of December 31, 2025, the Company had commitments to invest an additional \$13.4 million in partnerships and LLCs.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables sets forth additional information about the Company's equity-method investments as well as investments that would have been accounted for under the equity-method, absent the fair value option election as of December 31, 2025 and 2024. These investments are considered related party investments for the Company as the underlying entities are affiliates of Fairfax and the Company. See Note 12, Related Party Transactions, for more information.

(In thousands)	Carrying Value		Carrying Value less Underlying Net Asset Value		Quoted Market Value		Relative Economic Ownership
	December 31,		December 31,		December 31,		December 31,
	2025	2024	2025	2024	2025	2024	2025
Equity-method investments (a):							
Common stock							
Sleep Country Canada Holdings Inc.	\$ 73,281	\$ 70,352					12.5%
FF Meadow Holdings Limited	50,712	50,973					16.9%
Fairfax India Holdings Corp.	28,602	29,956	\$ (639)	(b) \$ (617)	(b) \$ 23,875	\$ 22,350	1.0%
Peak Achievement Athletics	23,920	8,360					5.1%
Exco Resources Inc.	12,622	11,217	(1,230)	(b) (1,230)	(b)		1.3%
Grivalia Hospitality S.A.	11,662	12,325	2,431	(b) 2,486	(b)		1.8%
Astarta Holdings NV	8,874	7,648	(6,648)	(c) (7,533)	(c) 10,130	7,925	3.3%
Helios Fairfax Partners Corp.	5,537	6,368	(13,143)	(c) (13,143)	(c) 6,690	8,998	4.3%
Alberta ULC	4,397	4,224					5.0%
KEG Restaurants LTD	3,929						2.6%
Boat Rocker Media Inc.		6,076		(9,184)	(c)	2,031	
Total equity-method common stock	223,536	207,499					
Partnerships and LLCs							
KW-F SBG LP	\$ 5,035	\$ 5,022					5.0%
KWF Multifamily Member LLC		4,204					5.7%
Total equity-method partnerships and LLCs	9,239	5,022					
Total equity-method investments	\$ 232,775	\$ 212,521					

(In thousands)	Carrying Value		Relative Economic Ownership
	December 31,		December 31,
	2025	2024	2025
Fair value option elected investments (d)			
Common stock, at fair value			
Poseidon Corp.	\$ 72,077	\$ 55,859	1.2%
Recipe Unlimited Corp.	27,446	27,087	3.0%
HWIC Asia Fund J	17,459	14,745	27.9%
HWIC Asia Fund C	4,245	6,467	19.6%
HWIC Asia Fund H	4,021	5,869	1.5%
Ovostar Union Corp.	9,346	10,184	8.0%
ONX Inc.		500	0.1%
Preferred stock, at fair value			
Atlas Corp.	\$ 9,974	\$ 9,988	3.3%
Blizzard Vacatia Equity Partners LLC	5,000		1.8%
ONX Inc.		9,000	1.9%
Partnerships, at fair value			
Waterous Energy Fund III LP	\$ 2,081	\$ 1,163	0.6%
Transportation Recovery Fund LP		247	1.8%

(a) Investments in partnerships and LLCs as well as common stock accounted for under the equity-method are recorded at cost, adjusted for subsequent purchases, distributions, OTTI (if any), and the Company's share of the changes in the investee's equity since initial acquisition.

(b) Represents positive/(negative) goodwill and purchase price adjustments, if any.

(c) Represents primarily OTTI write-down previously recorded.

(d) Represents investments that, absent the fair value option election, would have been accounted for under the equity-method.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Net investment income for the years ended December 31, 2025, 2024 and 2023 was as follows:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Fixed maturity securities	\$ 42,649	\$ 41,762	\$ 36,160
Mortgage loans	13,881	20,314	20,814
Equity securities	7,553	6,024	12,639
Short-term investments	905	912	1,435
Other investments	2,635	2,306	2,468
Net income (loss) from equity-method investments (a)	(93)	(2,607)	11,739
Subtotal	67,530	68,711	85,255
Investment expenses	9,218	9,824	9,544
Net investment income	\$ 58,312	\$ 58,887	\$ 75,711

(a) Income (loss) from equity-method investments for each period presented is detailed below:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Sleep Country Canada Holdings Inc.	\$ 4,973		
Astarta Holdings NV	2,877	\$ 2,561	\$ 2,692
Exco Resources Inc.	1,358	1,028	3,293
Peak Achievement Athletics	846	3,800	1,548
Fairfax India Holdings Corp.	366	1,313	3,408
Alberta ULC	230	562	240
KW-F SBG LLC	(90)		
AGT Food and Ingredients Inc.	(687)	(4,593)	2,234
Helios Fairfax Partners Corp.	(832)	(4,184)	1,141
Grivalia Hospitality S.A.	(1,184)	(1,030)	(1,109)
FF Meadow Holdings Limited	(1,722)	(2,552)	
Boat Rocker Media Inc.	(6,228)	488	(1,453)
Farmers Edge Inc.			(255)
Net income (loss) from equity-method investments	\$ (93)	\$ (2,607)	\$ 11,739

Net realized gains on investments and other (excluding derivatives) were as follows:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Equity-method investments (a)	\$ 15,744	\$ (823)	\$ (10,486)
Equity securities (b)	4,025	58,813	108,382
Fixed maturity securities, including short-term investments	2,448	(2,051)	(14,585)
Mortgage loans	(2)	(1,689)	730
Other investments	(635)	3,707	3,450
Other income (loss)	(5,395)	(858)	837
Net realized gains on investments and other	\$ 16,185	\$ 57,099	\$ 88,328

- (a) Net realized gains from equity-method investments in the year ended December 31, 2025 included a dilution gain of \$14.8 million for Peak Achievement Athletics ("PAA"). See Note 12, Related Party Transactions. Net realized losses from equity-method investments in the year ended December 31, 2023 included an OTTI loss of \$10.9 million for Boat Rocker Media Inc. ("Boat Rocker").
- (b) Net gains on equity securities in the years ended December 31, 2024 and 2023 included a \$58.6 million realized gain on the sale of Stelco Holdings Inc. ("Stelco"), an affiliate of Fairfax and the Company and a \$113.2 million realized gain on the sale of a common stock investment. The majority of these realized gains were previously recorded in the change in net unrealized gains/losses on fair value options investments, as footnoted in the table below.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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The change in net unrealized gains/losses on fair value option investments still held was as follows:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Change in net unrealized gains/losses on fair value option investments	\$ 43,167	\$ (87,920)	\$ (45,510)
Less: Net losses (gains) recognized on fair value option investments sold (a)	1,599	(37,820)	(84,736)
Change in net unrealized gains/losses on fair value option investments still held at the reporting date	\$ 41,568	\$ (50,100)	\$ 39,226

(a) Net gains recognized on fair value option investments sold in 2024 and 2023 primarily consisted of \$39.2 million and \$110.5 million cumulative unrealized gains previously recognized through December 31, 2023 and 2022, respectively, on common stock investments sold in 2024 and 2023, respectively.

As of December 31, 2025 and 2024, investments with a fair value of approximately \$700 million were on deposit with regulatory authorities in compliance with insurance company regulations. As of December 31, 2025 and 2024, the Company had additional qualifying securities with a fair value of approximately \$216 million and \$207 million, respectively, available for deposit.

