Canterbury Insurance Designated Activity Company

Undertaking Identification Code: LEI/549300MJZ4EHFH61YM19

Solvency and Financial Condition Report

For the year ended 31 December 2017

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Section A Business and Performance

A.1 Business and Performance Summary

Introduction

Solvency II, the harmonised EU-wide regulatory regime for Insurance Companies, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by insurers. This document is the second edition of the Solvency and Financial Condition Report ("SRCR") that is required to be published by Canterbury Insurance Designated Activity Company ("CIDAC" or "the Company").

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. Ultimate responsibility for all of these matters lies with the Company's Board of Directors, with the help of various governance and control functions that it has put in place to monitor and manage the business.

The Company is required to hold sufficient assets to match its policyholder liabilities at all times and a primary responsibility of the Board is to ensure that the Company's capital is adequate to cover the required solvency for the nature and scale of the business, and the expected operational requirements of the business. A number of mechanisms are in place to evaluate those levels and the outcome of those assessments indicate that the Company's capital is adequate at this time and for the expected requirements in the short to medium term.

The Company's financial year runs to 31 December each year and it reports its results in United States Dollars (US$).

Legal Name, Legal Form & Related Companies

Canterbury Insurance Designated Activity Company was incorporated under the laws of Ireland on 30 April 1996. All shares are held by the Company's parent EY Holdings, Ltd. (the "Parent"), a Bermuda entity owned by several members of Ernst & Young Global Limited. The Company is affiliated with RAM IIC, Inc. ("RAM") and Gloucester Insurance Ltd. ("Gloucester"), both of which are captive insurers with all shares fully held by EY Holdings, Ltd.

Principal Activity & Geographical Area

The principal activity of the Company is to provide practice protection insurance to members of Ernst & Young Global Limited (EY member firms). The Company writes direct business primarily to firms within member nations of the European Union. The Company cedes a portion of risk to Gloucester and to a number of commercial reinsurers.

Significant Events within the reporting period

None.

Business Strategy, Competitive Position, and Significant Regulatory & Legal Issues

The business strategy of the Company is to provide EY member firms with insurance protection that leverages the insurance expertise and capital of the EY organisation to provide such cover on better terms than the member firms could obtain on a local basis from commercial carriers.

The Company operates in a regulated industry but does not face extraordinary significant regulatory and legal challenges.

Location of Business

The Company's registered office and main place of business is situated at:

Block 1
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Regulator

The Central Bank of Ireland ("CBI) is responsible for the financial supervision of the Company and of the Group.

The address of the CBI is:

Central Bank of Ireland
PO Box 559
New Wapping Street
North Wall Quay
Dublin 1
Ireland

General insurance queries should be addressed to **insurance@centralbank.ie**

External Auditor

The address of the independent auditor of the Company is:

EisnerAmper Audit Limited
Chartered Accountants and Statutory Audit Firm
6 The Courtyard Building
Carmanhall Road, Sandyford
Dublin 18
Ireland

A.2 Financial Performance

The financial performance of the Company for the year ended 31 December 2017 and 2016 (as determined using IFRS accounting principles) was as follows:

	2017	2016
	US$ 000	US$ 000
Profit for the year, after taxation	17,738	6,200
Retained profit at the beginning of the year	38,388	32,188
Retained profit at the end of the year	**56,126**	**38,388**

The Company has an expected loss plus cost underwriting pricing model. While some volatility in underwriting results is anticipated (constrained by the intra-group and commercial reinsurance programmes), over the medium term, premiums are expected to match losses incurred and operating expenses – net income is expected to consist of the return on the conservatively-managed investment portfolio less tax.

The Company enjoyed improved underwriting results in 2017 despite a reduction in premium earned as losses incurred were negative, reflecting the release of reserves booked in prior years that are no longer considered necessary. Investment income increased compared with the previous year.

The directors are satisfied with the performance of the Company during the year. The directors do not envisage any change in the principal activity of the Company.

Underwriting Performance

Key Performance Indicator

The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time. Underwriting performance for the year ended 31 December 2017 and 2016 was as follows:

	2017	2016
	US$ 000	US$ 000
Net earned premium for the year	10,513	12,894
Net losses incurred for the year	(2,351)	8,559
Loss ratio expressed as a percentage	**(22%)**	**66%**

The claims experience in 2017 has been better than expected leading to reserve releases on the older policy years. This has led to the negative net incurred losses during the year.

