CATALINA INSURANCE IRELAND DAC

Catalina Insurance Ireland dac

Solvency and Financial Condition Report
31 December 2020

Contents

Executive Summary

Catalina Insurance Ireland dac ("the Company" or "Catalina Ireland") is an insurance undertaking authorized by the Central Bank of Ireland ("CBI"), pursuant to the European Union (Insurance and Reinsurance) Regulations 2015, to carry on non-life insurance business in classes 1 to 18 as defined in European Union (Insurance and Reinsurance) Regulations 2015 (SI No. 485 of 2015), with the right to carry on business in such classes in other European Union ("EU") jurisdictions on a freedom of services basis.

The Company is a member of the Catalina Group ("Catalina"). Catalina is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. Catalina acquires and manages portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. Catalina is domiciled in Bermuda and currently has offices in Bermuda, the United Kingdom, the Republic of Ireland, the United States of America, Switzerland and Singapore. Apollo Global Management, LLC (together with its consolidated subsidiaries, "Apollo") holds a majority shareholding in Catalina.

The Solvency II framework requires that the Company holds economic capital to cover the impact of a 1 in 200 year adverse event or series of events. This is known as the Solvency Capital Requirement ("SCR"). The SCR for the Company is measured using EIOPA's Solvency II standard formula.

The SCR ratio of the Company at 31 December 2020 was 157% (31 December 2019: 196%). This ratio represented surplus funds of €23.5 million, over the SCR.

Business and performance – Section A

The underwriting result for the year was a loss of €18 million which is mainly resulting from adverse development on the run-off of the claims on the Company's German medical malpractice ("MedMal") portfolio.

The investment return for the year was a loss of €8 million. The Company was negatively impacted by the volatilities experienced in the financial markets during Q1 2020, and whilst most of the investment portfolio recovered by the end of the year, the Company was also impacted by the sharp decline in oil prices due to the OPEC+ dispute, resulting in a write down of the Company's energy related.

System of governance – Section B

The board of directors (the "Board") has ultimate responsibility for all aspects of the business and sets the corporate objectives and strategy to achieve those objectives. The Board has delegated the day to day running of the Company to the CEO. The CEO reports on these activities at each quarterly board meeting. In addition, the Board has established the four key control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015; risk management, actuarial, compliance and internal audit. There have been no material changes to the system of governance during the year.

Risk profile – Section C

The current material risks for the Company are:

- Underwriting risk: The risk of loss arising from unexpected high frequency or severity of insurance claims.
- Market risk: The risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes.
- Credit risk: The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.
- Liquidity risk: The risk that the Company cannot meet its obligations associated with financial liabilities as they fall due.
- Operational risk: The risk of the Company being exposed to losses occurring as a result of failures within its internal systems and processes.

All these risks, with the exception of liquidity, are measured using the standard formula model and are managed in line with the Board approved risk appetite. Liquidity risk is separately modelled and stressed over varying time horizons.

The uncertainties for the Company associated with Brexit continued to be the subject of close scrutiny during the year. Also, the implications of the Coronavirus are being closely monitored from both an operational and financial impact.

Valuation for solvency purposes – Section D

The Solvency II net assets (Own Funds) at 31 December 2020 were €67.7 million, compared with Irish Generally Accepted Accounting Principles ("GAAP") net assets of €72.1 million. There was no change in the approach by the Company during the year to valuing assets and liabilities according to Solvency II and GAAP valuation principles.

Capital management – Section E

The SCR ratio for the Company at 31 December 2020 was 157%. The Own Funds were €67.7 million compared to the SCR of €41.2 million.

Own funds

Own Funds decreased from €91.5 million to €67.7 million during the year. The decrease was resulting from solvency II economic losses of €23.8 million.

Under Solvency II the Own Funds are classified in 3 tiers, with Tier 1 being the highest quality. At 31 December 2020 an amount of €44.1 million was classified as Tier 1 Own Funds and €23.5 million was classified as Tier 2 Own Funds. There were no Tier 3 Own Funds held at 31 December 2020.

SCR

The SCR value at 31 December 2020 was €41.2 million (31 December 2019: €46.6 million). There were no instances of non-compliance of SCR coverage during the year.

MCR

The Minimum Capital Requirement ("MCR") is the minimum level of capital which an insurance company should not fall below. The MCR value at 31 December 2020 was €10.5 million (31 December 2019: €11.7 million) and the MCR ratio at 31 December 2020 was 442% (31 December 2019: 604%). There were no instances of non-compliance of MCR coverage during the year.

Information on the SFCR

Requirements of the SFCR

Solvency II became effective on 1 January 2016 for all insurance companies and groups regulated in the EU. The aim of Solvency II is to provide a risk-based approach to calculating and monitoring the required levels of capital for insurance companies. It also introduced a requirement for insurance companies to produce a publicly available Solvency and Financial Condition Report ("SFCR") to assist customers and other stakeholders in understanding the types of business written, how the business is managed and the overall financial condition of the Company, including regulatory capital coverage.

For insurance companies regulated by the CBI, the SFCR is produced in accordance with Article 52 of statutory instrument 485 of 2015, Article 290 to 303 of Commission Delegated Regulation (EU) 2015/35 and the EIOPA guidelines on reporting and public disclosures (B05-15-109). Included in the appendix to the SFCR are those Quantitative Reporting Templates ("QRTs") for the year ended 31 December 2020, as required to be included according to Article 5 of Commission Implementing Regulation (EU) 2015/2452.

Note on auditability

The following QRTs were audited by the Company's independent auditors, Deloitte Ireland LLP ("Deloitte"):

- Balance Sheet (S02.01.02)
- Life and Health SLT Technical Provisions (S12.01.02)
- Non-life Technical provisions (S17.01.02)
- Non-life Insurance Claims Information (S19.01.21)
- Own Funds (S23.01.01)
- Solvency Capital Requirement (S25.01.21)
- Minimum Capital Requirement (S28.01.01)

In accordance with CBI regulation, narrative sections of this report, section D and E1, were reviewed by Deloitte for consistency with the related QRTs.

Note on materiality

Information disclosed is considered material if its omission or misstatement could influence the decision-making or judgment of the users of the document, including the CBI.

