Solvency & Financial Condition Report

BMS International Insurance DAC

Report Dated 31st December 2017

Table of Contents

Summary **1**

A : Business Performance: Year Ended 31st December 2017 ..... **2**

A.1 General Information about the Business *2*

A.2 Underwriting Performance *3*

A.3 Financial Performance *5*

A.4 Investment Performance *6*

B : Systems of Governance **6**

B.1 General Information *6*

B.2 Fit and Proper Requirements *13*

B.3 Risk Management System *14*

B.4 Internal Control System *20*

B.5 Outsourcing *22*

C : Risk Profile **23**

C.1 Underwriting Risk *23*

C.2 Market Risk *24*

C.3 Credit Risk *24*

C.4 Liquidity Risk *24*

C.5 Operational Risk *24*

C.6 Regulatory Risk *25*

C.7 Other Material Risks *25*

D : Valuation for Solvency Purposes **26**

D.1 Assets *26*

D.2 Technical Provisions *26*

D.3 Other Liabilities *28*

D.4 Alternative methods for valuation *29*

E : Capital Management **30**

E.1 Own Funds *30*

E.2 SCR & MCR *31*

E.3 Use of duration based equity risk Sub module in SCR calculation *31*

E.4 Non Compliance with MCR and SCR during the period *31*

Appendix **32**

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Summary

The Solvency & Financial Condition Report ("SFCR") is BMS International Insurance DAC's ("BMSIIDAC" or "the Company") annual public report as required by the Solvency II Directive 2009/138/EC in order to guarantee transparency in the Insurance and Reinsurance market.

This document has been conducted with reference to:

- Article 51 of the Solvency II Directive 2009/138/EC
- Chapter XII of the EU Delegated Acts (2015/35)
- Guidelines on reporting and public disclosure issued by EIOPA on 28 January 2015 ("the EIOPA Guidelines")

The Company's business model is conservative and has not changed in the recent years, with the exception of last year where the leverage of risk transfer to the reinsurance market has been decreased and a more cautious reserving policy was adopted. The results of the operations continued to be positive and the profits are retained in the Company enhancing its financial position. From the information disclosed below and the risk management activities carried out during the year emerges that:

- its risk profile allows the Company to continue pursuing its business strategy;
- the simplistic composition of its Balance Sheet does not require different valuation methods for solvency purposes;
- its Capital Management is subordinated to the respect of the Regulatory Capital Requirements and the Appetite and Tolerance level agreed by the Board of Directors.

A : Business Performance: Year Ended 31st December 2017

This Solvency & Financial Condition Report ("SFCR") has been prepared to allow BMS International Insurance DAC ("BMSIIDAC" or "the Company") to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ("the Solvency II Directive")

The Company has set a target Solvency Capital Requirement ("SCR") cover ratio of 120%.

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland on 28th November 1994 and is owned subsidiary of Swords Laboratories which in turn is a wholly owned subsidiary of Bristol-Myers Squibb Company. It is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

The ultimate parent company of BMSIIDAC is Bristol-Myers Squibb Company, incorporated in the United States.

Supervisory Authority

The Central Bank of Ireland (CBI)
The principal office: New Wapping Street, North Wall Quay, Dublin 1, Ireland

Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 225319

Auditor

Mazars

Address: Block 3, Harcourt Centre, Harcourt Road, Dublin 2

Risk Profile

BMS International Insurance DAC is licenced to write the following classes of business

- Class 1 Accident
- Class 2 Sickness
- Class 7 Goods in Transit
- Class 8 Fire and Natural Forces
- Class 9 Other Damage to Property
- Class 13 General Liability
- Class 16 Miscellaneous Financial Loss
- Class 18 Assistance

Material Geographical Areas

- EU/EEA (mainly Ireland, Italy and France)
- Non EU/EEA

Significant events in the reporting period

There were no significant events within the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

2017 (all in USD)				
Gross Premium Written:	**PDBI**	**General Liability**	**PAT**	**Total**
Risks located in Ireland	553,500	275,000	1,000	829,500
Risks located in other EU countries	1,057,000	1,004,500	159,000	2,220,480
Risks Located outside EU	17,222	12,000	20,000	49,242
Total	**1,627,722**	**1,291,500**	**180,000**	**3,099,222**

2016 (all in USD)				
Gross Premium Written:	**PDBI**	**General Liability**	**PAT**	**Total**
Risks located in Ireland	675,000	275,000	1,000	951,000
Risks located in other EU countries	1,290,500	1,004,500	159,000	2,454,000
Risks Located outside EU	21,000	12,000	20,000	53,000
Total	**1,986,500**	**1,291,500**	**180,000**	**3,458,000**