Underwriting performance for the year ended 31 December 2017 by line of business was as follows:

	Practice Protection	Property & Casualty
	US$ 000	US$000
Net earned premium for the year	10,362	115
Net losses incurred for the year	(2,357)	8
Loss ratio expressed as a percentage	**(23%)**	**5%**

The underwriting performance for the year ended 31 December 2016 by line of business was as follows:

	Practice Protection	Property & Casualty
	US$ 000	US$000
Net earned premium for the year	12,792	102
Net losses incurred for the year	8,559	-
Loss ratio expressed as a percentage	**67%**	**NA**

The Directors are satisfied with the underwriting performance of the Company during the year which was within expected parameters. The underwriting results have been stress tested as part of the ORSA process.

A.3 Investment Performance

Key Performance Indicator

The Company follows a capital preservation investment strategy.

Investment income for the year ended 31 December 2017 and 2016 was as follows:

	2017	2016
	US$ 000	US$ 000
Net realized gains (losses)	(3,217)	344
Fair value gains and foreign exchange	12,433	4,456
Interest income	1,219	1,222
Investment income for the year	**10,435**	**6,022**

Investment income for the year ended 31 December 2017 and 2016 by asset class was as follows:

	2017	2016
	US$ 000	US$ 000
Sovereign Debt	1,115	2,053
Emerging Market Debt	3,276	1,492
Equities	2,149	669
Corporate Debt	3,609	1,464
Other	286	344
Investment income for the year	**10,435**	**6,022**

No gains or losses were recognized directly in equity.

The Directors are satisfied with the investment performance of the Company during the year which was within expected parameters and benchmarks. The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval. Canterbury's Investment Policy expresses the company's risk appetite as follows "Limit downside or asset declines due to investment losses to 5% of assets in two out of every three years."

Transactions with the Sole Shareholder

There were no material transactions with the sole shareholder (EY Holdings, Ltd.) during the period under review.

A.4 Other Activities

There were no other material sources of income during the year.

Section B System of Governance

B.1 General Information on the System of Governance

Board of Directors

Dargan FitzGerald	Chairperson & non-executive director
Lisa Cameron	Non-executive director
Alisdair Mann	Non-executive director (appointed 1 July 2017)
Gareth Harman	Non-executive director
Rob Scullion	Executive director
Aidan Walsh	Non-executive director
Jeff Dworken	Non-executive director (resigned 1 July 2017)

Officers

Rob Scullion	Chief Executive Officer, Head of Risk, & Company Secretary
Fionnuala Fahy	Chief Operating Officer
Roderick Gray	Assistant Company Secretary

Control Function Positions

Captive Manager	Aon Insurance Manager (Dublin) Limited
Claims Manager	Lucy Myres (appointed 1 July 2017)
Head of Compliance	Frances Bingham
Head of Internal Audit	Gareth Harman
Head of Actuarial Function	Alex Lee

Investment Committee

Rob Scullion
Alisdair Mann (appointed 1 July 2017)
Gregory Davies

Risk Committee

Lisa Cameron
Fionnuala Fahy
Roderick Gray
Lucy Myres (appointed 1 July 2017)
Rob Scullion

Roles & Responsibilities of the Risk Committee

The Risk Committee assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems
- The implementation of the Company's risk strategy and maintenance thereof
- The oversight of Solvency II developments
- The timely reporting of material deviations from defined risk appetite
- Monitoring the effectiveness, independence and objectivity of the ERM framework

Roles & Responsibilities of the Audit Committee

The Company's parent company's Audit Committee assists the Board in discharging responsibilities for:

- The integrity of the Company's financial statements
- The effectiveness of the Company's internal controls
- The effectiveness of the Company's Internal Audit function
- Monitoring the effectiveness, independence and objectivity of the external auditor.

Roles & Responsibilities of the Investment Committee

The Company's Investment Committee assists the Board in discharging responsibility for the prudent management of the Company's investment portfolio.

Control Functions

Roles & Responsibilities of the Head of the Actuarial Function

Alex Lee

The Head of Actuarial is responsible for the oversight of the Company's Actuarial Function in line with guidance from the CBI and professional actuarial standards.

The responsibilities of the Head of Actuarial Include:

- Coordinating the calculation of the Company's technical provisions

- Assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- Reporting on the solvency position of the Company
- The provision of advice and support to the Company on the ORSA (Own Risk and Solvency Assessment) process, including the financial consequences of stresses and scenarios and the impact of management actions

Roles & Responsibilities of the Head of Internal Audit

Gareth Harman

The Head of Internal Audit assesses the adequacy of the governance, risk management and internal control framework. Internal Audits are conducted within a Board approved audit plan. The Head of Internal Audit reports to the Board.

Internal Audit Reports highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them. In addition to its regular reporting, the Internal Audit Department reports to the Audit Committee.

Roles & Responsibilities of the Head of Risk

Rob Scullion

The Head of Risk is responsible for the implementation of the Company's Risk Management Policy, reporting to the Board's Risk Committee and the Board.