Note 4. Derivative Contracts

The following table summarizes the notional amounts, cost and fair values for derivative contracts:

(In thousands)	Notional Amount	Cost	Fair Value of Derivative	
			Assets	Liabilities
December 31, 2025				
Foreign exchange forwards	\$ 185,121			\$ 2,295
Equity warrants	10,000	\$ 1,823	\$ 391	
Total		\$ 1,823	\$ 391	\$ 2,295
December 31, 2024				
Foreign exchange forwards	\$ 170,796		\$ 4,970	
Equity warrants	10,000	\$ 1,823	505	
Total		\$ 1,823	\$ 5,475	

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The net gains (losses) from settlements and changes in fair value of the derivative contracts are recorded as net gains (losses) on derivatives in the Consolidated Statements of Comprehensive Income and were as follows:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Net gains (losses) on settlements			
Equity derivatives:			
Equity warrants		\$	1,366
Equity index put options		\$	(4,821)
Foreign exchange forwards	\$	(187)	6,409
CPI-linked derivatives (a)			(11,191)
Total	(187)	(9,603)	198
Change in fair value			
Equity derivatives:			
Equity warrants	(114)	75	(2,305)
Equity index put options		2,700	(2,700)
Foreign exchange forwards	(7,265)	7,246	(2,431)
CPI-linked derivatives (a)		11,191	799
Total	(7,379)	21,212	(6,637)
Net gains (losses) on derivatives			
Equity derivatives:			
Equity warrants	(114)	75	(939)
Equity index put options		(2,121)	(3,557)
Foreign exchange forwards	(7,452)	13,655	(1,943)
Total net gains (losses) on derivatives	\$ (7,566)	\$ 11,609	\$ (6,439)

(a) In the years ended December 31, 2024 and 2023, CPI-linked derivative contracts with notional amounts of \$2.5 billion and \$0.2 billion, respectively, matured and losses previously recognized in the change in fair value component of net gains (losses) on derivatives of \$11.2 million and \$0.8 million, respectively, were reclassified to net gains (losses) on settlements.

Equity derivative contracts

The Company holds equity warrants on certain investments that grant the Company the right to purchase an underlying financial instrument at a given price and time. The Company held equity index put options that granted the Company the right (but not the obligation) to sell a financial instrument at a specified price within a specified time period. In 2024, the options expired without exercise.

CPI-linked derivative contracts

The Company's derivative contracts referenced to the consumer price index in the United States and Europe ("CPI-linked derivatives") served as an economic hedge against the potential adverse financial impact of decreasing price levels on the Company. In the event of sale, expiration or early settlement on these contracts, the Company would receive a cash settlement equal to the fair value of the contract on the date of the transaction. The Company's maximum potential loss on any contract was limited to the original cost of the contract. All of the Company's CPI-linked derivatives matured in the fourth quarter of 2024. As of December 31, 2025 and 2024, the Company no longer holds any CPI-linked derivative contracts.

Foreign exchange forward contracts

The Company has exposure to foreign currency fluctuations for foreign investments held. Foreign exchange forward contracts ("foreign exchange forwards"), primarily denominated in Canadian dollars and Euros are used to manage certain foreign currency exposures arising from foreign currency denominated investments. These foreign exchange forwards require no initial net cash investment and at inception the fair value is zero. These contracts have a term to maturity of less than one year and may be renewed at market rates.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Counterparty collateral and exposure

The Company limits counterparty risk through the terms of master netting agreements negotiated with counterparties to its derivative contracts. These agreements provide for a single net settlement of all financial instruments covered by the agreement in the event of default by the counterparty, thereby permitting obligations owed by the Company to a counterparty to be offset to the extent of the aggregate amount receivable by the Company from that counterparty (“net settlement arrangements”). Pursuant to these agreements, the counterparties to the derivative contracts are also contractually required to deposit eligible collateral in collateral accounts (subject to certain minimum thresholds) for the benefit of the Company depending on the then current fair value of the derivative contracts. The Company had not exercised its right to sell or repledge collateral as of December 31, 2025 and 2024.

As of December 31, 2025 and 2024, counterparties had no amounts pledged for the Company’s benefit. Likewise, the Company had no amounts pledged as contractually required collateral to its counterparties for derivative contracts as of those dates.

Note 5. Fair Value Measurements

Fair values for substantially all of the Company’s financial instruments are measured using market and discounted cash flows approaches. Considerable judgment may be required in interpreting market data used to develop estimates of fair value. Accordingly, actual values realized in future market transactions may differ from the estimates presented in these Consolidated Financial Statements. In determining fair value, the Company primarily uses prices and other relevant information generated by market transactions involving identical or comparable assets (“market approach”). The Company also considers the impact of a significant decrease in volume and level of activity for an asset or liability when compared with normal activity to identify transactions that are not orderly.

Fair value measurements are determined under a three level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, distinguishing between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (“observable inputs”) and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (“unobservable inputs”). The hierarchy level assigned to each security carried at fair value is based on the Company’s assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period in which the transfer is identified.

The three hierarchy levels are defined as follows:

Level 1— Inputs represent unadjusted quoted prices for identical instruments exchanged in active markets. The fair values of publicly traded equity securities, highly liquid cash management funds and short-term U.S. Government securities are based on published quotes in active markets.

Level 2— Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar financial instruments exchanged in active markets, quoted prices for identical or similar financial instruments exchanged in inactive markets and other market observable inputs. The fair value of the vast majority of the Company’s investments in fixed maturity securities, along with most derivative contracts are priced based on information provided by independent pricing service providers, while much of the remainder are based primarily on non-binding third party broker-dealer quotes that are prepared using Level 2 inputs. Where third party broker-dealer quotes are used, typically at least one quote is obtained from a broker-dealer with particular expertise in the instrument being priced.

Level 3— Inputs include significant unobservable inputs used in the measurement of financial instruments. Management is required to use its own assumptions regarding unobservable inputs as there is little, if any, market activity in these instruments or related observable inputs that can be corroborated at the measurement date. Certain investments in partnerships, LLCs and common stock that are measured at fair value using the NAV practical expedient have been excluded. Investments for which NAV is only a component of the fair value measurement continue to be included.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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The following table presents the Company's investments measured at fair value on a recurring basis as of December 31, 2025 and 2024, classified by the valuation hierarchy discussed previously:

(In thousands)	Total (a)	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
December 31, 2025				
Fair value option securities:				
Fixed maturity securities:				
U.S. Government debt	\$ 904,543		\$ 904,543	
Foreign Government debt	14,617		14,617	
Corporate debt	31,962		31,962	
Total fixed maturity securities	951,122		951,122	
Equity securities (b)(c)	307,097	\$ 134,010		\$ 142,424
Short-term investments	9,358	9,358		
Mortgage loans (d)	181,282			181,282
Partnerships and LLCs (b)	45,681			
Affiliate corporate loans	7,990			7,990
Contingent consideration receivable	6,818			6,818
Total fair value option investments	\$ 1,509,348	\$ 143,368	\$ 951,122	\$ 338,514

Derivatives:				
Equity warrants	\$ 391			\$ 391
Total derivative assets	391			391
Foreign exchange forwards	(2,295)		\$ (2,295)	
Total derivative liabilities	(2,295)		(2,295)	
Net derivatives	\$ (1,904)		\$ (2,295)	\$ 391

(In thousands)	Total (a)	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
December 31, 2024				
Fair value option securities:				
Fixed maturity securities:				
U.S. Government debt	\$ 882,455		\$ 882,455	
Foreign Government debt	12,326		12,326	
Corporate debt	51,915		43,238	\$ 8,677
Total fixed maturity securities	946,696		938,019	8,677
Equity securities (b)(c)	255,440	\$ 94,263	9,988	119,944
Short-term investments	3,633	3,633		
Mortgage loans (d)	197,495			197,495
Partnerships and LLCs (b)	47,164			
Affiliate corporate loans	6,019			6,019
Contingent consideration receivable	15,869			15,869
Total fair value option investments	\$ 1,472,316	\$ 97,896	\$ 948,007	\$ 348,004

Derivatives:				
Equity warrants	\$ 505			\$ 505
Foreign exchange forwards	4,970		\$ 4,970	
Total derivative assets	\$ 5,475		\$ 4,970	\$ 505

- (a) The fair value amounts presented in the "Total" column are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.
- (b) As of December 31, 2025 and 2024, certain investments in partnerships and LLCs with a fair value of \$45.7 million and \$47.2 million, respectively, and investments in common stock with a fair value of \$30.7 million and \$31.2 million, respectively, are measured using NAV as a practical expedient and are not required to be classified in the fair value hierarchy.
- (c) Includes fair value option securities that would otherwise be treated as equity-method investments, valued using fair value option due to irrevocable election.
- (d) As of December 31, 2025 and 2024, no mortgage loans were 90 days or more past due.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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The following table presents changes in the Company's Level 3 fixed maturity securities, equity securities, mortgage loans, affiliate corporate loans, contingent consideration receivables and derivatives measured at fair value on a recurring basis:

(In thousands)	Corporate Debt	Equity Securities (a)	Mortgage Loans	Affiliate Corporate Loans	Contingent Consideration Receivables	Derivatives
Balance as of December 31, 2023	\$ 10,135	\$ 112,787	\$ 210,758	\$ 7,210	\$ 23,554	\$ 430
Purchases			15,861			
Sales			(27,532)		(1,219)	
Realized and unrealized gains/losses included in:						
Net investments income – accretion of discounts			1,223			
Net realized losses on investments			(1,689)		(98)	
Change in net unrealized gains/losses on fair value option investments	(1,458)	(3,027)	(1,126)	(951)	(6,368)	
Net gains on derivatives						75
Transfer into Level 3 (b)		10,184				
Other				(240)		
Balance as of December 31, 2024	\$ 8,677	\$ 119,944	\$ 197,495	\$ 6,019	\$ 15,869	\$ 505
Purchases	10,823	5,505	13,474			
Sales	(22,375)	(6,743)	(21,652)		(876)	
Realized and unrealized gains/losses included in:						
Net investments income – accretion of discounts			213			
Net realized gains (losses) on investments	6,214	79	(2)		(93)	
Change in net unrealized gains/losses on fair value option investments	(3,339)	13,684	(8,246)	780	(8,082)	
Net losses on derivatives						(114)
Transfers into Level 3 (b)		9,955				
Other				1,191		
Balance as of December 31, 2025		\$ 142,424	\$ 181,282	\$ 7,990	\$ 6,818	\$ 391

(a) Change in unrealized gain/losses from equity securities includes changes in fair value and foreign currency fluctuations.

(b) Transfers into Level 3 in 2025 were due to a change in observable market data of a preferred stock investment as a result of redemption of all publicly traded shares. Transfers into Level 3 in 2024 were due to a change in observable market data as a result of the privatization of one common stock investment.

The following table provides information on the valuation techniques, significant unobservable inputs, range and weighted average for each major category of Level 3 assets measured at fair value on a recurring basis as of December 31, 2025:

(In thousands)	Balance as of December 31, 2025	Valuation Techniques	Significant Unobservable Inputs	Range (Weighted Average) (a)	Effect on fair value if input value is increased (b)
Equity securities	\$ 142,424	Estimated NAV	Estimated NAV	N/A	Increase
			Discount rate	9.40% - 10.72% (9.76%)	Decrease
		Discounted cash flow	Perpetual growth rate	2.00% - 3.00% (2.28%)	Increase
			Credit spread of issuer	4.60% (4.60%)	Decrease
		Market approach	Recent transaction price	N/A	Increase
			Credit spread of issuer	2.73% - 3.38% (3.08%)	Decrease
Mortgage loans	\$ 181,282	Discounted cash flow	Credit spread of issuer	2.85% - 9.76% (5.49%)	Decrease
		Market approach	Recent transaction price Appraisal value	N/A	Increase
Affiliate corporate loans	\$ 7,990	Market approach	Credit spread of issuer	5.47% (5.47%)	Decrease
Contingent consideration receivables	\$ 6,818	Discounted cash flow	Discount rate	9.20% (9.20%)	Decrease
Derivatives	\$ 391	Market approach	Volatility	36.33% - 39.27% (36.99%)	Decrease

(a) The weighted average of the unobservable inputs was weighted by the relative fair value of the securities to which the inputs were applied.

(b) Decreasing the input value would have the opposite effect on the estimated fair value.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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Note 6. Properties and Equipment

Properties and equipment, included in other assets, consist of the following:

(In thousands)	December 31,	
	2025	2024
Land	\$ 13,508	\$ 13,508
Buildings	31,952	29,660
Other property and equipment	92,852	92,130
Subtotal	138,312	135,298
Accumulated depreciation	(111,594)	(111,205)
Total	\$ 26,718	\$ 24,093

In the years ended December 31, 2025, 2024 and 2023, depreciation expense was \$2.3 million, \$1.7 million and \$1.6 million, respectively.

Note 7. Income Tax

The Company is included in the consolidated federal income tax return of its affiliate, Fairfax (US) Inc., and its eligible subsidiaries, and in various state combined or consolidated income tax returns. Zenith National and Fairfax (US) Inc. are parties to a tax allocation agreement whereby, in general, federal income taxes are allocated by Fairfax (US) Inc. to Zenith National equal to the taxes that would have been payable/refunded between the Company and the Internal Revenue Service (“IRS”) if it had filed a stand-alone consolidated federal income tax return. The insurance subsidiaries pay premium taxes on direct premiums written in lieu of most state income or franchise taxes.

The differences between the statutory income tax rate applied to pre-tax income from continuing operations, which is entirely U.S. domestic, and the Company's effective tax rate on pre-tax income from continuing operations, were as follows:

(In thousands)	Year Ended December 31,					
	2025		2024		2023	
Statutory income tax expense at 21%	\$ 17,708	21.0 %	\$ 8,134	21.0 %	\$ 31,793	21.0 %
Increase (reduction) in taxes:						
State & local income tax, net of federal income tax effect	535	0.6 %	966	2.5 %	1,302	0.9 %
Foreign tax effects	166	0.2 %	455	1.2 %	994	0.7 %
Effect of cross-border tax laws	849	1.0 %	90	0.2 %		
Tax credits			(22)	(0.1)%		
Changes in valuation allowance					(9,200)	(6.1)%
Non-taxable investment income	(1,776)	(2.1)%	(1,186)	(3.1)%	(2,088)	(1.4)%
Non-deductible expenses	460	0.6 %	416	1.1 %	395	0.2 %
Prior year adjustments	(732)	(0.9)%	(15)		260	0.2 %
Income tax expense	\$ 17,210	20.4 %	\$ 8,838	22.8 %	\$ 23,456	15.5 %

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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Deferred tax is provided based upon temporary differences between the tax and book basis of assets and liabilities. The components of the deferred tax assets and liabilities were as follows:

(In thousands)	December 31,			
	2025		2024	
	Deferred Tax		Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
Unpaid losses and LAE discount	\$ 24,869		\$ 21,191	
Limitation on deduction for unearned premiums	8,737		7,779	
Investments	22,757		39,365	
Policyholders dividends accrued	5,020		5,636	
Compensation and benefits	6,649		6,297	
Properties and equipment	2,216		2,998	
Leases	7,804	\$ 7,434	7,576	\$ 7,197
Deferred policy acquisition costs		5,889		5,270
Other	502		491	
Total	\$ 78,554	\$ 13,323	\$ 91,333	\$ 12,467
Net deferred tax asset	\$ 65,231		\$ 78,866	

The Company's income tax payments, net of refunds, for federal, state and foreign jurisdictions were as follows:

(In thousands)	Year Ended December 31,	
	2025	2024
Federal	\$ 13,252	\$ 12,328
State	677	1,223
Foreign	242	506
Total	\$ 14,171	\$ 14,057

The Company had a net current income tax receivable of \$0.1 million from Fairfax (US) Inc. at December 31, 2025, and a \$10.3 million payable to Fairfax (US) Inc. at December 31, 2024. The Company files income tax returns with various federal, state, and foreign jurisdictions.

GAAP requires the Company to evaluate the recoverability of its deferred tax assets ("DTAs") and establish a valuation allowance, if necessary, to reduce the DTA to an amount that is more likely than not to be realized (a likelihood of more than 50%). The establishment of a valuation allowance does not adversely affect the Company's ability to use the related tax deductions to reduce taxable income in the future.

In making this evaluation, the Company is required to consider all available evidence, both positive and negative, including objectively verifiable evidence of taxable income in the immediate ensuing years. In assessing the recoverability of the Company's DTAs, management evaluates whether it is more likely than not that some portion or all of the DTAs will not be realized by generating sufficient future taxable income of the appropriate character. Management considers the reversal of deferred tax liabilities, carryback potential of an appropriate nature, forecasted taxable income, tax-planning strategies, and the Company's cumulative income position for the most recent 3-year period in making this assessment.