2017 (all in USD)				
Technical Result:	**PDBI**	**General Liability**	**PAT**	**Total**
Gross earned premium	1,806,114	1,291,500	180,000	3,277,614
Gross claims paid	-	(185,408)	(3,785)	(189,193)
Change in the gross claims provision	108,713	(612,270)	3,097	(500,460)
Gross operating expenses	(227,796)	(162,890)	(22,703)	(413,389)
Reinsurance premiums paid	(500,000)	-	-	(500,000)
Change in the reinsurance unearned premiums	-	-	-	-
Reinsurance receivable	-	118,998	-	118,998
Allocated investment return	27,046	19,340	2,695	49,081
Net technical result	**1,214,077**	**469,270**	**159,304**	**1,842,651**

2016 (all in USD)				
Technical Result:	**PDBI**	**General Liability**	**PAT**	**Total**
Gross Earned Premium	1,951,838	1,291,500	180,000	3,423,338
Gross incurred claims	-	(685,022)	(5,238)	(690,260)
Change in the gross claims provision	(383,788)	(773,350)	(94,654)	(1,251,792)
Gross operating expenses	(201,423)	(133,278)	(18,575)	(353,277)
Reinsurance premiums paid	(500,000)	-	-	(500,000)
Change in the reinsurance unearned premiums	(299,866)	-	-	(299,866)
Reinsurance balance	(297)	347,157	-	346,860
Allocated investment return	7,943	5,256	733	13,932
Net technical result	**574,407**	**52,263**	**62,266**	**688,936**

A.3 Financial Performance

	2017 USD	2016 USD
Gross premiums written	3,099,222	3,458,000
Outward reinsurance premiums	(500,000)	(500,000)
Net premiums written	**2,599,222**	**2,958,000**
Change in the gross provision for unearned premiums	178,392	(34,662)
Change in the provision for unearned premiums, reinsurer's share	-	(299,866)
Earned premiums, net of reinsurance	**2,777,614**	**2,623,472**
Allocated investment return transferred from the non-technical account	49,081	13,932
Claims paid, gross and net	(189,193)	(590,557)
Change in the provision for claims, gross and net	(381,462)	(1,004,635)
Claims incurred, net of reinsurance	**(570,655)**	**(1,595,192)**
Net operating expenses	(413,389)	(353,277)
Balance on the technical account for general business	**1,842,651**	**688,935**
Investment Income (net of expenses)	151,784	65,056
Less: Investment Income Allocated to technical account	(49,081)	(13,932)
Foreign Exchange (Loss) / Gain	1,965	(551)
Profit on ordinary activities before taxation	**1,947,319**	**739,509**
Taxation charge	(226,007)	(86,511)
Profit on ordinary activities after taxation	**1,721,312**	**652,998**

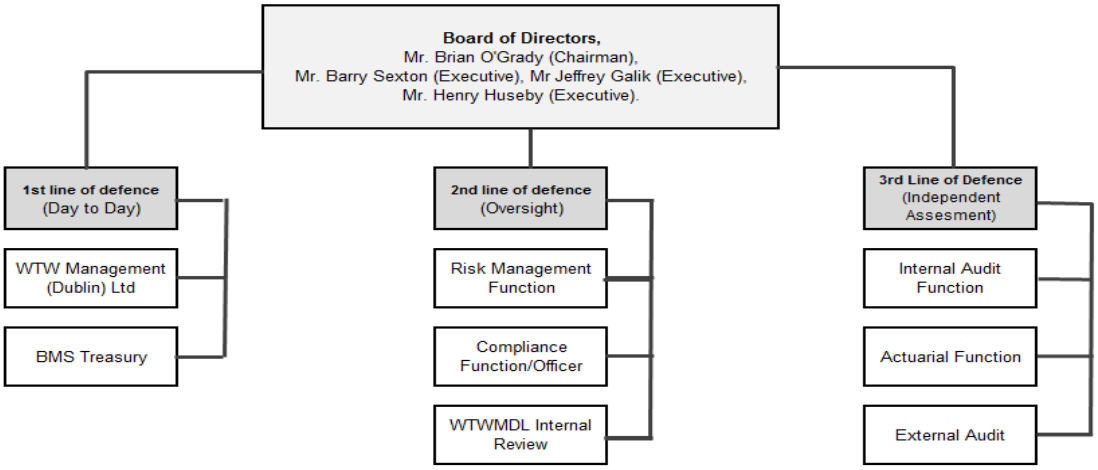
A.4 Investment Performance

Total investment income for the financial year ended 31 December 2017 was equal to USD 156,633 (2016: USD 69,711) and the investment expenses and charges are USD 4,849 (in 2016 USD 4,654).

B : Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of BMS International Insurance DAC as at 31st December 2017 comprised as follows:

Name	PCF	Date Appointed by the Board
Brian O'Grady	Chairman (PCF-3) & Executive Director(PCF-1)	21 October 2005 Reappointed as Chairman 24 October 2016
Barry Sexton	Executive Director (PCF-1)	26 November 2009
Jeffrey Galik	Executive Director (PCF-1)	14 October 2009
Henry Huseby	Executive Director (PCF-1)	6 January 2017

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the Company.
- Setting the business strategy for the Company.
- Ensuring that risk and compliance are properly managed in the Company.
- Establishing banking mandates.
- Determining the Investment Policy (to be reviewed by the Board annually).
- Insurance policy terms and conditions (including Reinsurance).
- Insurance pricing.
- Loss Reserve strategy.
- Appointment of Reinsurers.
- Capital and calling-up of capital.
- Appointment of Auditors.
- Appointment of Signing Actuary.
- Appointment of Corporate Secretary.
- Appointment of Insurance Managers.
- Appointment of Investment Managers.
- Appointment of Bankers.
- Appointment of Lawyers.
- Appointment of Directors.
- Appointment of Compliance Officer.
- Approving/deciding on the removal of the Head of a Control Function and consequent notification of such decision to the CBI within 5 working days.

- Dividend Recommendations.
- Setting the Risk Appetite of the Company.
- Overall Responsibility for Risk.
- Establish and maintain the Company's internal control framework.
- Identification and appointment of the Key Functions within the Company.
- Own Risk and Solvency Assessment ("ORSA") and related activities.
- Review of policies/procedures (annually).
- Establishment (if appropriate) of various committees and related delegation of duties.
- Sign-off various committees' Terms of Reference (if appropriate).
- Fit and Proper Procedures and approval process.

Audit Committee

BMSIIDAC has not adopted the services of an audit committee.

Information on Remuneration Policies and Practices

As the Company is a Captive Insurance Company, all Director positions are held either by Group employees or members of outsourced service providers. No Board members are individually remunerated for the role as Director and the Company did not have any employees at any time during the year.

Overview of Year Ended 31st December 2017

Two Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 7th March 2017
- 6th November 2017

SFCR was approved by the Board on 18th April 2018.

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Brian O'Grady, Executive Director as the designated person, with the overall responsibility for the outsourced functions. Mr. O'Grady has sufficient knowledge and experience with regard the outsourced key functions and has the ability to challenge the performance and results of the respective service providers. The following key functions are outsourced by the Company:

- Underwriting Activities – Willis Towers Watson Management Dublin Limited (WTWMDL)
- Accounting and Finance Activities – WTWMDL
- Actuarial Function - WTWMDL
- Compliance Function - WTWMDL
- Risk Management Function – WTWMDL
- Internal Audit Function – PricewaterhouseCoopers

Risk Management Function

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited (WTWMDL), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board will review the composition of its Risk Management Function at least annually.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Compliance Function

In accordance with the Solvency II Directive and the relevant EIOPA and CBI Guidelines, the Company has established its Compliance Function, the performance of which has been outsourced to the Insurance Managers, Willis Towers Watson Management (Dublin) Limited.

In addition, in accordance with the Central Bank of Ireland's "Corporate Governance for Code for Captive (Re) Insurance Undertakings" and the EIOPA and Central Bank of Ireland Guidelines on the System of Governance under Solvency II, the Board of the Company appointed a designated Head of Compliance, which pursuant to the CBI Fitness & Probity Standards is considered as performing a Pre-Approval Controlled Function (PCF12) role within the undertaking (please refer also to the Fitness & Probity Policy of the Company and to the relevant F&P Register).

The appointed Head of Compliance is currently Mr. Gerard Owens and the relevant notification has been made to the CBI accordingly. Ms. Joan Moore is the Compliance Officer of the Company.