Approval of the Solvency and Financial Condition Report

The SFCR was reviewed and approved by the Board on 31 March 2021.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

Name of the undertaking:	Catalina Insurance Ireland dac
Address of its registered office:	Unit 44 Block 5 Northwood Court Northwood Crescent Northwood Santry Dublin 9 D09 EW63 Ireland
Legal status:	Designated Activity Company
Company registration number:	225221
Legal Entity Identifier (LEI):	6354002SNIV14GB1BI20
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Central Bank of Ireland New Wapping Street North Wall Quay Dublin 1 Ireland
External auditor:	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House 29 Earlsfort Terrace Dublin 2 D02 AY28 Ireland

The Company's previous auditors, KPMG, resigned as statutory auditor during the year, and Deloitte were appointed statutory auditor on 11 September 2020.

A simplified Group structure chart is laid out below outlining vertical structure to the ultimate holding company.

A.1.2 Material lines of business and geographical areas where the Company carries out business

The Company's portfolios are in run-off and it is no longer underwriting insurance products. The Company was purchased from the HSBC Group in 2012 by Catalina Holdings (Bermuda) Ltd. ("Catalina" or "Group"). Catalina is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. Catalina acquires and manages companies and portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. The Group is based in Bermuda and currently has offices in Bermuda, the United Kingdom, the Republic of Ireland, the United States of America, Switzerland and Singapore.

The Company provided general insurance products through independent intermediaries and to external customers in the UK and other markets and products included High Net Worth property to HSBC customers in UK and the Republic of Ireland. The Company also underwrote direct business in the Irish and UK markets for retail home and motor products, some school fee protection business and the non-life element of a creditor product in the Italian market.

Motor and Property business were written in the UK and Northern Ireland from 2001 to 2004, and also from 2007 to 2009. During the latter period the Company wrote business in the Republic of Ireland. The Italian Creditor class of business was written from 2003 to 2009.

In 2015 the Company acquired a portfolio of insurance liabilities from Quinn Insurance Limited (Under Administration). The portfolio comprises business in the UK, Northern Ireland and Europe (Germany, Belgium and the Netherlands). The business is predominantly UK and Northern Ireland motor insurance and professional indemnity (UK solicitors), with some employer's liability and public liability business. All classes of business transferred are in run-off.

During 2018 the Company acquired a portfolio of insurance liabilities from Zurich Insurance Plc. The business consists of a portfolio of insurance policies which provide cover for various types of losses arising in connection with the business and healthcare operations of hospitals, clinics and other healthcare providers in Germany including as a result of medical malpractice. The business was written through specialist German brokers to German hospitals between 1946 and 2012.

The Company may potentially acquire other companies and/or portfolios in the future, but this would be subject to the approval of the CBI.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2020, together with comparatives for the previous year.

	2020	2019
	€000	€000
Gross written premium	(17)	(16)
Earned premiums, net of reinsurance	4	8
Allocated investment return	(4,089)	5,049
Other technical income	843	496
Claims incurred, net of reinsurance	(11,747)	(10,639)
Net operating expenses	(2,871)	(2,859)
Balance on the technical account	**(17,860)**	**(7,945)**
By class of business:		
Motor	(4)	(5,178)
Liability	(17,864)	(2,778)
Property	(4)	9
Reinsurance	12	2
Balance on the technical account	**(17,860)**	**(7,945)**
By geographical area:		
United Kingdom	101	(5,284)
Ireland	(1)	1
Germany	(17,942)	(3,243)
Other	(18)	581
Balance on the technical account	**(17,860)**	**(7,945)**

A.3 Performance from investment activities

The table below shows the investment income performance for the year end 31 December 2020, together with comparatives for the previous year.

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2020	2020	2020	2020	2020
	€000	€000	€000	€000	€000
Financial assets:					
- measured at FVTPL	1,653	(342)	(6,882)	(5,152)	(10,723)
- measured at amortised cost	3,059	-	-	-	3,059
- measured at cost	(38)	-	-	-	(38)
- forward currency contracts	-	-	(301)	(153)	(454)
	4,674	**(342)**	**(7,183)**	**(5,305)**	**(8,156)**
	2019	2019	2019	2019	2019
	€000	€000	€000	€000	€000
Financial assets:					
- measured at FVTPL	1,900	(108)	938	5,657	8,387
- measured at amortised cost	3,808	-	-	-	3,808
- measured at cost	(27)	-	-	-	(27)
- forward currency contracts	-	-	(439)	(133)	(572)
	5,681	**(108)**	**499**	**5,524**	**11,596**

A.4 Other operating income and expenses

The table below details any other material operating income and expenses not shown in A2 and A3 above.

	2020	2019
	€000	**€000**
Foreign exchange gains/(losses)	(240)	1,012
	(240)	**1,012**

A.5 Any other disclosures

Not applicable.

B. System of Governance

B.1 General Governance arrangements

The Board of Directors has mandated a basis for effective risk management within the Company dictated by a clear system of governance that covers all significant aspects of the business, provides an open forum for challenge, and allocates clear and transparent lines of responsibilities for both collective management committees and individuals. In addition, the Board has established the four key control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015 ("the CGR"); risk management, actuarial, compliance and internal audit. These functions are responsible for providing oversight of, and challenge to, the business and for providing assurance to the Board in relation to the Company's control framework. The Board has delegated the day to day running of the Company to the CEO who has been instructed to appoint a management team to assist him in these duties. The CEO reports on these activities at each quarterly board meeting and presents a business update for its approval.

In line with the CGR, the Board has established the following sub-committees:

Board Risk Committee
Section 23 of the CGR permits the Board to carry out the functions which would otherwise be delegated to a Risk Committee once the CBI's prior written approval has been obtained. This approval was previously obtained by the Company. The Board, acting as the Risk Committee, ("BRC") has the responsibility of analysing and taking ownership of the fundamental risk management principles employed by the Company.

Audit Committee
The principal purpose of the Audit Committee is to assist the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements, directors' report and statement of directors' responsibilities. In addition, it reviews the adequacy and effectiveness of the Company's systems of internal control and monitors the effectiveness, performance and objectivity of the internal and external auditors.

Loss Reserving Committee
The Loss Reserving Committee ("LRC") reports to both the Board and Audit Committee. The LRC is in place to review and challenge the output from both internal and external actuarial reviews. It is responsible for reviewing the adequacy of, and approving, the reserves of the Company.

Remuneration Committee
The Company has applied the principle of proportionality to requirements regarding the remuneration committee. The Company does not have a remuneration committee, but it does have a policy on remuneration. The objectives of the Company's remuneration policy are to ensure that:

- policy and practices are aligned with the company's overall strategy, risk management strategy and risk appetite, objectives, values and long-term interests of the company;
- the policy applies to the undertaking as a whole in a proportionate and risk focused way, taking into account the respective roles of the company's employees;
- the policy does not foster practices adverse to policyholders' interests;
- the company can attract and retain highly qualified employees with skills required to effectively manage the company;
- employees are compensated appropriately for the services they provide the company; and
- employees are motivated to perform in the best interests of the company and its stakeholders.