The responsibilities of the Head of Risk include:

- Oversight the Company's Enterprise Risk Management framework
- Identify risk events and identification of new and emerging risks
- To ensure that the annual 'Own Risk and Solvency Assessment' (ORSA) is prepared and submitted to the Board Risk Committee and Board

Roles & Responsibilities of the Head of Compliance

Frances Bingham

The Head of Compliance was appointed, via a formal outsourcing arrangement with Aon Insurance Managers, with responsibility for the implementation of the Company's Compliance Policy and effective processes. The Head of Compliance reports to the Board. The responsibilities of the Head of Compliance include:

- To report on significant instances of non-compliance to the Board
- To monitor Compliance within the Company and its service providers, making recommendations where change is required, and to maintain the Company's Breach Register
- To monitor regulatory change and to inform the Company and its service providers where such changes have implications for the Company's processes

B.2 Fit & Proper Requirements

The Company has adopted a Fitness and Probity Policy, which sets out the due diligence checks that must be performed and which aligns with the Central Bank of Ireland's Guidance on Fitness and Probity Standards.

The following criteria must be satisfied:

- possesses the necessary skills, knowledge, expertise, diligence, relevant qualification and soundness of judgment to undertake and fulfill the particular duties and responsibilities of the particular position
- has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously in their professional career
- possesses the competence, character, diligence, honesty, integrity and judgment to perform properly their duties
- the person does not have a conflict of interest in performing the duties or recuses themselves if a conflict arises
- has not been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding the person's honesty, integrity, or business conduct
- has not been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management
- has sufficient time to devote to the role and associated responsibilities
- financially sound

B.3 Risk Management System & ORSA

The Company's principal risk management tool is the ORSA which is updated and approved annually (or on an ad hoc basis as necessary) by the Board. Through the processes undertaken to prepare the ORSA, management is able to confirm that the Company's risk profile is understood and appropriate for the nature of its business and within the risk appetite established by the Board. The Company's regulatory

capital requirements and technical provisions during the historical period covered by the ORSA have continuously been met, and its capital and solvency positions as of 31 December 2017 were appropriate.

The main objectives of the ORSA are as follows:

- Assessment of the Company's risk profile in the short and medium term
- Review the overall solvency position of the Company, in compliance with regulatory capital requirements and technical provisions
- Enable the integration of risk strategy into the operating business and into the decision making process
- Enhance a common risk understanding within the company's system of governance
- Facilitate a comprehensive ORSA process that is flexible, reactive and able to detect and evaluate changes to the Company's risk profile and the system of governance on an on-going process.
- Enable own risk and solvency assessment
- Support the Company making appropriate forward looking assessments and analysis
- Enhance understanding of industry wide risks
- Ensure adequate documentation is in place to record these processes in an effective and efficient manner

Updating the ORSA involves an iterative process involving:

- Management input
- A discussion of insurance industry risk with EY insurance partners
- A discussion of both organisational and captive risk by the Risk Committee
- A review and updating of the Risk Register
- A review by Internal Audit
- A review of the ORSA by the Board
- A review of the Company's risk tolerance by the Board

In addition, capital scenarios created through various modeling and benchmarking exercises were reviewed and discussed at the Company's Summer Strategy Meeting.

The principal risks and uncertainties that the Company face are, by the very nature of the business, those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgement is involved, the directors adopt a prudent

approach to the provision and valuation of adequate insurance provisions, with annual support and certification being provided by an external actuary.

Internal Control & Risk Management System

Governance Process and Control Framework Review

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board, or Committee.

Risk Committee Meetings

The Risk Committee supports the Head of Risk in performing his responsibilities of identifying risks to the Board and ensuring that mitigation strategies and techniques are created with respect to those risks and previously-identified mitigation techniques and strategies are examined for their effectiveness.

Tax review

An annual tax review is conducted and a transfer pricing report is prepared periodically.

Compliance Function

The Compliance function identifies, assesses, monitors, and reports on the fulfillment by the Company of its legal and regulatory performance as well as such other obligations or responsibilities as requested by the regulator and other relevant parties. The Compliance function maintains a Compliance Plan that identifies its annual compliance activities and which is updated annually.

B.4 Internal Control System

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board or Committee.

B.5 Internal Audit Function

The nature of the work of Internal Audit is to support the Board in their assessment of whether the risk management, control, and governance processes are adequate and functioning in an appropriate manner. The IA function is outsourced to EY Bermuda and is independent of the management of the Company. A three year rolling Internal Audit plan is based upon each of risk register, input from Internal Audit and the Boards.