The Compliance Function's role and responsibilities shall include the following:

- To identify the legal, regulatory and statutory code requirements, under which the undertaking is authorised and licensed to operate;

- To establish and oversee the establishment of controls, policies and procedures, and to work with other business areas within the undertaking in embedding these controls and policies, thus ensuring that adequate record-keeping is evident to comply with the regulatory requirements on a continuous basis;

- To monitor, or oversee the monitoring of activities of the firm on a risk basis consistent with the controls and procedures in place and to reporting to the Board and senior management of the undertaking on same;

- To advise the Board and senior management of the undertaking of new and impending regulations and standards and of the implication for the firm of compliance with these new requirements;

- To assist the Board and the senior management of the undertaking in the design and implementation of controls necessary to meet the standards in this Policy;

- To prepare the Compliance Policy and the Compliance Plan, to implement the Compliance Monitoring Programme and ensure that they are agreed and approved by the Board on an annual basis;

- To liaise with the Regulator in relation to regulatory reporting and/or regulatory visits or inspections, also in relation to errors or breaches of requirements;

- To make representations to the Regulator and to oversee the development of the necessary procedures or alterations to existing procedures to meet any new regulatory obligations or requirements;

- To prepare and obtain the approval of the Board for policy statements on compliance with Insurance Acts and Corporate Governance Code Regulations, with guidelines issued by the CBI and with other applicable legislation;

- To report to the Board at each Board meeting (bi-annually) on the standards of compliance of the Company with its Compliance Obligations and on the findings of the Compliance Monitoring activity;

- To ensure that breaches on internal control procedures and systems or conditions of authorisation imposed upon the business of the Company are not permitted and notified to the Board and the persons concerned if identified;

- To notify the CBI of any breach of the conditions of its authorisation upon becoming aware of such breach;

- To promote a "culture of compliance" by example and by clear and well directed communication within the Company;

- To assess the training needs and agree a training plan with those individuals who require compliance competencies as part of their roles; and

- To review products, procedures and systems on a planned basis from the viewpoint of effective compliance and to advise as to steps necessary to ensure compliance.

In order to fulfil the duties outlined above, the Head of Compliance will have all necessary access to books, records, personnel and resources as required to carry out the above activities.

Actuarial Function

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson Global Solutions Consulting Group.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness & Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48).

The Actuarial Function's role can be summarised as providing the Company with the following:

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment ("ORSA") and Solvency Capital Requirement ("SCR") calculations.

- Co-ordinating the calculation of the Technical Provisions.

- Provision of an opinion on the underwriting and reinsurance policy of the Company.

- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.

- Assess the sufficiency and quality of the data used in the calculation of technical provisions.

- Comparison of best estimates against experience.

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is an outsourced service provided by a third party audit firm (PWC). The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function provides a formal report to BMSIIDAC Board at least annually. The findings of Internal Audit reviews conducted are discussed with and challenged by the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13).

PCF Information

PCF Role	Full Name	Approval date	Start date
Chairman of the Board (PCF 3) and Executive Director (PCF 1)	Brian O'Grady	13/08/2013	14/10/2013
Executive Director (PCF 1)	Jeffrey Galik	01/12/2011	01/12/2011
Executive Director (PCF 1)	Henry Huseby	06/01/2017	06/01/2017
Executive Director (PCF 1)	Barry Sexton	01/12/2011	01/12/2011
Head of Actuarial Function (PCF 48)	David Stebbing	01/07/2016	01/07/2016
Chief Risk Officer (PCF 14)	Graham McCarthy	02/12/2016	02/12/2016
Head of Internal Audit (PCF 13)	Ruth Sullivan	06/01/2017	06/01/2017

B.2 Fit and Proper Requirements

BMS International Insurance DAC deems the above personnel to hold Pre Approval Controlled Functions and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards:

Fitness:

The members of the Board of the Company collectively possess the required qualification, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company;
- Of the business strategy and business model of the Company;
- Of the Company's system of governance;
- To perform required financial and actuarial analysis in respect of the Company;
- Of the regulatory framework and requirements applicable to the Company; and
- Generally to be able to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must hold the appropriate qualifications, knowledge and sufficient experience in their relevant disciplines, in compliance with the Fitness and Probity Standards ("The Standards").

Probity:

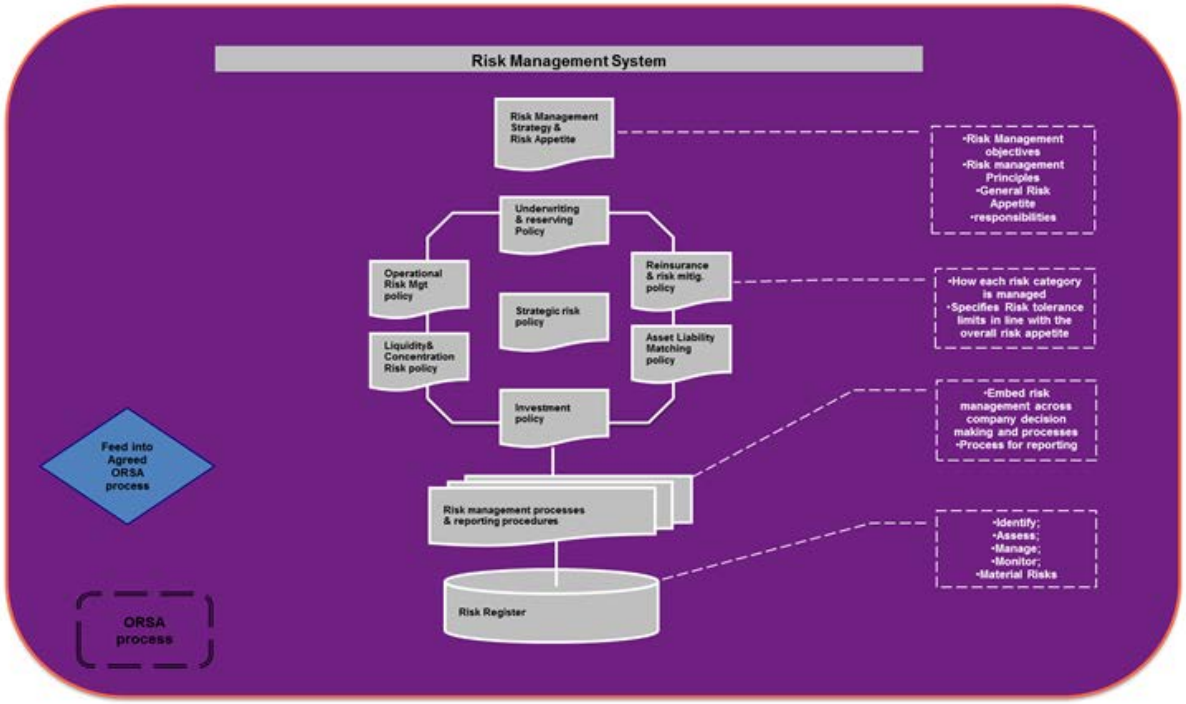
The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

The Company's Risk Management System is comprised of the following elements;

- Risk Appetite Statement ("RAS")
- Risk Register
- Formal Policy Documents for all key risks
- Own Risk and Solvency Assessment ("ORSA")
- Formalised Risk Reporting



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered in both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risk which the Company faces in the course of its business are appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision making process.

Risk Profile

The Company, in considering its risk profile, has regard to the following factors:

Nature:

The nature of the Company's risk is confined with the BMS Group only with no third party policy holders and therefore represents limited systemic risk.

Scale:

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure, relative to the general insurance market.

Complexity:

The Company assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilises reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

Risk Function

The Risk Management Function of the Company is responsible for the operational coordination and application of all Risk Management activities throughout the Company on an ongoing basis.

The Risk Management Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Risk Management Function is responsible for the coordination of all risk management activities throughout the Company.

The Risk Management Function is also responsible for providing the Board with assistance and support in the development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Management Function to Willis Towers Watson Management (Dublin) Limited in accordance with the Company's Outsourcing Policy and the terms and conditions of the Management Services Agreement.

Risk Categories & Key Risks

Key risks are considered to be the six risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board of Directors.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the Risk Appetite Statement.

All key risks are documented in the Risk Appetite Statement and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are:

- Underwriting and Reserving Risk
- Reinsurance and Other Risk Mitigation Techniques
- Operational Risk
- Investment Risk
- Asset-Liability Management Risk
- Liquidity Risk

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least;

- Quarterly
- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business
- At the discretion or order of the Board

Risk Appetite Statement

The Company has in place a Risk Appetite Statement ("RAS"). The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for setting the Company's RAS. The Board periodically reviews the appropriateness and effectiveness of the RAS and performs a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS is embedded within the decision making processes of the Company. The Board of Directors, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the Central Bank of Ireland.

Monitoring of the actual performance against the metrics identified in the RAS is performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's qualitative risk appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the Risk Appetite Matrix.

Risk Policies

The Company has documented a formal policy for each key risk included in the RAS. The policies for each specific risk are consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk are appropriately reflected in the policy for the risk.

Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to accommodate the risk to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting on the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least a quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of the each review as soon as is practicable and form part of the Risk Management Function's periodic Risk Reporting.

As part of each update, the Risk Register is reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Function advises the Board of the nature and context of the risk. The Board then determines whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an

Own Risk and Solvency Assessment ("ORSA") at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

ORSA - Approach taken:

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following paragraphs provide a summary of the approach taken by the Board:

- A Board Meeting takes place in quarter 1 of each year to review Risk Register and Risk Appetite Statement and to approve the new ORSA framework and related items including Stressed scenarios;

- The Board approve the ORSA Report before 31st of December each year.

