



RiverStone International Ireland dac

(formerly Catalina Insurance Ireland dac)

Solvency and Financial Condition Report

31 DECEMBER 2023

Unit 44, Block 5
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EXECUTIVE SUMMARY

RiverStone International Ireland dac (the “**Company**” or “**RIIDAC**”) is an insurance undertaking authorised 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.

RIIDAC was previously known as **Catalina Insurance Ireland dac**. The Company’s name changed on 13 February 2024 after being acquired by RiverStone International Limited (“**RiverStone International**”). The transaction closed on 2 February 2024 following the receipt of the necessary regulatory approvals. RiverStone International is a leading global non-life run-off insurance business specialist with more than 20 years of experience helping insurers release capital, streamline their operations and reduce volatility from legacy P&C books. RiverStone was founded in 1999 within the publicly listed Canadian insurer Fairfax. In August 2021 the European business of RiverStone – what is now RiverStone International – was purchased from Fairfax by CVC’s long-term Strategic Opportunities fund. RiverStone International’s ultimate shareholder is CVC Partners, a private equity company with a reputation for acquiring businesses with a leading position in their chosen markets.

This report details the Company’s solvency and financial condition at 31 December 2023. It does not include any changes resulting from the change in ownership which took place post year-end, however, where there were material changes e.g. reinsurance arrangements, capital injection etc., the changes have been noted.

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 coverage ratio of the Company at 31 December 2023 was 131% (31 December 2022: 147%). This ratio represented surplus eligible own funds of €9.4 million over the SCR.

Business and performance – Section A

The Company made a loss after tax for the year of €9.2 million, compared to a loss after tax of €21.6 million in 2022. The underwriting result for the year was a loss of €7.6 million which is mainly resulting from adverse development on the run-off of the claims on the Company’s German medical malpractice (“**MedMal**”) portfolio emerging during the year. The investment return for the year was a profit of €2.5 million due to unrealised gains on the Company’s fixed income investment portfolio. This compares to a loss of €4.3 million in 2022.

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 Solvency II and the Corporate Governance Requirements for Insurance Undertakings 2015 (the “**CGR**”); 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.

Valuation for solvency purposes – Section D

The Solvency II net assets (Own Funds) at 31 December 2023 were €48.5 million, compared with Irish Generally Accepted Accounting Principles (“GAAP”) net assets of €33.9 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 2023 was 131%. Total Own Funds were €48.5 million, of which €39.6 million were eligible to meet the SCR of €30.1 million.

Own funds

Own Funds decreased from €56.8 million to €48.5 million during the year. The decrease was resulting from solvency II economic losses of €7.3 million.

Under Solvency II the Own Funds are classified in 3 tiers, with Tier 1 being the highest quality. At 31 December 2023, an amount of €24.4 million was classified as Tier 1 Own Funds and €24.1 million was classified as Tier 2 Own Funds. There were no Tier 3 Own Funds held at 31 December 2023. The eligible amounts of Tier 2 and Tier 3 items combined is limited to 50% of the SCR.

SCR

The SCR value at 31 December 2023 was €30.1 million (31 December 2022: €34 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 2023 was €7.5 million (31 December 2022: €8.5 million) and the MCR ratio at 31 December 2023 was 345% (31 December 2022: 408%). 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 consumers 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 2023, 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 28 March 2024.