B.6 The Actuarial Function

The Actuarial services to support the Company are outsourced to Aon. In addition, EY Bermuda provides support with the preparation of Solvency II calculations, while the role of Head of Actuarial Function is held by Alex Lee, an employee of Ernst & Young LLP (UK). Collectively, they provide assistance to management as follows:

- The calculation of expected losses (used for premium setting), losses reserves, and the technical provisions including assessing the uncertainty in the estimates and justifying the differences between successive periods
- Review of the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience.
- The Actuarial function must produce an annual report for the Board. The report should cover all of the information necessary for the Board to form its own opinion on the adequacy of technical provisions and on the underwriting and reinsurance arrangements
- In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the Head of Actuarial contributes to the effective implementation of the risk management system of the Company. In particular:
    - In relation to the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR), the Head of Actuarial reviews the output of the model used by the Company to calculate the SCR and MCR. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised.
    - The preparation of the ORSA including the stress testing of the capital model

B.7 Outsourcing

The Company outsources various functions when there is a sound commercial basis for doing so. As detailed in the Outsourcing Policy, various due diligence reviews are conducted to ensure that outsourced functions are performed appropriately.

The Company defines Outsourcing as an arrangement of any form between itself and a third party service provider, whether a supervised entity or not and whether related or not, by which that service provider performs a process, a service, or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

The Company's outsourcing policy establishes the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important functions and activities. A function or activity is considered to be critical or important if the Company would be unable to deliver its services to policyholders without the function or activity.

The Board is responsible for the approval of all outsourcing arrangements of critical or important functions or activities, and any early termination of such agreements where termination of the arrangement is due to performance issues or breach of contract. The Board is also responsible for assessing the risks associated with the outsourcing of critical or important functions or activities. The Board is responsible for ensuring appropriate notification is made to the supervisory authorities with respect to the outsourcing of critical or important functions or activities, and thereafter where there are material developments or changes with respect to those outsourced functions or activities, including in relation to the service provider.

Management provides an annual report to the Board of its review of the performance of the outsource provider and compare against the required performance as prescribed in the agreed service agreement.

Critical or Important Functions or Activities ("CIFA")

Actuarial Function	Aon (US) & EY (UK)
Claims Management	EY Professional Services Limited (Canada)
Compliance	Aon Dublin & EY Professional Services Limited (Canada)
Financial Accounting	Gloucester Insurance Limited (Bermuda)
Independence	Gloucester Insurance Limited (Bermuda)
Internal Audit	EY (Bermuda)
IT Services	EY Global Services (UK)

B.8 Any Other Information & Adequacy of the System of Governance

The Company has assessed its corporate governance system 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 which is closed to new business.

Material Internal Audit Findings & Recommendations

There were no material internal audit findings and recommendations in the year.

Prudent Person Principle

The Company and Directors comply with the Prudent Person Principal in all aspects of management of the business.

Use of External Credit Assessment

The Company utilizes external credit assessments (rating agency financial strength ratings) of its reinsurance counterparties augmented with guidance from its Risk Committee and advisors. The Company requires its commercial reinsurers to have a minimum of an A- rating and the Directors are satisfied with the appropriateness of such assessments.

C. Risk Profile

C.1 Underwriting Risk – including Claims Management

The Company seeks to mitigate that risk by writing only cover to EY member firms, maintaining a stop loss program with Gloucester, buying commercial reinsurance, and Gloucester's obligation to protect the Company against failures by its reinsurers.

With respect to the premium charged for the risk it underwrites, the Board operates on a prudent basis. In terms of premium, the Board monitors the process for the determination of the premium for the PII program to be charged to member firms. Changes to that program cannot take place without the approval of the Board. The Board satisfies itself that the determination of premium is based upon a determination by an independent actuary of the expected losses of the member firms and that the allocation of that amount amongst member firms is based upon a prudent risk based methodology overseen, again, by an independent third party. The Board reviews and approves the pricing of the P&C program generally by reference to similar cover offered in the commercial markets which is more readily comparable.

With respect to claims management, the Company has a low tolerance for claims not being managed in an appropriate fashion. The Company delegates claims management authority to Gloucester who in turn delegates responsibility to EY PII Services Limited. Management of claims as well as strategic decisions is overseen by the Claims Committee (a sub-committee of the Gloucester board). Settlement payments are approved in accordance with a Claims Manual. Significant settlement and payment decisions are also considered by the Board.

C.2 Market Risk

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval. Canterbury's Investment Policy expresses the company's risk appetite as follows "Limit downside or asset declines due to investment losses to 5% of assets in two out of every three years."