As of December 31, 2025 and 2024, the Company determined that continued profitability, improvements in investment valuations, and carryback capacity supported a conclusion that the DTAs are more likely than not to be realized as stated; accordingly, as of December 31, 2025 and 2024, there was no valuation allowance reducing deferred tax assets.

The Company recognizes any interest and penalties related to uncertain tax positions in income tax expense; however, there were none in the years ended December 31, 2025, 2024 and 2023.

There are no taxable years currently under IRS audit. Taxable years after 2021 are subject to examination by the IRS. In general, taxable years later than 2020 are subject to examination by state taxing authorities.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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The Inflation Reduction Act, which created a new corporate alternative minimum tax ("CAMT") effective for calendar year January 1, 2023, was enacted on August 16, 2022. Based upon projected adjusted financial statement income for 2025, the Company (or the controlled group of corporations of which the Company is a member) has determined that there is no CAMT liability for the 2025 taxable year. The impact of the alternative minimum tax, if any, will vary from year to year based on the relationship of the Company's financial statement income to the Company's taxable income.

The One, Big, Beautiful Bill Act was enacted on July 4, 2025. The Company does not expect the provisions of this legislation to have a material impact on the financial statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Unpaid Losses and LAE

The following tables present estimated ultimate incurred loss and allocated loss adjustment expenses (net of reinsurance), cumulative paid loss and allocated loss adjustment expenses (net of reinsurance), and average annual percentage payout of incurred losses and LAE (net of reinsurance) for the Company's two main insurance operations, Workers' Compensation and Agribusiness P&C, for the year ended December 31, 2025.

Workers' Compensation

Accident Year	Incurred Losses and Allocated LAE, Net of Reinsurance											As of December 31, 2025	
	Years Ended December 31,											Net IBNR Reserves	Cumulative Number of Reported Claims ⁽²⁾
	2016'	2017'	2018'	2019'	2020'	2021'	2022'	2023'	2024'	2025	2025		
2016	\$ 360,638	\$ 340,182	\$ 323,750	\$ 311,498	\$ 305,082	\$ 303,110	\$ 301,442	\$ 300,610	\$ 298,951	\$ 297,418	\$ 6,658	31,577	
2017		354,148	328,410	312,606	306,378	304,405	298,961	298,433	296,638	295,460	8,191	31,464	
2018			337,529	312,395	302,111	294,941	288,790	284,482	282,548	281,376	6,799	31,602	
2019				310,160	293,573	284,806	283,237	281,320	280,197	279,361	7,667	30,514	
2020					285,156	257,577	252,165	253,795	257,143	256,898	5,270	23,667	
2021						290,066	275,424	270,826	270,033	269,307	8,040	26,715	
2022							283,302	266,697	264,608	267,054	11,929	25,703	
2023								269,152	259,648	264,543	13,518	25,495	
2024									281,433	284,000	14,153	25,479	
2025										294,755	64,054	23,161	
										Total	\$ 2,790,172		

Accident Year	Cumulative Paid Losses and Allocated LAE, Net of Reinsurance											
	Years Ended December 31,											
	2016'	2017'	2018'	2019'	2020'	2021'	2022'	2023'	2024'	2025	2025	
2016	\$ 81,103	\$ 177,908	\$ 225,456	\$ 247,851	\$ 259,036	\$ 266,018	\$ 270,406	\$ 274,047	\$ 276,386	\$ 278,445		
2017		85,204	183,532	230,039	248,840	260,113	269,894	274,625	277,881	279,917		
2018			85,461	178,957	219,585	241,758	251,972	258,416	261,997	264,554		
2019				81,641	166,594	210,793	233,751	245,531	254,288	259,555		
2020					63,482	147,295	184,882	206,305	218,969	228,697		
2021						68,804	156,627	199,172	222,772	235,572		
2022							67,914	153,287	194,671	220,801		
2023								67,531	151,602	193,619		
2024									74,737	165,060		
2025										69,866		
										Total	\$ 2,196,086	
											594,086	
											141,630	
											Total	\$ 735,716

(1) Data presented for these calendar years is required supplementary information, which is unaudited.
(2) The amounts reported for the cumulative number of reported claims do not include claim counts for business assumed through pools and associations. Claims reported are counted even if they eventually close with no loss or loss adjustment payment or if they are within a policy deductible where the insured is responsible for payment of losses in the deductible layer.

Years	Average Annual Percentage Payout of Incurred Losses and Loss Adjustment Expenses by Age, Net of Reinsurance (unaudited)									
	1	2	3	4	5	6	7	8	9	10
	31.1%	30.6%	14.6%	7.8%	4.4%	2.9%	1.8%	1.1%	0.6%	0.6%

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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Agribusiness P&C

Incurred Losses and Allocated LAE, Net of Reinsurance											As of December 31, 2025	
Years Ended December 31,												
(\$ In thousands)												
Accident Year	2016 ¹	2017 ¹	2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹	2023 ¹	2024 ¹	2025	Net IBNR Reserves	Cumulative Number of Reported Claims ⁽²⁾
2016	\$ 28,019	\$ 25,422	\$ 25,008	\$ 26,470	\$ 26,081	\$ 26,156	\$ 25,954	\$ 26,044	\$ 26,194	\$ 26,248	\$ 351	2,364
2017		48,047	49,455	50,200	45,408	45,907	48,149	48,447	48,825	48,869	501	2,967
2018			42,742	39,843	39,003	36,562	35,438	35,053	35,541	35,908	639	2,847
2019				41,218	39,842	42,488	44,738	45,537	48,387	55,662	1,435	2,958
2020					42,327	39,451	43,809	46,398	52,540	53,271	1,920	2,374
2021						56,304	53,781	59,979	67,382	68,141	3,593	2,949
2022							61,601	57,137	54,362	55,437	4,737	2,833
2023								71,267	66,765	65,078	10,562	2,818
2024									69,902	63,445	19,005	2,444
2025										69,624	34,291	1,939
									Total	\$ 541,683		

Cumulative Paid Losses and Allocated LAE, Net of Reinsurance											
Years Ended December 31,											
(In thousands)											
Accident Year	2016 ¹	2017 ¹	2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹	2023 ¹	2024 ¹	2025	
2016	\$ 13,540	\$ 15,951	\$ 17,354	\$ 20,919	\$ 23,830	\$ 24,501	\$ 24,710	\$ 25,589	\$ 25,886	\$ 25,888	
2017		19,514	33,617	37,275	38,620	40,499	44,490	46,106	48,342	48,357	
2018			16,651	22,150	26,671	31,697	32,768	33,012	34,922	35,266	
2019				18,586	24,354	28,549	34,935	39,337	44,863	52,406	
2020					17,375	23,319	29,938	36,056	41,164	49,409	
2021						22,949	31,162	37,026	55,316	61,115	
2022							27,499	35,990	41,197	44,900	
2023								31,866	40,892	48,711	
2024									27,575	33,884	
2025										21,616	
									Total	\$ 421,552	
											120,131
											525
										Total	\$ 120,656

All outstanding liabilities for unpaid losses and allocated loss adjustment expenses beginning 2016, net of reinsurance

All outstanding liabilities for unpaid losses and allocated loss adjustment expenses prior to 2016, net of reinsurance

Total outstanding liabilities for unpaid losses and allocated loss adjustment expenses, net of reinsurance

(1) Data presented for these calendar years is required supplementary information, which is unaudited.

(2) The amounts reported for the cumulative number of reported claims do not include claim counts for business assumed through pools and associations. Claims reported are counted even if they eventually close with no loss or loss adjustment payment or if they are within a policy deductible where the insured is responsible for payment of losses in the deductible layer.