A. BUSINESS AND PERFORMANCE

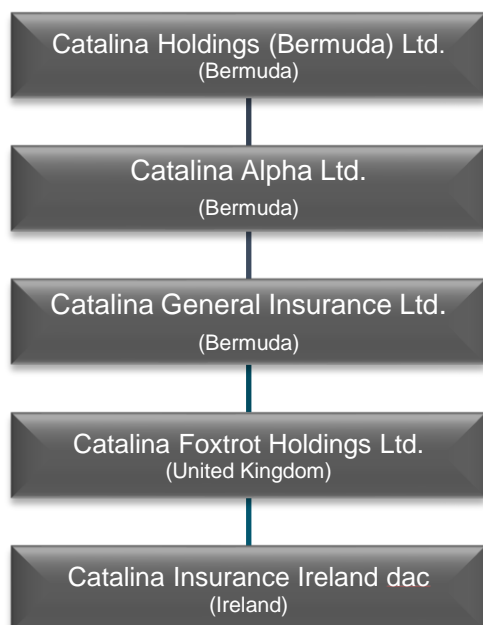
A.1 BUSINESS AND EXTERNAL ENVIRONMENT

A.1.1 Undertaking, financial supervisory authority and external auditor

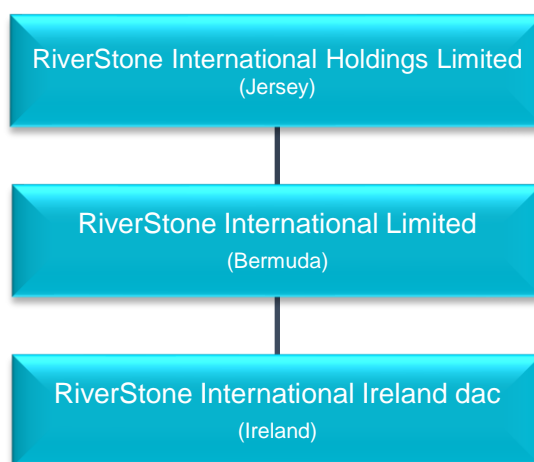
Name of the undertaking:	RiverStone International Ireland dac
Address of its registered office:	Unit 44 Block 5 Northwood Court Northwood Crescent Northwood Santry Dublin 9, Ireland D09 EW63
Legal status:	Designated Activity Company
Company registration number:	225221
Legal Entity Identifier (LEI):	6354002SNIV14GB1BI20
Ultimate parent:	RiverStone International Holdings Limited
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, Ireland D02 AY28

The simplified Group structure chart at 31 December 2023 is laid out below outlining vertical structure to the ultimate holding company. For comparison, the Company's new Group structure chart post-acquisition is also included below.

At 31 December 2023



From 2 February 2024



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 originally purchased from the HSBC Group in 2012 by Catalina Holdings (Bermuda) Ltd. ("Catalina"). At the beginning of February 2024, the Company was purchased from Catalina by RiverStone International.

The Company provided general insurance products through independent intermediaries in the UK and other markets and products to HSBC customers in UK. The Company underwrote direct business 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 2023, together with comparatives for the previous year.

	2023	2022
	€000	€000
Gross written premium	-	(2)
Earned premiums, net of reinsurance	-	-
Allocated investment return	1,608	(2,561)
Other technical income	(36)	30
Claims incurred, net of reinsurance	(5,353)	(12,164)
Net operating expenses	(3,784)	(3,101)
Balance on the technical account	(7,565)	(17,796)
By class of business:		
Motor	(1)	(1,202)
Liability	(7,564)	(16,597)
Property	-	3
Balance on the technical account	(7,565)	(17,796)
By geographical area:		
United Kingdom	125	(899)
Ireland	-	3
Germany	(7,681)	(16,878)
Other	(9)	(22)
Balance on the technical account	(7,565)	(17,796)

A.3 PERFORMANCE FROM INVESTMENT ACTIVITIES

The table below shows the investment income performance for the year end 31 December 2023, 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
	2023	2023	2023	2023	2023
	€000	€000	€000	€000	€000
Financial assets:					
- measured at FVTPL	2,028	(123)	(845)	(6)	1,054
- measured at amortised cost	135	-	-	-	135
- measured at cost	526	-	-	-	526
- forward currency contracts	-	-	(300)	1,134	834
	2,689	(123)	(1,145)	1,128	2,549

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2022	2022	2022	2022	2022
	€000	€000	€000	€000	€000
Financial assets:					
- measured at FVTPL	2,595	(855)	(298)	(4,517)	(3,075)
- measured at amortised cost	791	-	-	-	791
- measured at cost	45	-	-	-	45
- forward currency contracts	-	-	(384)	(1,629)	(2,013)
	3,431	(855)	(682)	(6,146)	(4,252)

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.