C.3 Credit Risk

The Company's risk appetite with respect to counterparty/supplier risk is moderate given that is part of a captive group insuring long-tail business for a multi-billion dollar organization and holds collateral to eliminate credit risk exposure to its principal counterparty. The Company is prepared to accept some risk associated with a supplier providing services which are material or significant to the enterprise; supplier risk in such a case is to be identified and to the extent possible, mitigated. It also has a greater willingness to rely upon one primary reinsurer - Gloucester - than might otherwise be the case, both because of the captive nature of the business, but as well because of the familiarity that the Company's Board has with the operations and management of Gloucester. Having said that, the Company regularly reviews the Gloucester financial statements as well as their critical decisions, to continuously monitor its

comfort with Gloucester as counterparty. The Company carries out an annual review of all outsourced services deemed by the Board to be critical and/or important.

With respect to commercial reinsurers, all reinsurers must have at least an A- rating, as described in the Reinsurance Policy.

All reinsurance decisions are approved by the Board.

C.4 Liquidity Risk

In conjunction with its conservative investment strategy, the Company manages its liquidity on a prudent basis.

The Directors will assess on a periodic basis (no less than annually) the desirability of matching assets with liabilities given the then-current economic circumstances, portfolio of risk written, claims portfolio, and the financial circumstances of the Company. This assessment will be made in the context of the Company's general time period associated with the book of liabilities funded with a conservatively-managed investment strategy founded on capital preservation.

The Board, though, has a low risk appetite for not being able to pay claims as they fall due. A liquidity assessment of the Company's portfolio strategy (the balance of short and longer-term assets) is to be prepared at least annually to ensure that a sufficiently large portion of the portfolio is held in assets that can be readily sold.

C.5 Operational Risk

The Board reviews the Company's operational risk annually to determine the risk appetite of the Company and in addition review whether decisions taken over the previous year were consistent with risk appetite as identified by the Board. A detailed review of the Company's risk register and risk appetite is contained in the ORSA.

The Board takes a broad view in relation to operational risk and considers it to include all risks that could have a material impact on the day to day infrastructural activities undertaken by management including privacy, succession planning and integrity of information platforms.

To manage and monitor risk, the widely known three lines of defence conceptual model is applied: Management is directed to deploy and apply suitable processes and controls; the Head of Risk is charged with a number of monitoring and oversight activities; and internal and external audit provide independent challenge and review.

- The first line of defence uses controls over day-to-day activities embedded in operations
- The second line of defence are committees and functions which provide oversight over the first line controls
- The third line of defence is the oversight provided by internal audit

While the Board is ultimately responsible for ensuring that controls and risk appetite have been followed, it is the responsibility of the Company's management and the individuals involved in the various control area to ensure that controls are being followed and to bring issues relating to the operation of controls to the most appropriate of management, the Board, or internal audit's attention.

C.6 Other Material Risks – Including Concentration Risk

Due to the nature of the business of the Company (i.e. the writing of EY risk) and the number of employees of the Company, the Company has several "concentration" risks. Given the nature of these risks, the Company identifies concentration concerns within its risk categories rather than as a standalone risk so concentration risk is embedded in the underwriting risk taken on by the Company as it only provides insurance covers to the EY organization. Concentration risk also arises within the counterparty/supplier risk as the Company utilizes suppliers to provide material services to the Company.

Off-Balance Sheet Positions & Special Purpose Vehicles

There are no off-balance sheet positions or special purpose vehicles.

Stress Testing & Scenario Testing

As described in the Company's [ORSA], the Company stress tests its underwriting and investment portfolio on an annual basis. The Directors are satisfied that the Company's Own Funds are sufficient to withstand the stresses modelled.

Expected Profits Imbedded in Future Premiums ("EPFFP")

Future premium expected from earned and unearned exposures is included in technical provisions. This results in a decrease in the technical provision amounts, by the amount of premium expected to be received. This item is allowed for as an asset on the balance sheet under IFRS (i.e., the premium receivables) and so there is no change in the net asset position.

Dependencies between risks covered by Risk Modules and the Basic SCR

The calculation of the SCR is based on the standard formula. This includes consideration of dependency both within each risk type (non-life underwriting risk, market risk, counterparty risk and operational risk) and between each of these risk types. This allows for some potential for adverse events impact different factors to which Canterbury is exposed, but also not assuming that every adverse shock modelled within the standard formula occurs simultaneously.

Other material information regarding the Risk Profile

None.

D. Valuation for Solvency Purposes

D.1 Assets

The following table analyses the Company's financial assets at fair value at 31 December 2017 and 2016.