The Board of Directors intend to provide substantial input and discuss in detail the various aspects of the ORSA, and adjust as and when considered necessary.

Own Risk Assessment

The first element of the ORSA process was to ascertain the Company's Own Risk Assessment ("ORSA"). ORSA is a method of identifying its material risks in the context of its Risk Profile, Risk Register and Risk Appetite Statement. The following areas for assessment were identified in respect of the Company's material risks:

- The Maximum Value at Risk ("VAR") for each identified key risk of the Company,

- The controls and risk management arrangements in place which act to mitigate each risk,

- The basis for measurement and assessment of the risk over the planning period,

- The current experience of each individual risk,

- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.

- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

Risk Reporting

The Risk Management Function formally reports to the Board on a quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are breached.

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

B.4 Internal Control System

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of Internal Controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;

- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;

- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;

- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and

- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The contracted Management Company has procedures manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting
- Claims reserving
- Claims settlement
- Management accounts preparation
- General bank payments
- Bank reconciliations
- Compliance

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

Regular

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Quarterly Financial reporting to Group
- Detailed bi-annual reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.

- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board

- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients

- The Company's accounts are audited annually by the external Auditor. No material control issues have been raised to date on the operations of the Company.

B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise achieve on a standalone basis, or where appropriate due to the nature, scale and complexity of the operations of the Company. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage, monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ("SLA"). The SLA's include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers are formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service providers acting in an outsourced capacity, no material deficiencies noted.

C : Risk Profile

The Company operates a low-risk business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows Management, the Risk Function and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable.

As its primary insurance activity the Company assumes risks relating to Property Damage and Business Interruption ("PDBI") coverage, General Liability ("GL"), and Personal Accident Travel coverage ("PA") relating to the Group.

The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The insurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of reinsurance.

The Company manages it's insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportionate facultative reinsurance to reduce the Company's net exposure.

Ceded reinsurance contains credit risk and reinsurance recoverable that are reported after deductions, if any, for known insolvencies and uncollectible items. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually. The Company

utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

C.2 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets. The Company therefore only invests in line with the Company's Investment Policy which is reviewed on an annual basis by the Board of Directors.

The Company has little appetite for concentration risk in relation to investments and therefore seek to invest its assets in short-term fixed deposits with a number of primary credit institutions with a strong credit rating. All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium, which is achieved by investing in money market instruments with a short duration and with counterparties with a strong credit rate.

Counterparty Default Risk

The Group utilises reinsurance to manage efficiently insurance risk. The Group is therefore exposed to the failure of these counterparties. The exposure is managed by ensuring a general minimum credit rating of A- or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

The Company's Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when insured obligations will and could fall due given the nature and scale of the Company being a Captive Insurer. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

C.5 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This

process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and is therefore exposed to the potential failure of these outsourcing partners. The Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

C.6 Regulatory Risk

The Regulatory Risk is described as the risk of non-compliance with the Regulatory Capital requirements and with the appetite and tolerance levels agreed in the Risk Appetite Statement. The approach of the Company towards the Regulatory Risk is very conservative and is managed in the context of the Capital Management strategy of the Company

C.7 Other Material Risks

The Company considers that there are no other Material Risk to be considered at this time.

D : Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The main difference is due to the valuation of the Reinsurance share of the Technical Provision which, according to the Solvency II regulation, are calculated based on the Best Estimate method and the exclusion of the Premium Receivable.

Material Differences in the above used for valuation in Financial Statements

BMS International Insurance DAC Assets (USD)	Current Accounting Bases	SII Valuation Principles
Investments	16,500,000	16,500,000
Reinsurance share of TP - non-life excluding health	654,110	1,492,001
Premium receivable	22,371	-
Cash & Cash Equivalents	443,205	443,205
Any Other Assets, Not Elsewhere Shown	140,238	140,238
Total assets	17,759,924	18,575,443

D.2 Technical Provisions

Valuation of Technical Provisions per Line of business

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the balance sheet is required to be valued on a “best estimate” discounted cash flow basis. This leads to differences in claims provision between Financial Statements and Solvency II.

The table below sets out the results of the Technical provision calculations on the Financial Statements and Solvency II basis.

BMS International Insurance DAC Liabilities (USD)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	4,098,041	5,730,144
Best Estimate	-	*5,369,994*
Risk Margin	-	*360,150*
Other payables	261,186	261,186
Total liabilities	4,359,227	5,991,330

The Solvency II Directive regulation requires the inclusion of "run-off" expenses to be incorporated into the Solvency II calculation. This has been added to the net technical provisions for the Company.