Average Annual Percentage Payout of Incurred Losses and LAE by Age, Net of Reinsurance (unaudited)										
Years	1	2	3	4	5	6	7	8	9	10
	32.9%	24.0%	12.7%	9.8%	5.8%	4.9%	3.7%	1.6%	1.3%	0.8%

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
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The reconciliation of the net incurred and paid loss development tables to the liabilities for unpaid losses and LAE is as follows:

(In thousands)	December 31, 2025
Workers' compensation	\$ 735,716
Agribusiness P&C	120,656
Other insurance operations	76,472
Liabilities for unpaid losses and allocated LAE, net of reinsurance	932,844
Liabilities for unpaid unallocated LAE	95,913
Liabilities for unpaid losses and LAE, net of reinsurance	1,028,757
Receivable from reinsurers for unpaid losses and LAE	49,237
Total gross liabilities for unpaid losses and LAE	\$ 1,077,994

The following table represents a reconciliation of the change in the liabilities for unpaid losses and LAE:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Beginning of year, net of reinsurance	\$ 985,411	\$ 999,781	\$ 1,010,651
Incurred claims:			
Current accident year	482,541	465,842	448,083
Prior accident years	(6,563)	(42,085)	(50,666)
Total incurred claims	475,978	423,757	397,417
Payments:			
Current accident year	(142,266)	(154,672)	(147,390)
Prior accident years	(290,366)	(283,455)	(260,897)
Total payments	(432,632)	(438,127)	(408,287)
End of year, net of reinsurance	1,028,757	985,411	999,781
Receivable from reinsurers	49,237	42,723	41,971
End of year, gross of reinsurance	\$ 1,077,994	\$ 1,028,134	\$ 1,041,752

The net favorable development of \$6.6 million in the year ended December 31, 2025 was primarily attributable to workers' compensation net favorable loss development, partially offset by net adverse development in Agribusiness P&C. Net favorable development in workers' compensation was primarily due to favorable development for accident years 2021 and prior, partially offset by adverse development for accident years 2022 through 2024. Net adverse development in Agribusiness P&C was primarily due to adverse development for accident years 2022 and prior, partially offset by favorable development for accident years 2023 and 2024.

The net favorable development of \$42.1 million in the year ended December 31, 2024 was primarily attributable to workers' compensation net favorable loss development, partially offset by net adverse development in Agribusiness P&C. Net favorable development in workers' compensation was primarily due to accident years 2021 through 2023, and 2019 and prior. Net adverse development in Agribusiness P&C was primarily due to adverse development for accident years 2021 and prior.

The net favorable development of \$50.7 million in the year ended December 31, 2023 was primarily attributable to workers' compensation net favorable loss development, partially offset by net adverse development in Agribusiness P&C. Net favorable loss development in workers' compensation was primarily due to accident years 2021 through 2022, and 2012. Net adverse development in Agribusiness P&C was primarily due to adverse development for accident years 2019 through 2021, partially offset by favorable development in accident year 2022.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Long-Term Debt

As of December 31, 2025 and 2024, the outstanding principal amount and fair value of the Company's Subordinated Deferrable Interest Debentures ("long-term debt") was \$38.5 million. The long-term debt is due in 2028 and bears interest at the rate of 8.55% per annum.

The semi-annual interest payments on the long-term debt may be deferred by Zenith National for up to ten consecutive semi-annual periods. This debt is redeemable by Zenith National at 100% of the principal amount plus a "make-whole premium," if any, together with accrued and unpaid interest. The make-whole premium is the excess of the sum of the present value of the principal amount at maturity and the present value of the remaining scheduled payments of interest over 100% of the principal amount. The original issue costs and discount on the long-term debt of \$1.7 million are being amortized over the term of the long-term debt. In each of the years ended December 31, 2025, 2024 and 2023, interest, issue costs and discount expense were \$3.3 million.

Note 10. Reinsurance

Assumed Reinsurance

The Company has reinsurance agreements with various subsidiaries of Allied World Assurance Company Holdings, Ltd. (collectively "Allied"), an affiliate of Fairfax and the Company, first effective May 1, 2021 and subsequently renewed annually, under which Allied cedes to the Company a portion of its global professional and medical liability business under quota share and excess of loss reinsurance contracts on a risk-attaching basis. Effective July 1, 2022, the Company also entered into a risk-attaching quota share agreement that has been renewed annually, under which Allied cedes a portion of its cyber business to the Company. See Note 12, Related Party Transactions.

Effective January 1, 2025, the Company entered into a reinsurance agreement with Brit Insurance Services Limited ("Brit"), an affiliate of Fairfax and the Company, under which Brit cedes to the Company a portion of its global property catastrophe risks under a quota share contract on a risk-attaching basis. See Note 12, Related Party Transactions.

Also, effective January 1, 2025, the Company entered into a reinsurance agreement with a subsidiary of Crum & Forster Holding Corp. ("C&F"), an affiliate of Fairfax and the Company, to assume 100% of premiums and losses associated with excess workers' compensation policies fronted by C&F for Zenith Insurance related to several workers' compensation self-insurance funds. See Note 12, Related Party Transactions.

Ceded Reinsurance - Workers' Compensation Coverage

The Company maintains excess of loss catastrophe reinsurance that provides protection for losses up to \$150.0 million for losses including catastrophe losses arising out of earthquakes and acts of terrorism including nuclear, biological, chemical and radiological attacks. The Company also maintains a multi-cedant reinsurance contract for the \$50.0 million in excess of \$100.0 million layer, shared with other Fairfax affiliates. For the agriculture business, the Company retains the first \$10.0 million of each loss arising from industrial accidents and the first \$20.0 million of each loss arising out of earthquakes and acts of terrorism. For all other business classes, the Company retains the first \$20.0 million of each loss.

Ceded Reinsurance - Agribusiness P&C Coverage

From January 1, 2023 through March 31, 2023, the Company maintained excess of loss per risk and catastrophe reinsurance on its Agribusiness P&C property lines of business that provided protection for losses up to \$25.0 million for each. The Company retained the first \$3.5 million for each per risk loss and \$5.0 million for catastrophe loss. On April 1, 2023, the Company increased the catastrophe reinsurance coverage and retention to \$30.0 million and \$6.0 million, respectively. On April 1, 2025, the Company increased the catastrophe reinsurance coverage to \$35.0 million.

The Company also participates in a quota share reinsurance agreement for the umbrella line of business. Under this quota share agreement, the Company retained 17.5% of the first dollar up to \$10.0 million on any one policy, any one claim or any one occurrence through June 30, 2023. On July 1, 2023, the terms of the quota share reinsurance agreement for the umbrella line of business changed and the Company now retains 10.0% of the first dollar up to \$5.0 million on any one policy, any one claim or any one occurrence.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company also participates in a quota share reinsurance agreement for the equipment breakdown lines of business. Under the equipment breakdown quota share agreement, the Company cedes 100% of losses up to \$100 million.

Direct and assumed premiums earned and ceded reinsurance transactions reflected in the accompanying Consolidated Statements of Comprehensive Income were as follows:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Direct premiums earned	\$ 738,893	\$ 716,018	\$ 720,966
Assumed premiums earned	61,180	48,191	47,286
Ceded premiums earned	(34,359)	(30,293)	(26,488)
Net premiums earned	\$ 765,714	\$ 733,916	\$ 741,764
Ceded losses and LAE incurred	\$ (13,041)	\$ (25,421)	\$ (8,498)

As of December 31, 2025 and 2024, amounts recoverable for paid and unpaid losses from reinsurers and their respective A.M. Best ratings were as follows:

(In thousands)	December 31,		A.M. Best Rating (b)	A.M. Best Rating Date
	2025 (a)	2024 (a)		
General Reinsurance Company	\$ 27,389	\$ 29,012	A++	11/2025
Hannover Rueck SE	8,509	7,014	A+	12/2025
Partner Reinsurance Company	8,491	6,996	A+	02/2025
Zenith Captive Insurance IC 1 LLC	5,723	3,525	NR	
Odyssey Reinsurance Company (c)	3,327	2,381	A+	07/2025
Transatlantic Reinsurance Company	3,002	3,214	A++	02/2025
Chaucer Ins Co Designated Activity Co	2,888	2,268	A	11/2025
Axis Reinsurance Company	2,835	2,518	A	08/2025
Factory Mutual Insurance Company	2,087	1,698	A+	02/2025
Allied World Assurance Company Ltd (c)	2,032	1,066	A+	05/2025
All others (d)	2,200	2,634		
Total	\$ 68,483	\$ 62,326		

(a) Under insurance regulations in California, non-California domiciled reinsurers placed securities on deposit equal to the California component of the Company's ceded workers' compensation loss reserves.