	2023	2022
	€000	€000
Foreign exchange gains/(losses)	(2)	(203)
	(2)	(203)

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 Solvency II and 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 internal 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. Following the change in ownership in February 2024, the Board will continue to act as the Risk Committee.

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

The Company must ensure that key roles performed within its 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 fitness and probity 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”.

The Company has a continuing obligation to complete an annual certification process for all PCF and CF role holders to confirm they are compliant with the Fitness and Probity Standards and continue to agree to abide by those Standards.

A PCF or CF remains a function of the Company even if outsourced to a third party.

B.3 RISK MANAGEMENT SYSTEM

The Company's enterprise risk management function is coordinated by the Chief Risk Officer ("CRO"), who works under the authority of the BRC. In line with the internal risk management policies, 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 reasonably foreseeable circumstances will not prevent or limit the Company from achieving its business objectives.

During the year the risk function services continued to be provided to the Company via an intra-group outsourcing arrangement. With effect from 2 February 2024, following the change in ownership, the risk function, including the role of CRO, is outsourced to Allied Risk Management Limited.

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 Company;
- 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 Company 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 year's ORSA.

B.4 INTERNAL CONTROL SYSTEM

The Company's internal control system provides assurance that it is compliant with applicable laws and regulations, its financial reporting is reliable 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 executive committee, 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 PCF and CF role 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 Internal Control 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 monitoring reviews take place to ensure the Company's operational business functions and its service providers are adhering to their obligations. The Head of Compliance regularly 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 the Company'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 Chair 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.

The operating guidance for the IA function is documented in the Group Internal Audit Framework. This document aims to ensure that the procedures followed by the Internal Audit team are aligned with the Mandatory Guidelines within the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (IIA). IA services are provided via an intra-group outsourcing arrangement.

B.6 ACTUARIAL FUNCTION

The Company's Actuarial function comprises resources from Catalina's UK based actuarial team (intra-group outsourcing arrangement) which includes the role of a Head of Actuarial Function. The Company also utilises the services of an external firm of consulting actuaries. Under the leadership of the Company's Head of Actuarial Function, the Actuarial function:

- 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.

With effect from 2 February 2024, following the change in ownership, the Head of Actuarial Function role continues to be provided via an intra-group outsourcing arrangement (albeit from RiverStone as opposed to Catalina) until the Company recruits a local Head of Actuarial Function.

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 and ultimately the Board.

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 ensuring the performance of outsourced service providers is monitored and assessed 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. Notified claims and reserves, and reinsurance recoveries are compared to plan. The process 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 insurance liabilities, net of external reinsurance, are protected by a collateralised intra-group reinsurance arrangement, however, this intra-group reinsurance arrangement was commuted as part of the change in ownership in February 2024.

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 applied by the Investment team (intra-group outsourcing arrangement), 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	
	2023	2022	2023	2022
	€000	€000	€000	€000
1% increase	(3,420)	(2,979)	(2,992)	(2,607)
1% decrease	3,420	2,979	2,992	2,607

The sensitivity to interest rates is mitigated in local solvency terms, 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, therefore, 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 2023, if Euro had weakened/strengthened by 20% against Pound Sterling, with all other variables held constant, shareholder's funds would have been €0.4 million (2022: €0.2 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 detailed in the table below:

	2023	2022
	€000	€000
1% increase		
Movement in fair value of share and other variable securities in unit trusts	309	209
Movement in fair value of debt securities and other fixed income securities	629	656
Movement in fair value of investments in group undertakings	-	156
1% decrease		
Movement in fair value of share and other variable securities in unit trusts	(309)	(209)
Movement in fair value of debt securities and other fixed income securities	(629)	(656)
Movement in fair value of investments in group undertakings	-	(156)

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 100% of the Company's Solvency II technical provisions and a letter of credit with a value of at least 10% of the Solvency II technical provisions. As previously mentioned, the intra-group reinsurance arrangement was commuted as part of the change in ownership in February 2024.