	2017	2016
	US$ 000	US$ 000
Financial Assets at Fair Value	181,286	156,993
Derivatives	117	712
Funds Withheld	12,138	11,850
Reinsurance Balances Receivable	163,684	291,427
Deferred Tax	1,374	2,497
Receivables	-	20,314
Cash & Cash Equivalents	14,482	2,304
Other Assets	477	406
Total Assets	**373,558**	**486,503**

Financial Assets

Financial assets at fair value include debt securities and other fixed income securities. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the investment strategy of the Company.

Derivatives

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments.

Cash and cash equivalents

Cash is comprised of demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For these short term investments, the carrying value approximates the fair value.

Premiums receivable

Premium receivable represents amounts outstanding from individual insured firms. The Company classifies these financial assets as loans and receivables and records them initially at the amount invoiced, being the fair value. Subsequent to initial recognition, the Company reviews individual receivable balances at each statement of financial position date to assess whether any of the balances may be uncollectible and, if so, establishes a provision for doubtful accounts, which is recognized in the statements of comprehensive income. The carrying amount is equal to the outstanding receivable balance, which approximates fair value.

Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Derivative Financial Instruments

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments. The forward foreign currency exchange contracts are classified as held for trading as the financial risk management objective does not qualify for hedge accounting as outlined in IAS 39. When entering into a forward currency exchange contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily, and the Company's net equity therein, representing unrealised gain or loss on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of financial position. Fair values are determined by using quoted market values. Change in unrealised and realised gains and losses are recognized in the statements of comprehensive income.

D.2 Technical Provisions

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position dates and for the expected ultimate cost of claims incurred but not yet emerged at the statement of financial position dates. It can take a significant period of time before the ultimate claims cost can be established with certainty. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The Company cedes insurance risk in the normal course of business. Reinsurance recoverable amounts are estimated in a manner consistent with the respective outstanding claims provision and in accordance with the reinsurance contracts. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. Any impairment loss is recorded in the statements of comprehensive income. No impairment losses were recorded for the years under review.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim, and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by loss years, but can also be further analyzed by geographical area, as well as by significant claim types. The assumptions used are those implicit in the historic claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, changes in foreign currency rates, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as policy conditions and claims handling procedures), in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking into account all of the uncertainties involved.

A risk margin is added under Solvency II to bring the technical provisions up to the amount that an undertaking would require in order to take over and meet the insurance and reinsurance obligations. The risk margin is calculated using a cost of capital approach. The SCR used for the calculation of this risk margin consists of:

- Underwriting risk with respect to existing business
- Counterparty default risk with respect to ceded reinsurance
- Unavoidable market risk, excluding interest rate risk

Technical provisions at 31 December 2017 and 2016 were as follows:

	2017 US$ 000	2016 US$ 000
Best Estimate	223,944	356,154
Risk Margin	8,404	10,443
Technical Provisions (Non-Life)	**232,348**	**366,597**

The Company does not apply matching adjustments, volatility adjustments, or any transitional arrangements to the determination of the risk-free interest rate structure used. The liabilities nearly all relate to the professional indemnity business written.

D.3 Other Liabilities

Contingent liabilities

The Company does not have any such contingent liabilities.

All other liabilities

Other liabilities at 31 December 2017 and 2016 were as follows:

	2017	2016
	US$ 000	US$ 000
Derivatives	467	12
Payables	2,639	3,418
Other Liabilities	**3,106**	**3,430**

Derivatives

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments.

Payables

These comprise of balances payable to related parties, tax, and accrued expenses. No adjustment is required to these valuations for the valuation for solvency purposes as the amounts held under IFRS measurement principles are deemed to be approximations of fair value.

D.4 Alternative Methods for Valuation

The Company does not use any alternative methods for valuation.

Assumptions on future management actions and policy behaviour

Management assumes that in the event of unexpected and material financial underperformance, additional capital support from the parent company would be provided. There are no explicit undertakings from the parent in this regard. Management assumes that in the event of unexpected and

material financial underperformance, the Company would be able to adjust premiums charged to EY member firms.

Simplifications

The Standard Formula calculation is complex, requiring many items of data. Within the calculation there are some minor items which are approximated but which we believe will not make a significant impact on the overall capital requirement and therefore such methodologies are reasonable to adopt:

- After looking through to the underlying investments within the fund holdings there are large number of investments (over 5,000 individual investments). Information provided on these individual investments does not always include the modified asset duration and this has then been estimated based on the maturity date of the investment.
- Within the interest rate risk element of the calculation an approximation has been made to determine the impact of the interest rate shock on the investments based on their duration, rather than explicitly determining the cash flows on all the investments.
- For the man-made catastrophe risk for property there would be a very small exposure from the new property business written since 2016. This has not been separately calculated on the grounds of materiality, it is very small and is net nil to Canterbury so the impact on the capital requirement would be immaterial.