Claims Provision

As at the reporting date, the Company had outstanding losses reported mainly in the General Liability line of business and the Technical Provisions include a substantial portion of Incurred but not Reported (IBNR) provisions as per Reserving Policy.

Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

Simplification

The Company utilises the standard formula for the calculation of its Solvency Capital Requirement ('SCR'). Simplification method two is used for the standard formula.

Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Assumed loss ratio:** This is used to capture the expected profit in the unearned premium reserve. We have assumed a 76% loss ratio that being the upper quartile of the historical Lloyds loss ratios over the previous ten years (for commercial property).

- **Settlement period:** Most of the risks being underwritten are short-tailed. We have assumed that risk would run off within 7 years.

- **Discount rate:** Current yields are very low and close to zero, which means that almost no discounting is applied to the Technical Provisions given the risks underwritten by the Captive is short-tailed.

- **Expenses:** The total expenses involved in the operation of the Company are small when compared to other elements in the calculation of the technical provisions.

- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by USD 1,492,001.

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, dated 6 November 2017, refers to the below key principle:

> *"That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and risk appetite statement."*

It is noted that: "The use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels. The Board were satisfied with the effectiveness of the reinsurance arrangements in place.

It is also noted that, the BMS Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance services is a conscious decision made in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

Matching Adjustments, Volatility Adjustments and Transitional Measures

The Company has no matching adjustments, volatility adjustments or transitional measures as at the reporting period.

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Initial measurement

All financial liabilities are initially measured at transaction price.

LIABILITIES	USD
Creditors arising out of insurance operations	401
Other creditors including taxation and social security	260,786
Total	**261,186**

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under FRS financial statements and Solvency II valuation.

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

E : Capital Management

E.1 Own Funds

The Company has Tier 1 basic own funds composed of ordinary share capital and retained earnings.

The Company's ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The difference between the Company's equity as shown in its audited financial statements and the excess of assets over liabilities as calculated for solvency purposes is called Reconciliation Reserve which is composed of:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements
- the reclassification of the Premium receivable as Asset for the Solvency II purpose

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability. The Minimum Capital Requirement ('MCR') and SCR were calculated using the standard formula.

The Own Funds are managed in accordance with the Company's Capital Management Policy and the main objective is to ensuring the SCR coverage using a time horizon of three-year period as per the Own Risk Solvency Assessment. Any change in the above is reserved to the Board of the Company.

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 120% of the Pillar I solvency capital requirement. On an annual basis, and having regard to the results of stress tests applied to projections over the three year planning period, the Board will consider whether a dividend should be paid to remit any surplus capital above this target.

At the reporting date, no dividends have been declared or paid to Group.

Solvency Capital Position

The table below sets out the Company's Pillar I capital position as at 31 December 2017:

Assets (USD)	Current Accounting Bases	SII Valuation Principles
Total	17,759,924	18,575,443

Liabilities (USD)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	4,098,041	5,730,144
Best Estimate	-	*5,369,994*
Risk Margin	-	*360,150*
Other payables	261,187	261,187
Total liabilities	4,359,227	5,991,330
Assets less Liabilities	13,400,697	12,584,113

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	4,150,474	12,584,113	303%	104%
MCR	4,306,060	12,584,113	292%	

E.2 SCR & MCR

The Company has achieved SCR coverage of 303% and MCR coverage of 292% as at 31 December 2017. It is noted that the MCR is driven by the AMCR (Absolute Minimum Capital Requirement).

E.3 Use of duration based equity risk Sub module in SCR calculation

The Company does not hold any liabilities that require this approach, therefore this is not applicable for the Company.

E.4 Non Compliance with MCR and SCR during the period

The Company was compliant at all times with the MCR and SCR requirements during the reporting period.

Appendix

BMS International Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 December

2017

(Monetary amounts in USD thousands)

General information

Undertaking name	BMS International Insurance DAC
Undertaking identification code	635400DQOBRDLOENF945
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2017
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

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.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	16,500
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	16,500
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	1,492
R0280	*Non-life and health similar to non-life*	1,492
R0290	*Non-life excluding health*	1,492
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	443
R0420	Any other assets, not elsewhere shown	140
R0500	**Total assets**	18,575

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	5,730
R0520	*Technical provisions - non-life (excluding health)*	5,730
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	5,370
R0550	*Risk margin*	360
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	116
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	145
R0900	**Total liabilities**	5,991
R1000	**Excess of assets over liabilities**	12,584