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.

	2023	2022
	€000	€000
By class of asset:		
Investment in group undertakings	-	15,589
Shares and other variable yield securities in unit trusts	30,933	20,860
Debt securities	62,872	65,638
Loans to group undertakings	-	3,085
Assets arising from reinsurance contracts held	260,728	266,591
Debtors arising out of direct insurance operations	13,672	14,619
Accrued interest	519	716
Cash and cash equivalents	9,733	9,495
Total assets bearing credit risk	378,457	396,593
By credit rating:		
AAA	22,550	17,472
AA	6,741	739
A	18,203	22,545
BBB	27,888	40,031
Below BBB or not rated	303,075	315,806
Total assets bearing credit risk	378,457	396,593
By past due aging:		
Neither past due nor impaired	378,456	396,587
Past due less than 30 days	1	6
Past due less 31 to 60 days	-	-
Past due less 61 to 90 days	-	-
Past due more than 90 days	-	-
Past due and impaired	-	-
Total assets bearing credit risk	378,457	396,593

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 Company participated in Catalina's cash pooling arrangement which provides access to immediate, short-term liquidity. The facility was held with Bank Mendes Gans N.V., a member of the ING Group. The Company's participation in the cash pool ceased following change in ownership in February 2024.

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
	2023	2023	2023	2023
	€000	€000	€000	€000
Financial liabilities and claims outstanding				
Subordinated loan notes	-	24,056	-	24,056
Creditors arising out of direct insurance operations	-	-	-	-
Other creditors	305	-	-	305
Claims outstanding – undiscounted	28,497	80,109	210,144	318,750
	28,802	104,165	210,144	343,111
	2022	2022	2022	2022
	€000	€000	€000	€000
Financial liabilities and claims outstanding				
Subordinated loan notes	-	23,787	-	23,787
Creditors arising out of direct insurance operations	17	-	-	17
Other creditors	1,427	-	-	1,427
Claims outstanding – undiscounted	30,391	85,666	213,130	329,187
	31,835	109,453	213,130	354,418

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 compliance/risk monitoring and 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 Company is part of a larger group, there is more scope to deal with 'key staff' operational risks as there is scope to use other Group staff and/or offices 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 CRO 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 Risk function identifies 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. At group level, 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 Company's 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.

Inflation Risk

Inflation has continued to be a focus during the year. Higher inflation, particularly over long periods, can impact both the Company's claims reserves and the value of its investment portfolio. The Company's long-term claims are most at risk to inflation. This risk is mitigated by the intra-group reinsurance arrangement, where these liabilities are 100% reinsured, noting that this reinsurance was commuted as part of the change in ownership in February 2024. On the investment portfolio, the aim is to match liabilities across duration for interest rate risk and inflation and this is regularly monitored for compliance.

C.7 ANY OTHER DISCLOSURES

Not applicable.

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, with 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		104,057	104,057
Reinsurers' share of technical provisions	1	260,728	178,313
Debtors arising out of direct insurance operations		13,479	13,479
Other assets		201	201
Total assets		378,465	296,050

Notes:

1. Difference due to difference between Irish GAAP and Solvency II regime, mainly due to non-discounting and additional prudence margins under GAAP.

D.2 TECHNICAL PROVISIONS

The technical provisions comprise the best estimate of liabilities 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 SCR 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 2023, together with comparatives for the previous year.