In these cases we believe the adopted approach to be proportional to the nature and scope of the business being modelled and the outcomes would not be materially different should no simplifications be used. These simplifications are monitored by the Actuarial Function for appropriateness on an ongoing basis.

E. Capital Management

E.1 Own Funds

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing nor does it have any plans to raise debt or issue new shares in the short or medium term.

The Company's own funds are primarily invested in debt securities and other fixed income securities. There is no intention to change the disposition of own fund items.

The Company has a low risk appetite with respect to its financial requirements. The Company maintains capital at levels in excess of its SCR and it has low tolerance for errors in its financial records, or in the financial reporting to regulators. The Company monitors its SCR ratio on a quarterly basis and would increase its level of scrutiny in the event that the ratio fell below 150% - in the event that the ratio were to fall below 125%, the Company would implement measures to either bolster Own Funds or measures to reduce capital needs. A five-year time horizon is used for business planning.

Own funds at 31 December 2017 and 2016 were comprised of the following:

	2017	2016
	US$ 000	US$ 000
Ordinary Share Capital	1,600	1,600
Other Own Funds	90,000	90,000
Reconciliation Reserve	45,130	22,380
Net Deferred Tax Assets	1,374	2,497
Total Basic Own Funds	**138,104**	**116,477**

For the Company, all basic Own Funds are also eligible own funds. There are no ancillary Own Funds items.

There was no issuance of Own Funds in the years ended 31 December 2017 or 2016.

The increase in basic own funds during the year has largely arisen from releases in the held reserves due to better than expected claims experience.

E.2 Solvency Capital Requirement

The Company's SCR ratio data at 31 December 2017 and 2016 was as follows:

	2017	2016
		US$ 000
Eligible SCR Own Funds	138,104	116,477
Solvency Capital Requirement	45,932	53,977
SCR Ratio expressed as a percentage	**301%**	**216%**

The Company's MCR ratio data at 31 December 2017 and 2016 was as follows:

	2017	2016
	US$ 000	US$ 000
Eligible MCR Own Funds	136,730	113,980
Minimum Capital Requirement	11,483	13,494
MCR Ratio expressed as a percentage	**1,191%**	**845%**

The large increases in the SCR ratio and MCR ratio over the year have arisen due to better than expected claims experience leading to reserve releases (which increased the eligible own funds). Also as a result

of the reduction in the reserves the SCR and MCR have both also reduced. The combined effect of these changes has led to a large increase in the SCR ratio and MCR ratio.

The following table reconciles the differences (reconciliation reserve) between the equity in the financial statements and the excess of the assets over liabilities as calculated for solvency purposes:

	2017	2016
	US$ 000	US$ 000
Total Shareholder's Equity per IFRS statements	**147,726**	**129,988**
Deferred Acquisition Costs	(126)	(105)
Deferred Tax Asset	1,374	1,930
Reinsurance Receivables	(896)	927
Technical Provisions	(11,941)	(16,263)
Other Liabilities	1,967	-
Solvency II Basic Own Funds	**138,104**	**116,477**

Table of SCR requirements split by risk modules at 31 December 2016 and 2017 (US$ 000)

	2017	2016
	US$ 000	US$ 000
Market Risk	29,126	32,404
Counterparty default Risk	575	1,362
Non-Life Underwriting Risk	19,597	20,840
Diversification	(10,084)	(11,313)
Basic Solvency Capital Requirement	**39,214**	**43,293**
Operational Risk	6,718	10,685
Solvency Capital Requirement	**45,932**	**53,977**

The reduction in the SCR is largely a consequence of the better than expected claims experience leading to reserve releases. This has led to a reduction in the Operational Risk which leads to the SCR reduction over the year.

E.3 Any Other Information

The Company applies the Standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

In relation to Canterbury's obligations to its policyholders on the basis of confidentiality and sensitivity of certain information and in accordance with Article 53(1) and (2) of Directive 2009/138/EC the Company has been granted a waiver from the Central Bank of Ireland from the public disclosure of Qualitative Reporting Template ("QRT") S.05.02.01.