All employees are retained on a fixed basic salary, considered annually and determined in light of market best practice.

B.2 Fit and proper requirements

Management at Group and entity level must ensure that key roles performed within their operations are identified, and filled by staff who are demonstrably qualified for the role. The CEO is responsible for ensuring that activities are undertaken and managed by professionals with the appropriate experience, skill levels, and degrees of specialisation.

Solvency II requirements
Solvency II requires that "all persons who effectively run the undertaking or have other key functions are Fit and Proper at all times". 'Fit and proper' persons must have the appropriate professional qualifications, knowledge and experience to enable them to perform their duties and fulfil their obligations, as well as being of good repute and integrity. Key functions are defined as all functions considered important or critical in the system of governance, including at least the Risk Management Function, Compliance Function, Internal Audit Function and Actuarial Function. The requirement for Fit and Proper extends to the Board, which collectively should contain the qualifications, knowledge and experience to be able to provide for the sound and prudent management of the business.

Regulatory Requirements
Part 3 of the Central Bank Reform Act 2010 ("the Act") provides that a person performing pre-approved controlled functions ("PCFs") and controlled functions ("CFs") in a regulated financial service provider must have a level of fitness and probity appropriate to the performance of that particular function. In general, the Fitness and Probity Standards require that persons must (i) be competent and capable, (ii) act honestly, ethically and with integrity, and (iii) be financially sound.

The Company must notify the CBI of any changes to the identity of the persons who effectively run the undertaking or are responsible for other key functions, along with all information needed to assess whether any new persons appointed to manage the undertaking are fit and proper. In addition, the CBI must be notified in the event a person is replaced because they no longer fulfil the requirements.

All employees are required to undergo a range of fitness and probity checks that enable the Company to make an informed decision about the suitability of an individual for employment. These include the following verifications/checks:

- Record of employment history
- References from former employers
- Verification of qualifications
- Authorisation to work in the jurisdiction
- Details of concurrent responsibilities – other directorships/employments etc.
- Financial soundness checks
- Disqualification, disciplinary, and administrative sanction checks

In addition, for members of senior management in PCFs and CFs, external directorship/conflict of interest checks are performed. These checks are conducted independently to any checks performed by the CBI under its fit and proper review for "approved persons". PCF and CF holders provide a declaration to abide by the fitness and probity standards annually.

A controlled function remains a controlled function of the Company even if outsourced to a third party.

B.3 Risk management system

Catalina's enterprise risk management function is coordinated by the Chief Risk Officer, who works under the authority of the BRC. In line with the internal risk management policies of the Group, management at the Company, acting as the 'first line of defence' are primarily responsible for the running of the business and the operation of controls within their own areas as well as the management of the business' risk profile, in line with Board expectations. However, acting as part of the 'second line of defence', the Risk Management Function is responsible for the ongoing monitoring of business operations and the effectiveness and integrity of the risk management framework.

The overall risk management strategy is to ensure that a proper balance is struck between:

- The risks that are economically attractive to take. These must be properly modelled, measured and priced.
- The risks that are economically unattractive to take. These should be avoided, identified, managed, mitigated and reduced where it is efficient to do so.

Within the Company's Risk Management framework there are measures in place to ensure:

- Appropriate risk tolerances are in place to govern risk taking activities;
- The Company maintains an appropriate risk culture and risk appetite forms an essential part of its strategic decision making;
- The Company measures and monitors risk appropriately and reports key risk metrics to senior management and the Board; and
- Appropriate business planning and capital planning processes are in place to support the Company's risk taking activities.

The risk management framework is intended to reduce, but cannot eliminate, the range of possibilities which might cause detriment to the Company. Similarly the risk management framework cannot provide protection with certainty against any failure of the Company to meet its business objectives, or guard against material errors, losses, fraud, or breaches of laws and regulations. The risk management framework is intended to provide reasonable assurance that the Company will conduct its business in an orderly manner and that that reasonably foreseeable circumstances will not prevent or limit the Company from achieving its business objectives.

Own Risk and Solvency Assessment
The Own Risk and Solvency Assessment ("ORSA") process documents the output of the Company's Enterprise Risk Management process. The aim of the ORSA report is principally to inform the Board of Directors and Company management with an aggregated view of the economic risk and capital requirements during the period and allow a strategic, forward-looking discussion of both future and emerging risks and capital needs.

The Board and senior management's involvement are integrated in the ORSA and they are engaged to challenge, discuss and debate the process. The ORSA process allows management and the Board to review the risk and capital requirements and take a strategic, forward-looking view of future risks and capital needs. The ORSA process is used to highlight key issues to management, and should allow management to confirm that:

a) The current risk profile is understood and appropriate for the nature of a legacy portfolio and is within the risk appetite of the firm;
b) Capital requirements during the reporting period have continuously been met (or if not corrective action has been taken);
c) The Company's current capital and solvency position is appropriate;
d) The Standard Formula model has been used appropriately for strategic decisions throughout the period;
e) The risks to the enterprise that could likely change the risk profile are understood;
f) Plans to cover the solvency position and planned capital distributions over the required period are appropriate.

The ORSA is produced by Management in conjunction with the Actuarial and Risk Management functions. The ORSA is presented to the Board for challenge, comment, review and approval. The result of the Board's review forms the basis for the future strategy of the business, which forms the basis for the following years ORSA.

B.4 Internal control system

The Company's internal control system provides assurance that its financial reporting is reliable, is compliant with applicable laws and regulations and its operations are effectively managed and controlled. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the risk management and internal control systems. The oversight and management of these systems necessarily involves participation of the Board, the Audit Committee, the Board Risk Committee, senior management, Finance, Legal, Compliance, business managers and Internal Audit.

Responsibility for ensuring day-to-day oversight of the internal control system lies with the Company's Controlled Function holders and Key Function holders.

The Company promotes the importance of appropriate internal controls throughout the organisation. All employees are aware of the Company's risk management ethos and are reminded to consider the risks they encounter as they go about their day to day work. Risk awareness is promulgated through the organisation, and both senior management and the risk management function are pro-active at keeping risk awareness to the forefront of daily operations by: i) ensuring that all employees are aware of their role in the internal control system as per the Fit and Proper Policy; ii) ensuring consistent communication and implementation of the internal control systems; and iii) establishing monitoring and reporting mechanisms to review and report the decision making processes.