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business							1,628	1,292			180						3,099
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share							500	0			0						500
R0200	Net							1,128	1,292			180						2,599
	Premiums earned																	
R0210	Gross - Direct Business							1,806	1,292			180						3,278
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share							500	0			0						500
R0300	Net							1,306	1,292			180						2,778
	Claims incurred																	
R0310	Gross - Direct Business							-109	798			1						690
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share								119									119
R0400	Net							-109	679			1						571
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net							0	0			0						0
R0550	**Expenses incurred**							220	174			24						418
R1200	**Other expenses**																	
R1300	**Total expenses**																	418

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			IT	FR	BE	GB	ES	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	830	766	724	372	130	87	2,910
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	170	139	141	5	20	4	479
R0200	Net	659	627	583	367	110	84	2,431
	Premiums earned							
R0210	Gross - Direct Business	890	815	775	374	137	89	3,080
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	170	139	141	5	20	4	479
R0300	Net	720	677	633	369	117	85	2,602
	Claims incurred							
R0310	Gross - Direct Business	217	328	264	234	55	52	1,150
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	37	57	46	40	10	9	198
R0400	Net	179	272	218	193	46	43	951
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	111	103	97	50	17	12	391
R1200	**Other expenses**							
R1300	**Total expenses**							391

S.17.01.02

Non-Life Technical Provisions

		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	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**							0	0			0						0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross							607	0			0						607
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							351	0			0						351
R0150	**Net Best Estimate of Premium Provisions**							256	0			0						256
	Claims provisions																	
R0160	Gross							201	4,561			1						4,763
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							133	1,008			0						1,141
R0250	**Net Best Estimate of Claims Provisions**							68	3,553			1						3,622
R0260	**Total best estimate - gross**							808	4,561			1						5,370
R0270	**Total best estimate - net**							325	3,553			1						3,878
R0280	**Risk margin**							118	233			9						360
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**							926	4,793			10						5,730
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**							484	1,008			0						1,492
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**							443	3,785			10						4,238

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Underwriting Year	

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											-973	-973	-973
R0160	2008	18	84	102	58	11	58	22	0	0	0		0	354
R0170	2009	104	41	130	1	0	0	0	0	0			0	275
R0180	2010	104	58	12	1	16	274	68	0				0	535
R0190	2011	2	56	1	140	145	45	0					0	390
R0200	2012	6	171	61	48	109	71						71	465
R0210	2013	1	86	55	118	6							6	267
R0220	2014	10	1	4	1								1	16
R0230	2015	2	340	27									27	369
R0240	2016	6	81										81	88
R0250	2017	4											4	4
R0260												Total	-783	1,789

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2008	0	0	0	0	0	0	0	0	0	0		0
R0170	2009	0	0	0	0	0	0	0	0	0			0
R0180	2010	0	0	0	0	0	110	39	101				96
R0190	2011	0	0	0	0	66	0	0					0
R0200	2012	0	0	0	263	258	665						629
R0210	2013	0	0	252	225	435							412
R0220	2014	0	72	70	417								394
R0230	2015	36	406	1,015									960
R0240	2016	2,148	1,783										1,687
R0250	2017	614											585
R0260												Total	4,763

S.23.01.01

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	1,000	1,000		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	11,584	11,584			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	12,584	12,584	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	12,584	12,584	0	0	0
R0510	Total available own funds to meet the MCR	12,584	12,584	0	0	
R0540	Total eligible own funds to meet the SCR	12,584	12,584	0	0	0
R0550	Total eligible own funds to meet the MCR	12,584	12,584	0	0	
R0580	**SCR**	4,150				
R0600	**MCR**	4,306				
R0620	**Ratio of Eligible own funds to SCR**	303.20%				
R0640	**Ratio of Eligible own funds to MCR**	292.24%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	12,584				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	1,000				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	11,584				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business					
R0790	**Total Expected profits included in future premiums (EPIFP)**	0				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,958		0
R0020	Counterparty default risk	415		
R0030	Life underwriting risk	0		0
R0040	Health underwriting risk	0		0
R0050	Non-life underwriting risk	3,375		0
R0060	Diversification	-1,220		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	4,529		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	161
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-539
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	4,150
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	4,150
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

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
R0010	MCR_{NL} Result	666

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	325	1,128
R0090	General liability insurance and proportional reinsurance	3,553	1,292
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	1	180
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	666
R0310	SCR	4,150
R0320	MCR cap	1,868
R0330	MCR floor	1,038
R0340	Combined MCR	1,038
R0350	Absolute floor of the MCR	4,306
R0400	**Minimum Capital Requirement**	4,306