	Gross Best Estimate	Net Best Estimate	Risk margin
	2023	2023	2023
	€000	€000	€000
By material line of business:			
Motor	3,938	1,385	136
Liability	147,161	54,694	5,352
Other	907	-	-
Annuities stemming from non-life insurance contracts	85,184	2,798	3,076
	237,190	58,877	8,564
	2022	2022	2022
	€000	€000	€000
By material line of business:			
Motor	3,802	1,337	136
Liability	154,900	57,887	5,869
Other	2,713	1	-
Annuities stemming from non-life insurance contracts	79,801	2,757	2,969
	241,216	61,982	8,974

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.
- Solvency II reserves are discounted at the risk-free rate. The GAAP reserves are undiscounted.
- 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.

The total of these adjustments result in the technical provisions on the Solvency II balance sheet being €73 million lower (2022: €79 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:

- *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 run-off 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.
- *ENIDs and expense provisions*: these necessarily rely on expert judgements (especially ENIDs) and so there are uncertainties associated with these being too high or too low.

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.

In February 2024, the intra-group reinsurance arrangement was commuted as part of the change in ownership, and the Company received €73.7 million of capital from its parent.

E.1 OWN FUNDS

The table below shows the Company's own funds at 31 December 2023.

	Tier 1	Tier 2	Tier 3	Total
	€000	€000	€000	€000
Basic own funds				
Ordinary share capital	52,717	-	-	52,717
Reconciliation reserve	(28,225)	-	-	(28,225)
Subordinated liabilities	-	24,056	-	24,056
Total basic own funds	24,492	24,056	-	48,548
Available and eligible own funds				
Total available own funds to meet the SCR	24,492	24,056	-	48,548
Total available own funds to meet the MCR	24,492	24,056	-	48,548
Total eligible own funds to meet the SCR	24,492	15,069	-	39,561
Total eligible own funds to meet the MCR	24,492	1,507	-	25,999
SCR				30,139
MCR				7,535
Ratio of Eligible own funds to SCR				131.3%
Ratio of Eligible own funds to MCR				345.0%

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.

Tier 2 and Tier 3 items are subject to eligibility rules for meeting the SCR and MCR. For meeting the SCR, the sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the SCR, and for meeting the MCR, the sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 20% of the MCR.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The table below shows the components of the SCR at 31 December 2023, together with comparatives for the previous year.

	2023	2022
	€000	€000
By risk module		
Market risk	11,044	15,300
Default risk	3,343	2,856
Non-life risk	17,884	18,965
Life risk	617	619
Basic SCR before diversification	32,888	37,740
Diversification Benefits	(7,693)	(8,948)
Basic SCR	25,195	28,792
Operational risk	4,944	5,202
SCR	30,139	33,994
MCR	7,535	9,255

The SCR has decreased by €3.9 million since the prior year. This is mainly due to a decrease in the market risk charges, resulting from changes in the Company's investment portfolio that took place ahead of the financial year-end in preparation for the change in ownership in February 2024. These changes involved the removal of certain Catalina specific investments.

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.04.05.21 Premiums, Claims and Expenses - by country
- S.05.01.02 Premiums, Claims and Expenses - by line of business
- 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

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-linked
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

	Solvency II value
	C0010
R0030	
R0040	
R0050	
R0060	0
R0070	100,968
R0080	2,052
R0090	
R0100	
R0110	
R0120	
R0130	63,391
R0140	18,842
R0150	44,549
R0160	
R0170	
R0180	28,881
R0190	
R0200	6,643
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	178,313
R0280	95,927
R0290	95,927
R0300	
R0310	82,386
R0320	
R0330	82,386
R0340	
R0350	
R0360	7,485
R0370	5,994
R0380	
R0390	
R0400	
R0410	3,089
R0420	201
R0500	296,050

Liabilities

Technical provisions – non-life
Technical provisions – non-life (excluding health)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions - health (similar to non-life)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions - life (excluding index-linked and unit-linked)
Technical provisions - health (similar to life)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions – life (excluding health and index-linked and unit-linked)
Technical provisions calculated as a whole
Best Estimate
Risk margin
Technical provisions – index-linked and unit-linked
Technical provisions calculated as a whole
Best Estimate
Risk margin
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institutions
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
Subordinated liabilities not in Basic Own Funds
Subordinated liabilities in Basic Own Funds
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