How the Compliance function is implemented

The Compliance Function, overseen by the Head of Compliance, is part of the Company's overall corporate governance structure and sits within the Company's second line of defence. The function is responsible for identifying, assessing, monitoring, managing, and the reporting of Compliance risks to which the Company is exposed. Regular compliance reviews take place to ensure the Company's operational business functions and its service providers are adhering to their obligations. The Head of Compliance reports to the Board on their assessment of the effectiveness and adequacy of compliance within the Company and its service providers. The effectiveness of the Compliance function's framework and operations are subject to periodic review by Internal Audit.

Management of the Company, and its service providers, are responsible for notifying the Head of Compliance of any breach of applicable laws and regulations that fall within the scope of their responsibilities. Upon receipt of notification, the Head of Compliance records the relevant breach item in the Company's breach register and discusses remedial actions with the management concerned. Where appropriate, reporting is made to the Board and to the CBI.

B.5 Internal audit function

The mission of the Internal Audit function ("IA") is to enhance and protect organisational value by providing risk-based, independent and objective assurance, advice, and insight. IA is an independent assurance function within the Company's third line of defence, providing the Board, Audit Committee and Management with independent and objective assurance and value adding insight on the effectiveness and efficiency of governance, risk management, and internal control processes.

IA applies a risk-based approach, performing its own risk assessment as well as making use of risk assessments performed by Catalina's Enterprise Risk Management and other assurance functions. Based on the results of the risk assessment, IA produces an annual Audit Plan for review and approval by the Audit Committee. The Audit Plan is updated on a regular basis according to the Company's evolving risk landscape and needs. IA regularly provides formal updates on its activities to the Audit Committee, which include audit results, the status of management actions required, the appropriateness of the resources and skills of IA and any changes in the tools and methodologies it uses.

The Head of Internal Audit ("HIA") also meets independently with the Audit Committee, and will immediately report any issue which could have a potentially material impact on the business of the Company to the Chairperson of the Audit Committee. The HIA and IA staff are authorised to review all areas of the Company and to have full, free and unrestricted access to all of its activities, records, property and personnel necessary to complete their work. IA is authorised to allocate resources, set frequencies, select areas, determine audit scopes and apply audit tools and techniques, and to obtain the necessary assistance and specialised services within or outside the Group to accomplish its audit objectives.

IA staff govern themselves by following the Code of Ethics issued by the Institute of Internal Auditors ("IIA"). The operating guidance for the department constitute the IIA's International Standards for the Professional Practice of Internal Auditing as well as the related International Professional Practices Framework.

B.6 Actuarial function

The Actuarial function is made up of an in house actuarial team, based in the UK, with support from other actuaries across the Group, and as appropriate, external firms of consulting actuaries.

Under the leadership of the Company's Head of Actuarial Function, the team:

- Co-ordinates the GAAP reserving for the Company;
- Adjusts the GAAP reserves to Solvency II Best Estimate of Liabilities ("BEL");
- Uses the BEL and audited balance sheet to develop the Standard Formula SCRs and Risk Margin;
- Projects the capital level and capital requirements of the Company over the planning period for the ORSA;
- Reports to the Board on an annual basis, including opining on levels of reserve adequacy, reinsurance arrangements and underwriting policy;

- Assesses the impact of a material change to the Company in terms of its capital position, such as a material change in its reinsurance arrangements;
- Evaluates and advises on the impact, on request, for minor changes in (for example) the Company's investments.

Each of these activities is undertaken at least annually, but also on an "as and when required" basis to support the business and its decision making processes.

B.7 Outsourcing

Outsourcing is the delegation of a process, service or activity to a service provider. The service provider can be both intra-Group or an external firm. In considering whether to outsource any process, service or activity, the Company will take into account:

- its own resource levels and availability;
- its own internal capabilities and cost structures;
- the timing and extent of any requirements in comparison with the capabilities; and
- costings and security of an outsource service provider.

The overarching principle will be that whereas processes, services or activities may be delegated to an outsource service provider, ultimate responsibility for those processes, services and activities will remain with the Company.

The Company has an outsourcing policy, the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for its critical or important operational functions or activities. The objective of the outsourcing policy is to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over key functions of the Company;
- Material impairment of the quality of the Company's system of Governance;
- Non-adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

The Board is ultimately responsible for the approval and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the Company's system of governance and all functions within the Company that are fundamental to carry out its core business. The Board is responsible for reviewing the performance of outsourced service providers against the agreed Service Level Agreements.

B.8 Assessment of governance

The Company has assessed its system of corporate governance and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.

B.9 Any other disclosures

Not applicable.

C. Risk Profile

C.1 Underwriting Risk

Underwriting or insurance risk is concerned with fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. Given the Company's run-off status, the principal insurance risk the Company is subject to is reserve risk, whereby there is potential for future claims to deteriorate beyond the Company's estimates. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims.

Actual underwriting results are monitored against budgeted results on a monthly basis, although for meaningful variances the underwriting reserves, gross and net, are reviewed actuarially bi-annually and compared to the business plan. Premium income, reinsurance recoveries and notified claims and reserves are compared to plan. The policy incorporates identification, measurement and explanation of variances which are reported to senior management. Given the Company's run-off status, management focuses primarily on variances in claims reserves. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a portfolio of insurance contracts and geographical areas. The insurance liabilities, net of external reinsurance, are protected by a collateralised intra-group reinsurance arrangement. Furthermore, strict claim review policies are in place to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent review of all claims are the key policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

C.2 Market Risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The Investment policy governs the Company's exposure to market risks. Exposures are controlled by the setting of investment limits in line with the Company's risk appetite framework and strategic asset allocation policy. The Investment policy is approved by the Board and is applied by the Group Investment team, who are responsible for making and implementing investment decisions on behalf of the Company in line with the Investment policy, risk appetite framework and strategic asset allocation policy, all of which are approved by the Board.

The primary goal of the Company's investment strategy is to maximise investment returns within the risk appetite framework. The investment management philosophy is implemented through both internal investment management decisions and the assistance of external investment managers to best achieve the objectives of the Investment policy. Investments are held at fair value, with changes in fair value recorded through the profit and loss account as their performance is actively monitored and they are managed on a fair value basis.

Interest rate risk
Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk as it invests in long term investments at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate investments in line with the asset liability management policy.