(b) A.M. Best, in assigning ratings, is primarily concerned with the ability of insurance and reinsurance companies to pay the claims of policyholders. In the A.M. Best ratings scheme, ratings of B+ to A++ are considered "Secure" and ratings of B and below are considered "Vulnerable." NR means A.M. Best does not rate the reinsurer.

(c) See Note 12, Related Party Transactions, for additional information on ceded reinsurance transactions with related parties.

(d) No individual reinsurer in excess of \$0.9 million and \$1.3 million at December 31, 2025 and 2024, respectively.

Note 11. Stockholders' Equity and Statutory Financial Information

Dividend Restrictions

The California Insurance Holding Company System Regulatory Act limits the ability of Zenith Insurance to pay dividends to Zenith National and for Zenith Insurance to receive dividends from ZNAT Insurance Company ("ZNAT"), its wholly-owned insurance subsidiary, by providing that the appropriate insurance regulatory authorities in the state of California must approve any dividend that, together with all other such dividends paid during the preceding twelve months, exceeds the greater of: (a) 10% of the paying company's statutory surplus as regards policyholders at the preceding December 31; or (b) 100% of the net income for the preceding year. In addition, any such dividend must be paid from policyholders' surplus attributable to accumulated earnings. Such restrictions on dividends are not cumulative. Dividend payments from Zenith Insurance to Zenith National must also be in compliance with the California Corporations Code that permit dividends to be paid only out of retained earnings and only if specified ratios between assets and liabilities and between current assets and current liabilities exist after payment.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Zenith National paid ordinary cash dividends of \$53.0 million in 2025, ordinary cash dividends of \$100.0 million in 2024 and ordinary dividends of \$40.0 million (\$25.0 million in cash and \$15.0 million in common stock) in 2023 to affiliates of Fairfax and the Company.

Zenith Insurance paid ordinary cash dividends of \$53.0 million in 2025, ordinary cash dividends of \$105.0 million in 2024 and ordinary dividends of \$45.0 million (\$30.0 million in cash and \$15.0 million in common stock) in 2023 to Zenith National. Zenith Insurance has the ability to pay up to \$69.9 million of dividends to Zenith National in 2026 without prior approval of the California Department of Insurance (“California DOI”).

In 2025, 2024 and 2023, ZNAT paid cash dividends of \$2.0 million, \$2.0 million and \$2.1 million, respectively, to Zenith Insurance. In 2026, ZNAT has the ability to pay up to \$1.8 million to Zenith Insurance without prior approval of the California DOI.

Statutory Financial Data

The capital stock and surplus and net income of the Company’s insurance subsidiaries, prepared in accordance with the statutory accounting practices of the National Association of Insurance Commissioners, as adopted by the California Department of Insurance, were as follows:

(In thousands)	As of and for the Year Ended December 31,		
	2025	2024	2023
Capital stock and surplus	\$ 699,049	\$ 705,771	\$ 734,126
Net income (loss)	\$ (371)	\$ 62,030	\$ 204,720

Statutory accounting net income/loss differs from GAAP primarily due to the timing of the recognition of changes in fair value of investment securities.

The insurance business is subject to state-by-state regulation and legislation focused on solvency, pricing, market conduct, claims practices, underwriting, accounting, investment criteria and other areas. Such regulation and legislation change frequently. Compliance is essential and is an inherent risk and cost of the business. The Company believes it is in compliance with all material regulations.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Related Party Transactions

Investments

Management of all the Company's investments is centralized at Fairfax through investment management agreements entered into in 2010. The parties to these agreements are Zenith National's insurance subsidiaries, Fairfax and Hamblin Watsa Investment Counsel, Ltd. ("HWIC"), an affiliate of Fairfax and the Company. Investment management expenses incurred under these agreements in the years ended December 31, 2025, 2024 and 2023, were \$5.0 million, \$4.9 million and \$5.2 million, respectively.

In January 2025, the Company sold a common stock investment to U.S. Fire Insurance Company ("U.S. Fire"), an affiliate of Fairfax and the Company, for \$11.9 million in cash. The proceeds represented fair value at the time of sale, resulting in a net realized gain of \$3.9 million. Approval from the California DOI was not required as the total amount was below the applicable regulatory threshold.

In December 2024, the Company completed two purchases of U.S. Treasury securities (including principal and interest) for cash consideration of \$13.5 million and \$8.7 million, from Allied and U.S. Fire, both affiliates of Fairfax and the Company, respectively. Approval from the California DOI was not required as the total amount for each entity was below the applicable regulatory threshold.

The Company owns common stock, preferred stock and corporate loans issued by private and public companies and invests in limited partnerships which are affiliates of Fairfax and the Company. Affiliated common stock investments are recorded using equity-method of accounting, unless the fair value option is elected.

As of December 31, 2025 and 2024, the carrying values of the Company's affiliated investments were as follows, also detailed in Note 3, Investments:

(In thousands)	December 31,	
	2025	2024
Equity-method investments	\$ 232,775	\$ 212,521
Equity securities, at fair value	149,568	139,699
Partnerships, at fair value	2,081	1,410
Affiliate corporate loans, at fair value	7,990	6,019
Total investments	\$ 392,414	\$ 359,649
Other liabilities - indemnity liabilities, at fair value		
Boat Rocker indemnity	\$ 4,727	
Apple Bidco indemnity	7,524	\$ 7,772
Total other liabilities – indemnity liabilities	\$ 12,251	\$ 7,772

The following table summarizes the impact from the Company's affiliated investments on various components of total comprehensive income:

(In thousands)	Year Ended December 31,		
	2025	2024	2023
Included in net income, before tax:			
Net investment income	\$ 5,255	\$ 2,697	\$ 23,408
Net realized gains (losses) on investments	9,829	58,998	(7,744)
Change in net unrealized gains/losses on fair value option investments	12,733	(40,892)	17,275
Net losses on derivatives			(23)
Included in other comprehensive income (loss), before tax:			
Change in unrealized gains/losses on investments	2,960	6,427	(3,855)
Change in unrealized foreign currency translation adjustments	(2,321)	2,533	(3,923)
Included in total comprehensive income, before tax:	\$ 28,456	\$ 29,763	\$ 25,138

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In December 2025, Fairfax, through its subsidiaries, including the Company, invested in KWF Multifamily Member, LLC ("KWF Multifamily"). KWF Multifamily became an affiliate of Fairfax and the Company following this transaction and the Company commenced equity-method accounting for this investment. The Company's share of this investment was \$4.2 million.

In August 2025, Blue Ant Media Corp. ("Blue Ant"), formerly Boat Rocker, completed a "go public" reverse takeover. The Company received subordinate voting shares of Blue Ant, in exchange for its shares of Boat Rocker, valued at \$3.2 million based on the fair value of Blue Ant stock at closing. Fairfax's ownership of Blue Ant is minor and thus Blue Ant is not considered an affiliate of Fairfax or the Company following this transaction. In connection with the transaction, the Company recorded an indemnity liability of \$3.7 million, at fair value, for its share of financial and operational commitments Fairfax made to Blue Ant ("Boat Rocker Indemnity").

In December 2024, Fairfax, through its subsidiaries, including the Company, acquired all the outstanding equity interests in PAA in the privatization transaction. In March 2025, the Company recognized a dilution gain of \$14.8 million related to its proportional share in PAA's equity post-acquisition.

In January 2025, Fairfax, through its subsidiaries, including the Company, acquired a 50.0% interest in Blizzard Vacatia Equity Partners LLC. The Company's share of this investment was \$5.0 million, comprised of redeemable preferred stock which is accounted for under the fair value option.

In November 2024, certain affiliates of Fairfax, including the Company, formed KW-F SBG LP ("SBG LP") to take ownership of a commercial property that served as collateral on a mortgage loan investment in default. SBG LP is an affiliate of Fairfax and the Company, and the Company accounts for this investment using equity-method of accounting. The Company's investment in SBG LP was \$5.0 million, which approximated the fair value of its investment in the defaulted mortgage loan.