	Solvency II value
	C0010
R0510	157,495
R0520	157,495
R0530	
R0540	152,006
R0550	5,488
R0560	
R0570	
R0580	
R0590	
R0600	88,259
R0610	
R0620	
R0630	
R0640	
R0650	88,259
R0660	
R0670	85,184
R0680	3,076
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	
R0790	181
R0800	
R0810	
R0820	1
R0830	
R0840	124
R0850	24,056
R0860	
R0870	24,056
R0880	1,442
R0900	271,558
R1000	24,492

Annex I
S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

	Home Country	Top 5 countries: non-life				
		C0011	C0012	C0013	C0014	C0015
R0010	DE	DE	DE	DE	DE	DE
	C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)						
Gross Written Premium (direct)	R0020					
Gross Written Premium (proportional reinsurance)	R0021					
Gross Written Premium (non-proportional reinsurance)	R0022					
Premiums earned (gross)						
Gross Earned Premium (direct)	R0030					
Gross Earned Premium (proportional reinsurance)	R0031					
Gross Earned Premium (non-proportional reinsurance)	R0032					
Claims incurred (gross)						
Claims incurred (direct)	R0040	14,675,000				
Claims incurred (proportional reinsurance)	R0041					
Claims incurred (non-proportional reinsurance)	R0042					
Expenses incurred (gross)						
Gross Expenses Incurred (direct)	R0050	130,395				
Gross Expenses Incurred (proportional reinsurance)	R0051					
Gross Expenses Incurred (non-proportional reinsurance)	R0052					

Home country: Life insurance and reinsurance obligations

	Home Country	Top 5 countries: life				
		C0031	C0032	C0033	C0034	C0035
	GB	GB	GB	GB	GB	GB
	C0030	C0040	C0041	C0042	C0043	C0044
Gross Written Premium	R1020					
Gross Earned Premium	R1030					
Claims incurred	R1040	4,339,993	2,917,122			
Gross Expenses Incurred	R1050					

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							85,184		85,184						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080							82,386		82,386						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090							2,798		2,798						
Risk Margin	R0100							3,076		3,076						
Technical provisions - total	R0200							88,259		88,259						

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Non-Life Technical Provisions

Technical provisions calculated as a whole
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM
Best estimate
Premium provisions
Gross
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
Net Best Estimate of Premium Provisions

Claims provisions
Gross
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
Net Best Estimate of Claims Provisions

Total Best estimate - gross
Total Best estimate - net
Risk margin
Technical provisions - total
Technical provisions - total
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	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	marine, aviation and transport		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010																	
R0050																	
R0060																	
R0140																	
R0150																	
R0160				3,938				147,161				907					152,006
R0240				2,553				92,467				907					95,927
R0250				1,385				54,694				0					56,080
R0260				3,938				147,161				907					152,006
R0270				1,385				54,694				0					56,080
R0280				136				5,353				0					5,488
R0320				4,073				152,514				907					157,495
R0330				2,553				92,467				907					95,927
R0340				1,521				60,047				0					61,568

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Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]
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Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)				
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180		
Prior																	
R0100																	
2014	R0160	1,673	1,012	1,057	198	61	7	8		0	1	R0100	27,428	R0160	1	27,428	4,016
2015	R0170	247	493	141	192	23	-60	-1	0	4		R0170	4	R0170	4	1,040	
2016	R0180	83	207	147	34	10	7					R0180		R0180		488	
2017	R0190	59	81	25	3	2						R0190		R0190		170	
2018	R0200	16	26	5	11							R0200		R0200		58	
2019	R0210											R0210					
2020	R0220											R0220					
2021	R0230											R0230					
2022	R0240											R0240					
2023	R0250											R0250					
Total	R0260											R0260	27,434			33,199	