The sensitivity analyses below have been determined based on the exposure to interest rates for investments held at the accounting balance sheet date. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Pre-tax profit		Shareholders' equity	
	2020	2019	2020	2019
	€000	€000	€000	€000
1% increase	(5,225)	(9,152)	(4,572)	(8,008)
1% decrease	5,225	9,152	4,572	8,008

The sensitivity to interest rates is mitigated in terms of Catalina Ireland's solvency, as the value of its future claims also depends on interest rates. Therefore, the value of assets and liabilities both tend to reduce when interest rates increase, and increase when interest rates fall.

Foreign exchange risk
The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The risk of exposing the Company's assets or liabilities to exchange rate fluctuations is managed by broadly matching liabilities with assets in the same currencies.

The Company reviews assets and liabilities by currency each month to ensure they are matched where possible and that cash is available to discharge liabilities in their respective currencies. A detailed analysis of liability payout patterns to extinction by currency is then matched to the asset cashflows to eliminate material currency risk. From time to time the Company utilises foreign currency forward contracts as part of its overall foreign currency risk management strategy or to obtain exposure to a particular financial market, as well as for yield enhancement. These derivatives are not designated as hedging investments.

The most significant currency to which the Company is exposed is the Pound Sterling. At 31 December 2020, if Euro had weakened/strengthened by 20% against Pound Sterling, with all other variables held constant, shareholder's funds would have been €2.1 million (2019: €1.5 million) higher/lower.

Other price risk
The Company is exposed to price risk arising from fluctuations in the value of financial instruments as a result of changes in the market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The risk is managed by the Company by maintaining an appropriate mix of investment instruments.

The Company's sensitivity to a 1% increase and decrease in market prices is as follows:

	2020	2019
	€000	€000
1% increase		
Movement in fair value of share and other variable securities in unit trusts	45	66
Movement in fair value of debt securities and other fixed income securities	1,053	1,497
Movement in fair value of investments in group undertakings	51	87
Equities	-	47
1% decrease		
Movement in fair value of share and other variable securities in unit trusts	(45)	(66)
Movement in fair value of debt securities and other fixed income securities	(1,053)	(1,497)
Movement in fair value of investments in group undertakings	(51)	(87)
Equities	-	(47)

C.3 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from intermediaries. The objective of the Company in managing its credit risk is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it.

The Company monitors credit risk in relation to its investment portfolio and reinsurance programme by monitoring external credit ratings for the investments and reinsurance assets held by the Company on a regular basis. The Company's intra-group reinsurance arrangement is protected by collateral held in a trust fund at a level equivalent to at least 110% of the relevant technical provisions valued on a solvency II basis. The following table shows aggregated credit risk exposure for assets with external credit ratings. The table also shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining whether the value of an asset is impaired are: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

	2020	2019
	€000	€000
By class of asset:		
Equities	-	4,692
Investment in group undertakings	5,112	8,741
Shares and other variable yield securities in unit trusts	4,485	6,593
Debt securities	105,334	149,660
Loans and receivables	6,473	22,989
Loans to group undertakings	17,760	15,583
Forward currency contracts	48	2
Assets arising from reinsurance contracts held	306,186	300,751
Debtors arising out of direct insurance operations	17,074	12,439
Accrued interest	1,273	2,012
Cash and cash equivalents	12,039	4,781
Total assets bearing credit risk	**475,784**	**528,243**
By credit rating:		
AAA	34,051	42,849
AA	9,386	8,181
A	36,572	58,877
BBB	39,923	46,464
Below BBB or not rated	355,852	371,872
Total assets bearing credit risk	**475,784**	**528,243**
By past due aging:		
Neither past due nor impaired	475,759	528,023
Past due less than 30 days	6	7
Past due less 31 to 60 days	19	213
Past due less 61 to 90 days	-	-
Past due more than 90 days	-	-
Past due and impaired	-	-
Total assets bearing credit risk	**475,784**	**528,243**

C.4 Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations associated with financial liabilities as they fall due. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. Liquidity management ensures that the Company has sufficient access to funds necessary to cover insurance claims. Most of the Company's assets are marketable securities which could be converted into cash when required.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. The table includes both interest and principal cash flows.

	Less than 1 year	1 - 5 years	5+ years	Total
	2020	**2020**	**2020**	**2020**
	€000	**€000**	**€000**	**€000**
Financial liabilities and claims outstanding				
Subordinated loan notes	-	-	23,525	23,525
Creditors arising out of direct insurance operations	7	-	-	7
Creditors arising out of reinsurance operations	-	-	-	-
Other creditors	565	-	-	565
Claims outstanding - undiscounted	39,223	99,348	240,130	378,701
	39,795	99,348	263,655	402,798
	2019	**2019**	**2019**	**2019**
	€000	**€000**	**€000**	**€000**
Financial liabilities and claims outstanding				
Subordinated loan notes	-	-	23,429	23,429
Creditors arising out of direct insurance operations	32,206	-	-	32,206
Creditors arising out of reinsurance operations	39	-	-	39
Other creditors	251	-	-	251
Claims outstanding - undiscounted	43,210	103,064	228,464	374,738
	75,706	103,064	251,893	430,663

C.5 Operational Risk

Operational risk relates to the possibility that the Company becomes exposed to losses occurring as a result of failures within its internal systems and processes. It is anticipated that the regular audits by Internal Audit and the statutory auditor will identify any existing or potential areas of weakness within the Company's infrastructure and process.

As the Group acquires more businesses, there is more scope to deal with 'key staff' operational risks associated with individuals and offices, as there is increased scope to use other Group staff and/or offices which will help to mitigate those risks. Management believes strongly in setting performance precedents for their staff, and ensuring as far as practicable the maintenance of the Company's business systems.

Close collaboration with Human Resources ("HR") and Information Technology ("IT") will allow the Chief Risk Officer and the local executive teams to identify any vulnerabilities before they are able to adversely affect business process or maintenance of accounts. Processes and procedures are regularly enhanced.

C.6 Other Material Risks

Emerging Risks

Run-off carriers tend to be somewhat isolated from exogenous emerging risks which may change the frequency and severity of loss distributions used to price and accumulate portfolios of live insurance risk. Since the loss has already occurred the Company focuses its attention on reserve, investment and regulatory emerging risks and their mitigants. The Board Risk Committee plays an important role in assessing whether there are new emerging risks facing the Company in addition to its assessment of changes in existing risks. On an ongoing basis the ERM team utilises PESTLE (Political, Economic, Social, Technological, Legal and Environmental) methodology to identify emerging risks, including climate changes risks, and where relevant, these risks are added to the Company's risk register so that appropriate mitigation can be considered.

