

12/10/2020

ProAssurance Corporation UK Tax Strategy

This UK tax strategy applies to all of ProAssurance's (PRA) entities in the United Kingdom for the financial year ended 31 December 2020 and is regarded as satisfying the statutory obligation under paragraph 19(2), Schedule 19 of the UK Finance Act 2016, for all PRA UK entities. Tax decisions will be made at all times in a manner that is consistent with PRA's overall principles and tax strategy.

Approach to tax risk management and governance

PRA is committed to full compliance with all UK statutory tax obligations.

PRA employs experienced, qualified tax professionals who work closely with other Finance, Legal and HR teams. PRA's tax team is part of our Finance and Accounting Function, which reports directly to the Chief Financial Officer. Ultimate responsibility for PRA's tax strategy, tax management, and tax governance resides with the Chief Financial Officer. The day-to-day responsibility for each of these tax duties resides with the Tax Director. Both the Chief Financial Officer and the Tax Director periodically present to the Audit Committee of the Board of Directors on significant tax matters.

We maintain internal policies and procedures to support our tax control framework and employ these to identify, measure, and manage the risks of our UK entities in a manner that is consistent with our global tax approach for the PRA group. As a publicly traded company, these policies and procedures are subject to regular reviews by PRA's Internal Audit Function as well as the Company's external auditors. In the event of uncertainty or complexity, we may seek external advice for assistance with regards to our UK tax risks.

Our attitude to tax planning

PRA recognizes that it has a responsibility to file and pay taxes in accordance with all applicable laws and regulations. Any tax planning is undertaken within clear risk parameters, with a business purpose in mind, and is balanced with our responsibility to our shareholders to conduct ourselves in an efficient manner. PRA does not engage in aggressive tax planning arrangements for the sole purpose of obtaining a tax advantage but may, in some circumstances, seek to take advantage of available reliefs. In instances where an anticipated tax result is subject to varying interpretations, PRA will seek external tax or legal advice before entering into any arrangement.

Our acceptable level of risk

The level of risk which PRA accepts in relation to UK taxation is consistent with the level of risk that applies to the management of all of our global business risks. Whenever possible, PRA will seek certainty in relation to all UK tax matters. PRA is cognizant of its responsibilities with respect to tax risk and seeks to fully comply with all UK laws and regulations at all times. In the event of uncertainty, PRA may seek advice from third party advisers or engage with HMRC to support the decision-making process.

Approach to dealings with HMRC

PRA seeks to build and maintain a professional, open and honest relationship in its dealings with HMRC. We will work in partnership with HMRC and strive to provide full disclosure of all relevant information within a timely manner in an effort to mitigate the risk of challenge or dispute. In certain instances, we may also employ the services of an external tax service provider to assist us with maintaining a collaborative relationship with HMRC. In the event a dispute arises, PRA will seek to resolve such dispute with the HMRC through transparency and open dialogue.