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year	Development year											Year end (discounted data)	
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior													
R0100													
2014	R0160		949	305	241	221	232	247	212	109		R0100	151,608
2015	R0170	1,477	831	378	407	423	443	471	197			R0160	105
2016	R0180	2,571	604	410	385	353	305	279	63			R0170	190
2017	R0190	2,349	354	309	300	288	295	55				R0180	61
2018	R0200	69	14	32	5	-8	-7					R0190	53
2019	R0210	-3	-7	-7	-8	-5						R0200	-7
2020	R0220	2	2									R0210	-4
2021	R0230											R0220	
2022	R0240											R0230	
2023	R0250											R0240	
Total	R0260											R0250	
												R0260	152,006

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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 2015/35					
Ordinary share capital (gross of own shares)	R0010 52,717	52,717			
Share premium account related to ordinary share capital	R0030				
Initial 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 -39,225	-39,225			
Subordinated liabilities	R0140 24,056			24,056	
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 48,548	24,492		24,056	
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	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400				
Available and eligible own funds					
Total available own funds to meet the SCR	R0500 48,548	24,492		24,056	
Total available own funds to meet the MCR	R0510 48,548	24,492		24,056	
Total eligible own funds to meet the SCR	R0540 39,561	24,492		15,070	
Total eligible own funds to meet the MCR	R0550 25,999	24,492		1,507	
SCR	R0580 30,139				
MCR	R0600 7,535				
Ratio of Eligible own funds to SCR	R0620 131,26%				
Ratio of Eligible own funds to MCR	R0640 345,05%				

	C0060
Reconciliation reserve	
Excess of assets over liabilities	R0700 24,492
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 -39,225
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

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Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
 Counterparty default risk
 Life underwriting risk
 Health underwriting risk
 Non-life underwriting risk
 Diversification
 Intangible asset risk
Basic Solvency Capital Requirement

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	11,044		
R0020	3,343		
R0030	617		
R0040			
R0050	17,884		
R0060	-7,693		
R0070			
R0100	25,196		

Calculation of Solvency Capital Requirement

Operational risk
 Loss-absorbing capacity of technical provisions
 Loss-absorbing capacity of deferred taxes
 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set
 of which, capital add-ons already set - Article 37 (1) Type a
 of which, capital add-ons already set - Article 37 (1) Type b
 of which, capital add-ons already set - Article 37 (1) Type c
 of which, capital add-ons already set - Article 37 (1) Type d

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
 Total amount of Notional Solvency Capital Requirement for remaining part
 Total amount of Notional Solvency Capital Requirements for ring fenced funds
 Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
 Diversification effects due to RFF nSCR aggregation for article 304

	C0100
R0130	4,944
R0140	
R0150	
R0160	
R0200	30,139
R0210	
R0211	
R0212	
R0213	
R0214	
R0220	30,139
R0400	
R0410	
R0420	
R0430	
R0440	

Approach to tax rate

Approach based on average tax rate

	Yes/No
	C0109
R0590	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)

Calculation of loss absorbing capacity of deferred taxes

LAC DT
 LAC DT justified by reversion of deferred tax liabilities
 LAC DT justified by reference to probable future taxable economic profit
 LAC DT justified by carry back, current year
 LAC DT justified by carry back, future years
 Maximum LAC DT

	LAC DT
	C0130
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	

Annex I

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

	MCR components		
	R0010	C0010	
MCR _{NL} Result		5,751	
		Background information	
		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	1,385	
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		
General liability insurance and proportional reinsurance	R0090	54,694	
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	0	
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

	R0200	C0040
MCR _L Result		59

Total capital at risk for all life (re)insurance obligations

	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	
Total capital at risk for all life (re)insurance obligations	R0250	

Overall MCR calculation

	R0300	C0070
Linear MCR		5,810
SCR		30,139
MCR cap		13,563
MCR floor		7,535
Combined MCR		7,535
Absolute floor of the MCR		4,000
Minimum Capital Requirement	R0400	7,535