Cyber Risk

Cyber risk is any risk of financial loss, disruption or damage to the reputation of an organisation from some sort of failure of its information technology systems. With the increase of dependence on electronic communications and volume electronic data storage, there is increasing risk of data theft, and malicious data and service disruption within the industry. The Group's Head of IT has implemented many cyber intrusion prevention processes designed to protect networks, computers, programs and data from attack, damage or unauthorised access. Cyber risks are fully integrated into the risk management process, with many mitigating measures in place, together with a fully documented and robustly tested Business Recovery Plan.

Life Risk
The Company is making Periodic Payment Order ("PPO") payments to several claimants in the UK and similar long term payments to claimants in Germany. These are essentially life annuities, on the order of the relevant court, typically to pay for care and/or loss of earnings. Therefore, although the Company is a non-life insurance company, it is exposed to life risk. The life risks to which the Company is exposed to are a) longevity risk (the claimant lives longer than expected), b) revision risk (the payment to the claimant increases), and c) expense risk (the administration expenses associated with making each payment increases), although this is immaterial.

Brexit Risk
The Company has a portfolio of UK claims and is therefore exposed to Brexit. The Company brought the administration of its UK claims in-house at the end of 2020, and will take advantage of the UK's Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019. The legislation allows the Company to wind down its UK regulated activities in an orderly manner. The implications of Brexit will continue to be assessed during 2021.

C.7 Any other disclosures

The outbreak of the COVID-19 pandemic during 2020 and related containment measures throughout the world had, and continue to have, a significant adverse effect on the global economy. The pandemic has adversely affected economic growth, capital markets, specific industries and countries. It has also impacted the Company's employees and business operations. In response to the pandemic, the Company successfully implemented its business continuity plan, and all Catalina staff have successfully worked remotely during the pandemic, with no material issues noted, both in respect of the local team, and the wider Catalina team, who provide support to the Company's key functions. The Company's external claims handling service providers, have had no material operational issues resulting from the pandemic. Service levels have not been impacted by the teams working from home.

D. Valuation for Solvency Purposes

D.1 Assets

The value of each material class of assets is provided in the table below, comparing the carrying value in the financial statements to the valuation used for solvency purposes. The valuation basis is also described and details provided of any material differences between the valuation basis used in the financial statements and the valuation basis under solvency II.

	Notes	Statutory accounts	Solvency II value
		€000	**€000**
Cash, investments and accrued interest		152,476	152,476
Reinsurers' share of technical provisions	1	306,186	281,717
Debtors arising out of direct insurance operations		16,696	16,696
Deferred acquisition costs	2	1	-
Other assets		494	494
Total assets		**475,853**	**451,383**

Notes:
1. Difference due to difference between Irish GAAP and Solvency II regime, mainly due to non-discounting and additional prudence margins under GAAP.
2. Deferred acquisition costs are not recognised as an asset in Solvency II valuation rules.

D.2 Technical provisions

The technical provisions comprise the best estimate of liabilities ("BEL") and risk margin according to Articles 75 to 86 of the Solvency II Directive. The best estimate technical provision is the sum of the claims provision and the premium provision.

The claims provision is the discounted best estimate of all future cashflows relating to claim events prior to the valuation date, including claims which have not yet been notified to the (re)insurer. Hence the claims provision is calculated as the expected present value of claims incurred, including incurred but not reported claims ("IBNR"), plus future expenses incurred to settle these claims, less future premium receivable in relation to the past exposure.

The premium provision is the discounted best estimate of all future cashflows relating to future exposure arising from policies that the (re)insurer is obligated to at the valuation date. Hence the premium provision is calculated as the expected present value of future claims from future exposure, plus future expenses incurred to settle these claims, less future premium receivable in relation to future exposure.

The risk margin represents the amount that another (re)insurer taking on the liabilities would require over and above the best estimate technical provisions. This is calculated using a cost-of-capital approach. The risk margin calculation is dependent on the Solvency Capital Requirement which itself is dependent on the best estimate technical provisions.

The table below shows the total technical provisions, gross and net of reinsurance at 31 December 2020, together with comparatives for the previous year.

	Gross Best Estimate	Net Best Estimate	Risk margin
	2020	**2020**	**2020**
	€000	**€000**	**€000**
By material line of business:			
Motor	3,890	1,369	151
Liability	212,813	79,630	8,806
Property	37	13	1
Other	3,047	1	0
Annuities stemming from non-life insurance contracts	147,458	4,515	6,011
	367,245	85,528	14,970
	2019	**2019**	**2019**
	€000	**€000**	**€000**
By material line of business:			
Motor	4,457	1,818	236
Liability	214,627	80,802	10,478
Property	52	23	3
Other	3,133	8	1
Annuities stemming from non-life insurance contracts	121,306	3,294	5,850
	343,575	85,945	16,568

The Company has adopted a deterministic approach to estimating the BEL by making the following adjustments to the GAAP reserves in the Company's statutory accounts:

- The GAAP reserves include an explicit prudence margin for uncertainty. In the Solvency II balance sheet this prudence margin is removed, as technical provisions are intended to be best estimates.
- An ENID (events not in data) was included in the Solvency II balance sheet.
- An increased expense provision was included in the Solvency II balance sheet.
- Solvency II reserves are discounted at the risk free rate. The GAAP reserves are undiscounted.

The total of these adjustments result in the technical provisions on the Solvency II balance sheet being €3.5 million higher (2019: €14.6 million lower) than the technical provisions shown in the financial statements.

The main risks and uncertainties associated with the technical provisions relate to the following:

- ENIDs and expense provisions: these are necessarily judgement calls (especially ENIDs) and so there are uncertainties associated with these being too high or too low.
- Risk free rates: whilst those used as at a given date are prescribed and provided by EIOPA, they are volatile over time. The Company has long tail liabilities arising from UK PPOs and German annuities, and there are uncertainties over future risk free rates which cause long term Best Estimate of Liabilities to be volatile (other liabilities are also affected, but the impact is less material).
- Unavoidable risk associated with the technical provisions: claims provisions are best estimates of future costs, both in terms of the amounts of future cashflows, but outcomes will inevitably differ from any prior estimate.
- The Company's business model is to manage claims actively. The technical provisions assume the runoff of claims over time as they are estimated to become due. This difference results in actual technical provision tending to reduce over time more quickly than the estimates used in the BEL.
- The active management of claims tends to involve actual expenses being higher than those assumed in the technical provisions. One cause of this is the staff costs of the relevant staff who do the active claims management.