In November 2024, Cleveland-Cliffs Inc. completed its acquisition of all the outstanding common shares of Stelco. As a result, the Company received cash proceeds of \$74.4 million and common shares of Cliff's common stock with a fair value of \$10.4 million and recognized a net realized gain of \$58.6 million.

In October 2024, Fairfax, through its subsidiaries, including the Company, acquired all the issued and outstanding common shares of Sleep Country Canada Holdings Inc. ("Sleep Country"). Sleep Country became an affiliate of Fairfax and the Company following this transaction, and the Company commenced equity-method accounting for this investment. The Company's share of this investment was \$70.4 million.

Assumed Reinsurance

The Company has reinsurance agreements (described in Note 10) with various affiliates of Fairfax that were entered into in the ordinary course of business.

The following table summarizes the significant impact from these agreements on various components of the Consolidated Balance Sheets:

(In thousands)	December 31,	
	2025	2024
Assets:		
Premiums receivable	\$ 16,776	\$ 12,551
Deferred policy acquisition costs	9,475	7,378
Funds withheld	1,672	1,672
Liabilities:		
Unpaid losses and LAE	\$ 73,084	\$ 55,798
Unearned premiums	26,924	20,256
Reinsurance payable on paid losses and loss adjustment expenses	6,692	4,517
Contingent commissions payable	190	119

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the significant impact from these agreements on Consolidated Statements of Comprehensive Income:

(In thousands)	December 31,		
	2025	2024	2023
Revenues:			
Net premium earned	\$ 61,371	\$ 43,334	\$ 42,252
Expenses:			
Loss and LAE incurred	\$ 31,894	\$ 22,915	\$ 26,024
Policy acquisition costs	20,892	16,102	15,565

Ceded Reinsurance

The Company continues to be a party to various ceded reinsurance treaties with affiliates of Fairfax that were entered into in the ordinary course of business, primarily excess of loss reinsurance agreements with Odyssey Reinsurance Company for 2010 through 2022. As of December 31, 2025 and 2024, the Company recorded net receivables from reinsurers of \$1.8 million and \$0.8 million, respectively, related to the reinsurance transactions with affiliates of Fairfax. In the years ended December 31, 2025, 2024 and 2023, the Company recorded \$5.3 million, \$4.0 million and \$3.7 million of ceded premiums earned, net of ceded commissions, from affiliates.

Claims Servicing

The Company is party to Master Administrative Services Agreements with various affiliates of Fairfax and the Company. Under the agreements, the affiliated parties provide and receive administration services such as accounting, underwriting, claims, reinsurance, preparation of regulatory reports and actuarial services. The Company provides claims administration services to Seneca Insurance Company, Inc., and to RiverStone Group LLC and affiliates, both affiliates of Fairfax and the Company.

The following table summarizes the significant impact from these agreements on the Consolidated Balance Sheets:

(In thousands)	December 31,	
	2025	2024
Liabilities:		
Intercompany payable (a)	\$ 6,286	\$ 5,597

(a) Net intercompany payable is comprised of loss fund held offset by service fee receivable for each of the affiliates.

The following table summarizes the significant impact from these agreements on the Consolidated Statements of Comprehensive Income:

(In thousands)	December 31,		
	2025	2024	2023
Revenues:			
Service fee revenue	\$ 6,271	\$ 6,904	\$ 6,559

Other

In the years ended December 31, 2025, 2024 and 2023, Zenith National paid Fairfax \$5.1 million, \$10.1 million and \$2.1 million, respectively, for the cost of the open market purchase made by Fairfax on Zenith National's behalf of Fairfax Subordinate Voting Shares to be granted to certain officers under the Restricted Stock Plan.

Zenith National paid ordinary cash dividends of \$53.0 million in 2025, ordinary cash dividends of \$100.0 million in 2024 and ordinary dividends of \$40.0 million (\$25.0 million in cash and \$15.0 million in common stock) in 2023 to affiliates of Fairfax and the Company.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13. Other Comprehensive Income (Loss)

Other Comprehensive Income (Loss) is comprised of changes in unrealized gains/losses on investments and foreign currency translation adjustments. The following table summarizes the components of the Company's other comprehensive income (loss):

(In thousands)	Pre-Tax	Tax Expense (Benefit)	After-Tax
Year ended December 31, 2025			
Change in unrealized gains/losses on investments	\$ 2,960	\$ 622	\$ 2,338
Change in unrealized foreign currency translation adjustments	(2,321)	(487)	(1,834)
Total other comprehensive income	\$ 639	\$ 135	\$ 504
Year ended December 31, 2024			
Change in unrealized gains/losses on investments	\$ 6,427	\$ 1,349	\$ 5,078
Change in unrealized foreign currency translation adjustments	2,533	532	2,001
Total other comprehensive income	\$ 8,960	\$ 1,881	\$ 7,079
Year ended December 31, 2023			
Change in unrealized gains/losses on investments	\$ (3,855)	\$ (810)	\$ (3,045)
Change in unrealized foreign currency translation adjustments	(3,923)	(824)	(3,099)
Total other comprehensive loss	\$ (7,778)	\$ (1,634)	\$ (6,144)

The following table summarizes the net unrealized losses on investments and foreign currency translation adjustments recorded in accumulated other comprehensive loss:

(In thousands)	December 31,	
	2025	2024
Net unrealized loss on investments, before tax	\$ (2,490)	\$ (5,450)
Deferred tax benefit	(523)	(1,145)
Net unrealized loss on investments, after tax	(1,967)	(4,305)
Net unrealized loss on foreign currency translation adjustments, before tax	(10,686)	(8,365)
Deferred tax benefit	(2,244)	(1,757)
Net unrealized loss on foreign currency translation adjustments, after tax	(8,442)	(6,608)
Total accumulated other comprehensive loss	\$ (10,409)	\$ (10,913)

Note 14. Employee Benefit and Retirement Plans

The Company offers a tax deferred savings plan (the "401(k) Plan") created under Section 401(k) of the Internal Revenue Code for all eligible employees. In the years ended December 31, 2025, 2024 and 2023, the Company matched 75% of the first 6% of compensation (subject to certain limits) that employees contributed to the 401(k) Plan and was not liable for any future payments under the plan. In the years ended December 31, 2025, 2024 and 2023, the Company contributed \$6.3 million, \$6.2 million and \$6.0 million, respectively, under the 401(k) Plan.

In June 2010, an employee stock purchase plan (the "ESPP Plan") was approved by Zenith National's Board of Directors providing for the purchase of up to 100,000 Fairfax Subordinate Voting Shares. In April 2020, the ESPP Plan was amended and restated to provide for an additional 200,000 Fairfax Subordinate Voting Shares. The ESPP Plan limits employee contributions to 10% of base salary or wages before tax for each payroll period. Under the ESPP Plan, the Company matches 30% of employee contributions and purchases Fairfax Subordinate Voting Shares at market value. If the Company achieves certain annual profitability conditions, it will provide an additional 20% match on the total contributions made during the year to employees who are employed on the date the additional match is made. In the years ended December 31, 2025, 2024 and 2023, the Company contributed \$1.9 million, \$2.8 million and \$2.5 million, respectively, in matching contributions under the ESPP Plan. The Company is not liable for any future payments under the ESPP Plan.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Commitments and Contingencies

Litigation

The Company is involved in various litigation proceedings that arise in the ordinary course of business. Disputes adjudicated in the workers' compensation administrative systems may be appealed to review boards or civil courts, depending on the issues and local jurisdictions involved. From time to time, plaintiffs also sue the Company on theories falling outside of the exclusive jurisdiction and remedies of the workers' compensation claims adjudication systems. Certain of these legal proceedings seek injunctive relief or substantial monetary damages, including claims for punitive damages, which may not be covered by reinsurance agreements. Historically, the Company has not experienced any material exposure or damages from any of these legal proceedings. In addition, in the opinion of management, after consultation with legal counsel, currently outstanding litigation is either without merit or the ultimate liability, if any, is not expected to have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.

Leases

The Company has operating leases for offices and automobiles. The office and automobile leases have remaining lease terms of up to 10 and 3 years, respectively, some of which include options to terminate the leases within 3 years or to extend the leases for up to 5 years. The exercise of the renewal option is at the Company's discretion. The operating lease liability includes lease payments related to options to extend or renew the lease term if the Company is reasonably certain of exercising those options. The Company utilizes a risk-free interest rate for periods comparable to the term of the underlying lease to determine the present value of lease payments.