S.02.01.02 - Balance Sheet (In thousands of USD)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	1,375
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	181,403
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	181,286
R0190	Derivatives	117
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	163,684
R0280	Non-life and health similar to non-life	163,684
R0290	Non-life excluding health	163,684
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and 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	12,138
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	10
R0380	Receivables (trade, not insurance)	94
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	14,482
R0420	Any other assets, not elsewhere shown	374
R0500	**Total assets**	373,560

S.02.01.02 - Balance Sheet (In thousands of USD)

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	232,348
R0520	Technical provisions – non-life (excluding health)	232,348
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	223,944
R0550	Risk margin	8,404
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	467
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	2,639
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	235,454
R1000	**Excess of assets over liabilities**	138,106

S.05.01.02 - Premiums, claims and expenses (In thousands of USD)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110							341	26,695	
Gross - Prop reinsurance accepted	R0120									
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140							212	17,031	
Net	R0200	0	0	0	0	0	0	129	9,664	0
Premiums earned										
Gross - Direct Business	R0210							331	27,485	
Gross - Prop reinsurance accepted	R0220									
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240							216	17,087	
Net	R0300	0	0	0	0	0	0	115	10,398	0
Claims incurred										
Gross - Direct Business	R0310							118	-118,719	
Gross - Prop reinsurance accepted	R0320									
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340							118	-116,368	
Net	R0400	0	0	0	0	0	0	0	-2,351	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550								3,026	
Other expenses	R1200									
Total expenses	R1300									

S.05.01.02 - Premiums, claims and expenses (In thousands of USD)

		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
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								27,036
Gross - Prop reinsurance accepted	R0120								0
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								17,243
Net	R0200	0	0	0	0	0	0	0	9,793
Premiums earned									
Gross - Direct Business	R0210								27,816
Gross - Prop reinsurance accepted	R0220								0
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								17,303
Net	R0300	0	0	0	0	0	0	0	10,513
Claims incurred									
Gross - Direct Business	R0310								-118,601
Gross - Prop reinsurance accepted	R0320								0
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								-116,250
Net	R0400	0	0	0	0	0	0	0	-2,351
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								3,026
Other expenses	R1200								
Total expenses	R1300								3,026

S.17.01.02 - Non Life technical provisions (In thousands of USD)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
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	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					11,248
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					7,011
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	4,237
Claims provisions						
Gross	R0160					212,695
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					156,673
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	56,022
Total Best estimate - gross	R0260	0	0	0	0	223,943
Total Best estimate - net	R0270	0	0	0	0	60,259
Risk margin	R0280					8,404
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	232,347
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	163,684
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	68,663

S.19.01.21 - Claim development triangles (In thousands of USD)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100											26	26	26
N-9	R0160		2,670	6,315	3,760	3,773	458	3,865	9,324	14,231	4,306		4,306	48,702
N-8	R0170												0	0
N-7	R0180												0	0
N-6	R0190		2,034	1,951	4,582	19,983	9,956	396					396	38,902
N-5	R0200					275	611						611	886
N-4	R0210												0	0
N-3	R0220				5,178								5,178	5,178
N-2	R0230												0	0
N-1	R0240												0	0
N	R0250												0	0
												Total	10,517	93,694

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											11,684	11,518
N-9	R0160									153,663	44,780		44,144
N-8	R0170								10,253	9,974			9,833
N-7	R0180							2,606					
N-6	R0190						33,041	17,911					17,657
N-5	R0200					28,878	25,311						24,952
N-4	R0210				17,430	11,863							11,694
N-3	R0220			26,112	22,497								22,177
N-2	R0230		28,278	26,719									26,340
N-1	R0240	19,873	24,440										24,093
N	R0250	20,389											20,099
												Total	212,507

S.23.01.01 - Own funds (In thousands of USD)

		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	1,600	1,600			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	45,129	45,129			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	1,375				1,375
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	90,000	90,000			
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	0				
Total basic own funds after deductions	R0290	138,104	136,729	0	0	1,375
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of USD)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	138,104	136,729	0	0	1,375
Total available own funds to meet the MCR	R0510	136,729	136,729	0	0	
Total eligible own funds to meet the SCR	R0540	138,104	136,729	0	0	1,375
Total eligible own funds to meet the MCR	R0550	136,729	136,729	0	0	
SCR	R0580	45,932				
MCR	R0600	11,483				
Ratio of Eligible own funds to SCR	R0620	3.0067056				
Ratio of Eligible own funds to MCR	R0640	11.9070800				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	138,104
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	92,975
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	45,129
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	0

S.25.01.21 - SCR using standard formula (In thousands of USD)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	29,126		
Counterparty default risk	R0020	574		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	19,597		
Diversification	R0060	-10,083		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	39,214		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	6,718
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	45,932
Capital add-on already set	R0210	
Solvency capital requirement	R0220	45,932
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of USD)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	7,482

Background information		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		
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	56	130
General liability insurance and proportional reinsurance	R0090	60,204	9,665
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		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

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

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		C0070
Linear MCR	R0300	7,482
SCR	R0310	45,932
MCR cap	R0320	20,670
MCR floor	R0330	11,483
Combined MCR	R0340	11,483
Absolute floor of the MCR	R0350	3,608
Minimum Capital Requirement	R0400	11,483