D.3 Other liabilities

In November 2016 the Company issued €23.8 million of floating rate subordinated loan notes. The notes are due in January 2027 and they are listed on the Channel Island Stock Exchange. Interest on the notes is based on EURIBOR plus a margin of 7.95%. The notes are eligible to count towards the Company's Tier 2 basic own funds based on the criteria as set out in the Solvency II Framework Directive (2009/138/EC), the European Union (Insurance and Reinsurance) Regulations 2015 and Commission Delegated Regulation (EU) 2015/35.

D.4 Alternative methods for valuation

No other alternative methods for valuation are used.

D.5 Any other information

Not applicable.

E. Capital Management

Capital management refers to implementing measures to maintain sufficient capital and assessing the internal capital adequacy of the Company. The Company has a capital management plan which ensures it maintains a prudent cushion of equity to protect the Company's economic viability and to finance new growth opportunities and maintains sufficient capital in order to meet regulatory requirements. The Company was in compliance with regulatory capital requirements throughout the financial year.

In November 2017, the Company issued €23.8 million in subordinated loan notes which increased the Tier 2 own funds regulatory capital of the Company in accordance with the provisions of the Solvency II directive.

In March 2018, the Company issued share capital of €52 million to support the acquisition of the German MedMal portfolio from ZIP. In May 2019, the Company received a capital contribution of €11 million from its parent, in line with the Company's Capital Management Plan, after the regulatory solvency coverage fell below the internal target ratio.

E.1 Own funds

The table below shows the Company's own funds at 31 December 2020.

	Tier 1	Tier 2	Tier 3	Total
	€000	€000	€000	€000
Basic own funds				
Ordinary share capital	52,717	-	-	52,717
Reconciliation reserve	(8,588)	-	-	(8,588)
Subordinated liabilities	-	23,525	-	23,525
Total basic own funds	**44,129**	**23,525**	**-**	**67,654**
Available and eligible own funds				
Total available own funds to meet the SCR	44,129	23,525	-	67,654
Total available own funds to meet the MCR	44,129	23,525	-	67,654
Total eligible own funds to meet the SCR	44,129	20,620	-	64,749
Total eligible own funds to meet the MCR	44,129	2,062	-	46,191
SCR				**41,240**
MCR				**10,462**
Ratio of Eligible own funds to SCR				**157.0%**
Ratio of Eligible own funds to MCR				**441.5%**

The reconciliation reserve represents the reserves of the Company (e.g. retained earnings) and results mainly from differences between accounting valuation and valuation according to the Solvency II directive.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the components of the SCR at 31 December 2020, together with comparatives for the previous year.

	2020	2019
	€000	€000
By risk module		
Market risk	10,882	17,773
Default risk	5,516	6,783
Non-life risk	26,103	26,521
Life risk	943	831
Basic SCR before diversification	**43,444**	**51,908**
Diversification Benefits	(9,461)	(12,513)
Basic SCR	**33,983**	**39,395**
Operational risk	7,257	7,214
SCR	**41,240**	**46,609**
MCR	**10,462**	**11,652**

The SCR has decreased by €5.4 million since the prior year. This is mainly due to a decrease in the market risk charge, in line with the reduction in the Company's investment portfolio from €215.1 million at the end of 2019 to €152.5 million.

The Company uses EIOPA's Solvency II Standard Formula. The Company does not use Company specific parameters in its computation.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The Company has not used the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

The Company calculates the SCR using the standard formula. No internal or partial internal model is used in the calculation of the SCR.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

There has not been any non-compliance with the SCR or the MCR over the financial year nor is there expected to be any non-compliance with the SCR and MCR in the business planning period.

E.6 Any other information

Not applicable.

Appendix: Annual reporting templates

The quantitative reporting templates which form part of the Annual Regulatory Templates listed below are required to be published alongside the SFCR.

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses - by line of business
S.05.02.01	Premiums, Claims and Expenses - by country
S.12.01.02	Life and Health Technical Provisions
S.17.01.02	Non-life technical provisions by line of business
S.19.01.21	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement using the Standard Formula
S.28.01.01	Minimum Capital Requirement

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	10
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	131,854
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	5,111
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	5,111
Bonds	**R0130**	110,839
Government Bonds	**R0140**	33,478
Corporate Bonds	**R0150**	77,361
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	4,485
Derivatives	**R0190**	48
Deposits other than cash equivalents	**R0200**	11,370
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	20,001
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	20,001
Reinsurance recoverables from:	**R0270**	281,717
Non-life and health similar to non-life	**R0280**	138,773
Non-life excluding health	**R0290**	138,773
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	142,944
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	142,944
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	8,349
Reinsurance receivables	**R0370**	8,347
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	668
Any other assets, not elsewhere shown	**R0420**	435
Total assets	**R0500**	451,381

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	228,746
Technical provisions – non-life (excluding health)	**R0520**	228,746
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	219,787
Risk margin	**R0550**	8,959
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	153,469
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	153,469
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	147,458
Risk margin	**R0680**	6,011
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	388
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	7
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	176
Subordinated liabilities	**R0850**	23,525
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	23,525
Any other liabilities, not elsewhere shown	**R0880**	941
Total liabilities	**R0900**	407,252
Excess of assets over liabilities	**R1000**	44,129

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for:				
														accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**												-16					-16
Gross - Proportional reinsurance accepted	**R0120**							0										0
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**							0					-16					-17
Net	**R0200**							0										0
Premiums earned																		
Gross - Direct Business	**R0210**								13				-15					-2
Gross - Proportional reinsurance accepted	**R0220**							0										0
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**							0	9				-15					-7
Net	**R0300**							0	5									5
Claims incurred																		
Gross - Direct Business	**R0310**				124			8	32,106				0					32,238
Gross - Proportional reinsurance accepted	**R0320**							-1										-1
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**				80			5	20,869				0					20,955
Net	**R0400**				43			3	11,237									11,283
Changes in other technical provisions																		
Gross - Direct Business	**R0410**								-585									-585
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**								-380									-380
Net	**R0500**								-205									-205
Expenses incurred	**R0550**				-176			-13	578				0					390
Other expenses	**R1200**																	
Total expenses	**R1300**																	390

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**									
Reinsurers' share	**R1420**									
Net	**R1500**									
Premiums earned										
Gross	**R1510**									
Reinsurers' share	**R1520**									
Net	**R1600**									
Claims incurred										
Gross	**R1610**						14,213			14,213
Reinsurers' share	**R1620**						14,213			14,213
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**									
Other expenses	**R2500**									
Total expenses	**R2600**									