In the years ended December 31, 2025, 2024 and 2023, lease expenses were \$10.1 million, \$10.1 million and \$8.9 million, respectively.

Additional information related to the operating leases is provided below:

(In thousands)	As of and for the year ended December 31, 2025	
	Offices	Auto Fleet
Cash payments included in the measurement of lease liabilities reported in operating cash flows	\$ 7,671	\$ 1,258
Weighted average discount rate	3.46%	4.10%
Weighted average remaining lease term (in years)	6.35 years	1.53 years

The following table presents the contractual maturities of the Company's lease liabilities as of December 31, 2025:

(In thousands)	Offices	Auto Fleet	Total
2026	\$ 8,208	\$ 974	\$ 9,182
2027	8,368	316	8,684
2028	5,214	52	5,266
2029	4,102		4,102
2030	3,650		3,650
Thereafter	10,878		10,878
Total undiscounted lease payments	\$ 40,420	\$ 1,342	\$ 41,762
Less: present value adjustment	4,520	82	4,602
Operating lease liability	\$ 35,900	\$ 1,260	\$ 37,160

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Stock-Based Compensation

The following table provides information regarding the Fairfax Subordinate Voting Shares under the Restricted Stock Plan:

	Number of Shares
Authorized for purchases and grants at plan inception in 2010	200,000
Additional authorization in 2020	300,000
Total authorized for purchases and grants	500,000
Purchased and restricted	(48,732)
Vested	(121,378)
Purchased and available for future grants	(7,459)
Available for future purchases as of December 31, 2025	322,431

The following represents open market purchases of Fairfax Subordinate Voting Shares under the Restricted Stock Plan which also resulted in charges to the Company's Stockholders' equity:

(Dollars in thousands, except share data)	Number of Shares	Weighted Average Purchase Price Per Share	Total Purchase Price
Purchased through December 31, 2022	162,686	\$ 444.75	\$ 72,355
Purchased in 2023	2,425	872.64	2,116
Purchased in 2024	9,256	1,091.33	10,101
Purchased in 2025	3,202	1,594.36	5,105
Total purchased since plan inception	177,569	505.02	\$ 89,677

Changes in the restricted shares outstanding were as follows:

(Dollars in thousands, except share data)	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Grant Date Fair Value
Restricted Shares as of December 31, 2022	65,717	\$ 454.36	\$ 29,860
Granted during 2023	8,420	514.35	4,331
Forfeited during 2023	(1,178)	452.36	(533)
Vested during 2023	(10,377)	506.66	(5,258)
Restricted Shares as of December 31, 2023	62,582	453.79	28,400
Granted during 2024	9,179	1,082.43	9,936
Vested during 2024	(10,799)	473.06	(5,109)
Restricted Shares as of December 31, 2024	60,962	545.04	33,227
Granted during 2025	2,967	1,471.45	4,366
Forfeited during 2025	(203)	823.66	(167)
Vested during 2025	(14,994)	471.77	(7,074)
Restricted Shares as of December 31, 2025	48,732	622.82	\$ 30,352

In the years ended December 31, 2025, 2024 and 2023, stock-based compensation expense before tax was \$8.3 million, \$6.3 million and \$5.6 million, respectively.

As of December 31, 2025 and 2024, unrecognized compensation expense before tax under the Restricted Stock Plan was \$11.7 million and \$16.1 million, respectively.

Supplementary Consolidating Information



Report of Independent Auditors

To the Management of Zenith National Insurance Corp.

We have audited the consolidated financial statements of Zenith National Insurance Corp. and its subsidiaries (the “Company”), which is comprised of the consolidated balance sheets as of and for the years ended December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of cash flows and of stockholders’ equity for each of the three years ended December 31, 2025, 2024 and 2023 including the related notes, and have issued our report thereon dated February 27, 2026, which included an unmodified opinion on those consolidated financial statements. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary consolidating balance sheet and notes to supplementary consolidating balance sheet as of December 31, 2025 (the “supplemental information”) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information is not intended to present, and we do not express an opinion on, the financial position, results of operations and cash flows of the individual companies. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

Los Angeles, California
February 27, 2026

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
SUPPLEMENTARY CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2025

(In thousands)	Zenith Insurance Company	ZNAT Insurance Company	1390 Main Street, LLC	Zenith Insurance Management Services, Inc.	Zenith of Nevada, Inc.	Zenith Captive Insurance Company	Zenith Insurance Company Eliminations	Note	Zenith Insurance Company & Subsidiaries	Zenith National Insurance Corp.	Zenith National Insurance Corp. Eliminations	Note	Zenith National Insurance Corp. & Subsidiaries
Assets:													
Investments	\$ 1,689,139	\$ 47,229							\$ 1,736,368	\$ 6,146			\$ 1,742,514
Cash	76,518	4,560			\$ 1	\$ 315			81,394	2,976			84,370
Accrued investment income	9,634	370							10,004	59			10,063
Premiums receivable	74,631	1,987							76,618				76,618
Earned but unbilled premium receivable	1,587	32							1,619				1,619
Reinsurance recoverables	91,180	149,131					\$ (171,828)	(2a)	68,483				68,483
Deferred policy acquisition costs	26,272	1,770							28,042				28,042
Deferred tax asset	64,044	510							64,554	677			65,231
Income tax receivable	(744)	(31)				2			(773)	888			115
Investment in subsidiaries	19,516												
Operating lease right-of-use assets	35,397								(19,516)	(2b)			771,002
Goodwill	18,976								35,397				(771,002) (2c)
Other assets	53,517	312							35,397				35,397
Intercompany	9,358	(10,135)							18,976	2,009			20,985
									53,829	125			53,954
									(778)	778			
Total assets	\$ 2,169,025	\$ 195,735			\$ 1	\$ 316	\$ (191,344)		\$ 2,173,733	\$ 784,660	\$ (771,002)		\$ 2,187,391
Liabilities:													
Unpaid losses and LAE	\$ 1,077,477	\$ 156,901							\$ (156,384)	(2a)			\$ 1,077,994
Unearned premiums	150,200	15,444							(15,444)	(2a)			150,200
Policyholders dividends accrued	21,202	2,702							23,904				23,904
Long-term debt										\$ 38,426			38,426
Operating lease liabilities	37,160								37,160				37,160
Derivative liabilities	2,295								2,295				2,295
Other liabilities	109,689	1,481				\$ 8			111,178	5,286			116,464
Total liabilities	1,398,023	176,528				8	(171,828)		1,402,731	43,712			1,446,443
Total stockholders' equity	771,002	19,207			\$ 1	308	(19,516)	(2b)	771,002	740,948	\$ (771,002)	(2c)	740,948
Total liabilities and stockholders' equity	\$ 2,169,025	\$ 195,735			\$ 1	\$ 316	\$ (191,344)		\$ 2,173,733	\$ 784,660	\$ (771,002)		\$ 2,187,391

This supplementary consolidating balance sheet should be read in connection with the accompanying notes to supplementary consolidating balance sheet, the Consolidated Financial Statements and notes to the Consolidated Financial Statements.

ZENITH NATIONAL INSURANCE CORP. AND SUBSIDIARIES
NOTES TO SUPPLEMENTARY CONSOLIDATING BALANCE SHEET

1. Basis of Presentation

The accompanying supplementary Consolidating Balance Sheet has been prepared in accordance with GAAP and includes the accounts of Zenith Insurance, ZNAT, 1390 Main Street LLC, Zenith Insurance Management Services, Inc., Zenith of Nevada, Inc., Zenith Captive Insurance Company and Zenith National.

2. Consolidating Eliminations

The following eliminations are reflected in the accompanying supplementary consolidating Balance Sheet as of December 31, 2025:

- (a) To eliminate intercompany reinsurance balances;
- (b) To eliminate Zenith Insurance's investment in ZNAT, Zenith of Nevada, Inc. and Zenith Captive Insurance Company; and
- (c) To eliminate Zenith National's investment in Zenith Insurance.