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**
	R0010		GB	IT	SA	BE	DE	
		C0080	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**
Premiums written								
Gross - Direct Business	**R0110**			-16				-16
Gross - Proportional reinsurance accepted	**R0120**		0					0
Gross - Non-proportional reinsurance accepted	**R0130**							
Reinsurers' share	**R0140**		0	-16				-17
Net	**R0200**		0	0				0
Premiums earned								
Gross - Direct Business	**R0210**			-15		13		-2
Gross - Proportional reinsurance accepted	**R0220**		0					0
Gross - Non-proportional reinsurance accepted	**R0230**							
Reinsurers' share	**R0240**		0	-15		9		-7
Net	**R0300**		0	0		5		5
Claims incurred								
Gross - Direct Business	**R0310**		-750	0		5	32,983	32,238
Gross - Proportional reinsurance accepted	**R0320**		-1					-1
Gross - Non-proportional reinsurance accepted	**R0330**							
Reinsurers' share	**R0340**		-488	0		4	21,439	20,955
Net	**R0400**		-263			2	11,544	11,283
Changes in other technical provisions								
Gross - Direct Business	**R0410**						-585	-585
Gross - Proportional reinsurance accepted	**R0420**							
Gross - Non- proportional reinsurance accepted	**R0430**							
Reinsurers'share	**R0440**						-380	-380
Net	**R0500**						-205	-205
Expenses incurred	**R0550**		-149	0			76	-74
Other expenses	**R1200**							
Total expenses	**R1300**							-74

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
	R1400		GB	IT	SA	BE	DE	
		C0220	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**
Premiums written								
Gross	**R1410**							
Reinsurers' share	**R1420**							
Net	**R1500**							
Premiums earned								
Gross	**R1510**							
Reinsurers' share	**R1520**							
Net	**R1600**							
Claims incurred								
Gross	**R1610**		709				13,504	14,213
Reinsurers' share	**R1620**		709				13,504	14,213
Net	**R1700**							
Changes in other technical provisions								
Gross	**R1710**							
Reinsurers' share	**R1720**							
Net	**R1800**							
Expenses incurred	**R1900**							
Other expenses	**R2500**							
Total expenses	**R2600**							

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**								147,458		147,458						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**								142,944		142,944						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**								4,515		4,515						
Risk Margin	**R0100**								6,011		6,011						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**								153,469		153,469						

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**								4				2					5
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**								2				2					4
Net Best Estimate of Premium Provisions	**R0150**								1				0					1
Claims provisions																		
Gross	**R0160**				3,890			37	212,809				3,046					219,782
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**				2,521			24	133,180				3,044					138,769
Net Best Estimate of Claims Provisions	**R0250**				1,369			13	79,629				1					81,012
Total Best estimate - gross	**R0260**				3,890			37	212,813				3,047					219,787
Total Best estimate - net	**R0270**				1,369			13	79,630				1					81,013
Risk margin	**R0280**				151			1	8,806				0					8,959
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**																	
Best estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**				4,042			38	221,619				3,047					228,746
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**				2,521			24	133,183				3,046					138,773
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**				1,520			15	88,436				1					89,973

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	Accident year [AY]

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**		**C0170**	**C0180**
Prior	**R0100**											25,936	**R0100**	25,936	25,936
2011	**R0160**	61,344	38,509	18,168	16,844	16,810	11,579	7,742	5,476	6,492	6,123		**R0160**	6,123	189,086
2012	**R0170**	32,437	21,661	13,987	9,042	8,079	6,594	4,843	7,010	3,674			**R0170**	3,674	107,328
2013	**R0180**	9,569	6,822	3,667	2,469	2,560	1,356	462	398				**R0180**	398	27,303
2014	**R0190**	1,644	1,003	1,043	196	61	7	8					**R0190**	8	3,961
2015	**R0200**	246	490	140	192	23	-59						**R0200**	-59	1,032
2016	**R0210**	83	207	147	34	10							**R0210**	10	481
2017	**R0220**	59	81	25	3								**R0220**	3	167
2018	**R0230**	16	26	5									**R0230**	5	47
2019	**R0240**												**R0240**		
2020	**R0250**												**R0250**		
												Total	**R0260**	36,098	355,342

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**		**C0360**
Prior	**R0100**											162,915	**R0100**	165,311
2011	**R0160**						6,394	3,710	38,055	30,055	30,659		**R0160**	31,121
2012	**R0170**					7,721	3,416	38,019	25,051	20,408			**R0170**	20,727
2013	**R0180**				5,770	7,298	3,165	1,304	1,264				**R0180**	1,278
2014	**R0190**			933	305	241	221	232					**R0190**	234
2015	**R0200**		1,453	826	378	407	423						**R0200**	426
2016	**R0210**	2,571	604	410	385	353							**R0210**	356
2017	**R0220**	2,349	354	309	300								**R0220**	302
2018	**R0230**	69	14	32									**R0230**	33
2019	**R0240**	-3	-7										**R0240**	-7
2020	**R0250**	2											**R0250**	2
												Total	**R0260**	219,782

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	52,717	52,717			
Share premium account related to ordinary share capital	**R0030**					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	-19,588	-19,588			
Subordinated liabilities	**R0140**	23,525			23,525	
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	11,000	11,000			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	67,654	44,129		23,525	
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	67,654	44,129		23,525	
Total available own funds to meet the MCR	**R0510**	67,654	44,129		23,525	
Total eligible own funds to meet the SCR	**R0540**	64,749	44,129		20,620	
Total eligible own funds to meet the MCR	**R0550**	46,191	44,129		2,062	
SCR	**R0580**	41,241				
MCR	**R0600**	10,310				
Ratio of Eligible own funds to SCR	**R0620**	157.00%				
Ratio of Eligible own funds to MCR	**R0640**	448.01%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	44,129	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	63,717	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**		
Reconciliation reserve	**R0760**	-19,588	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**		

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	10,882		
Counterparty default risk	**R0020**	5,516		
Life underwriting risk	**R0030**	943		
Health underwriting risk	**R0040**			
Non-life underwriting risk	**R0050**	26,103		
Diversification	**R0060**	-9,461		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	33,983		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	7,257
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	41,241
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	41,241
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	8,320

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	1,369	
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	13	
General liability insurance and proportional reinsurance	R0090	79,630	
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	1	
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	95

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	4,515	
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	8,415
SCR	R0310	41,241
MCR cap	R0320	18,558
MCR floor	R0330	10,310
Combined MCR	R0340	10,310
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	10,310