Carraig Insurance DAC

Solvency and Financial Condition Report

Reporting period ended 31 December 2017

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SUMMARY

This Report refers to the business of Carraig Insurance DAC ('Carraig', 'the Company'), a captive insurer, authorised and supervised by the Central Bank of Ireland. It provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 December 2017.

The Company has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Company issues insurance policies to Group subsidiaries and affiliates globally including General Liability, Property Damage and Business Interruption, Marine, Workers Compensation, Auto Liability and Trade Credit. The impact of insurance risk volatility on the Company's capital base is mitigated through the purchase of reinsurance from appropriate counterparties. Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

The Board has identified the key risks to which The Company is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain pertinent, and, that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that The Company can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals.

Risks to which the Company are exposed to are well understood and are used to determine the level of solvency and capital required over a forward looking three year business planning period. The results of this exercise are used to better inform decision making within the Company.

There were no material changes to The Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

As at 31 December 2017, the Company had eligible own funds of €373.2m (2016: €345.9m) available to meet its Solvency Capital Requirement ('SCR') of €241.1m (2016: €227.9m); resulting is a Solvency Ratio of 155% (2016: 152%) which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. The Minimum Capital Requirement ('MCR') was also satisfactorily met at the period-end €64.2m (2016: €63.6m). There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

Carraig Insurance DAC was incorporated on 18 April 2002 and commenced underwriting business for the policy period commencing 1 May 2002. On 7 December 2015, the Company, in accordance with the Companies Act 2014, converted from Carraig Insurance Limited to Carraig Insurance DAC.

The principal activity of the Company consists of the transaction of non-life international insurance and reinsurance business. All business written during the year is for Sanofi and its subsidiaries.

The Company issues insurance policies to Group subsidiaries and affiliates globally including General Liability, Property Damage and Business Interruption, Marine, Workers Compensation, and Auto Liability and Trade Credit.

The Company's business address and registered office is 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

The Company is authorised by the Central Bank of Ireland ('CBI'), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life insurance. Authorisation is in respect of Class 1 – Accident, Class 2 – Sickness, Class 7 – Goods in Transit, Class 8 – Fire and Natural Forces, Class 9 – Other Damage to Property, Class 10 – Motor Vehicle Liability, Class 13 - General Liability, Class 14 – Credit and Class 16 – Miscellaneous Financial Loss. The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

The Company's external auditor as at 31 December 2017 is Pricewaterhouse Coopers, which is located at One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

The Company's immediate and ultimate shareholder is Sanofi, a company incorporated in France.

The operation of the Company is subject to the local regulatory requirements in Ireland. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimise the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

The Company conducts all of its significant business activities from its office in Ireland, including:

- underwriting;
- premium invoicing and collection;
- claims reserving and payments; and
- investing.

There have been no significant events during the reporting period which have had a material impact on the Company.

A.2 Underwriting Performance

The Company's business is the provision of insurance in a manner which enhances the risk management, economic and administrative efficiency of the Parent group. Insurance is provided for the group's General Liability, Property Damage and Business Interruption, Marine, Workers Compensation, Auto Liability and Trade Credit risks.

Gross Premiums written in the financial year ended 31 December 2017 totalled €127.44m, consistent with the prior year. The amount of premium earned in the period, and net of reinsurance outwards was €86.4m.

Claims incurred (paid and reserved) across all lines of business including General Liability, Property Damage and Business Interruption, Marine, Workers Compensation, Auto Liability and Trade Credit totalled €58.8m, and €59.8m net of reinsurance.

The underwriting results and the year-end financial position were in line with expectations and considered satisfactory.

UNDERWRITING RESULTS

	Marine €'000	PDBI €'000	Liability €'000	Trade Credit €'000	Reinsurance accepted €'000	Total €'000
Net Result 2017	5,178	474	(2,978)	16,536	917	20,127
Net Result 2016	4,127	(832)	(22,334)	18,058	(750)	(1,731)

After Operating expenses and Investment Income, the profit on ordinary activities for the year before taxation amounted to €19.5m.

A.3 Investment Performance

In line with the documented investment policy, the Company allocates its investment portfolio as described below;

- Collective investment undertakings - Liquidity funds represent investment in money market funds (via Undertakings for the Collective Investment in Transferrable Securities, "UCITS");
- Dedicated Fund – managed by AXA Investments. In line with FRS 102 the application of the recognition and measurement criteria of Sections 11 and 12 for financial assets/liabilities has been applied in relation to the AXA Dedicated fund which comprises corporate equity, government debt, cash and money market instruments. The Fund is held for resale and recorded at fair value through Profit and Loss

Both the UCITS and Dedicated funds are carried at fair value.

- Cash and cash equivalents - Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

The investment loss for the year amounted to €21k (and includes interest income as well as gains and losses on investments as at 31 December 2017).

A.4 Performance of other activities

The Company does not engage in any activities other than those associated with captive insurance and has not entered into any leasing agreements.

A.5 Any other information

The Company is wholly owned by the shareholder. There are related party transactions; €742k is paid in reinsurance to Le Rock Re and an intercompany Loan of €200m is provided to the parent group.

In relation to the Company'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 sought a waiver from the Central Bank of Ireland from the following disclosures:

- Qualitative Reporting Template ("QRT") S.19.01.21 – Best Estimate Development Table Disclosure.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

In order to meet the requirements for sound corporate governance, ensure efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

The Board of the Company acknowledges its responsibility to ensure that risks are fully understood and appropriately managed and has taken appropriate steps to ensure that risk management, reporting and control processes have been put in place in a manner which reflects the nature and scale of the captive's activities.

The Governance and Risk Management System of the Company may be described as follows:

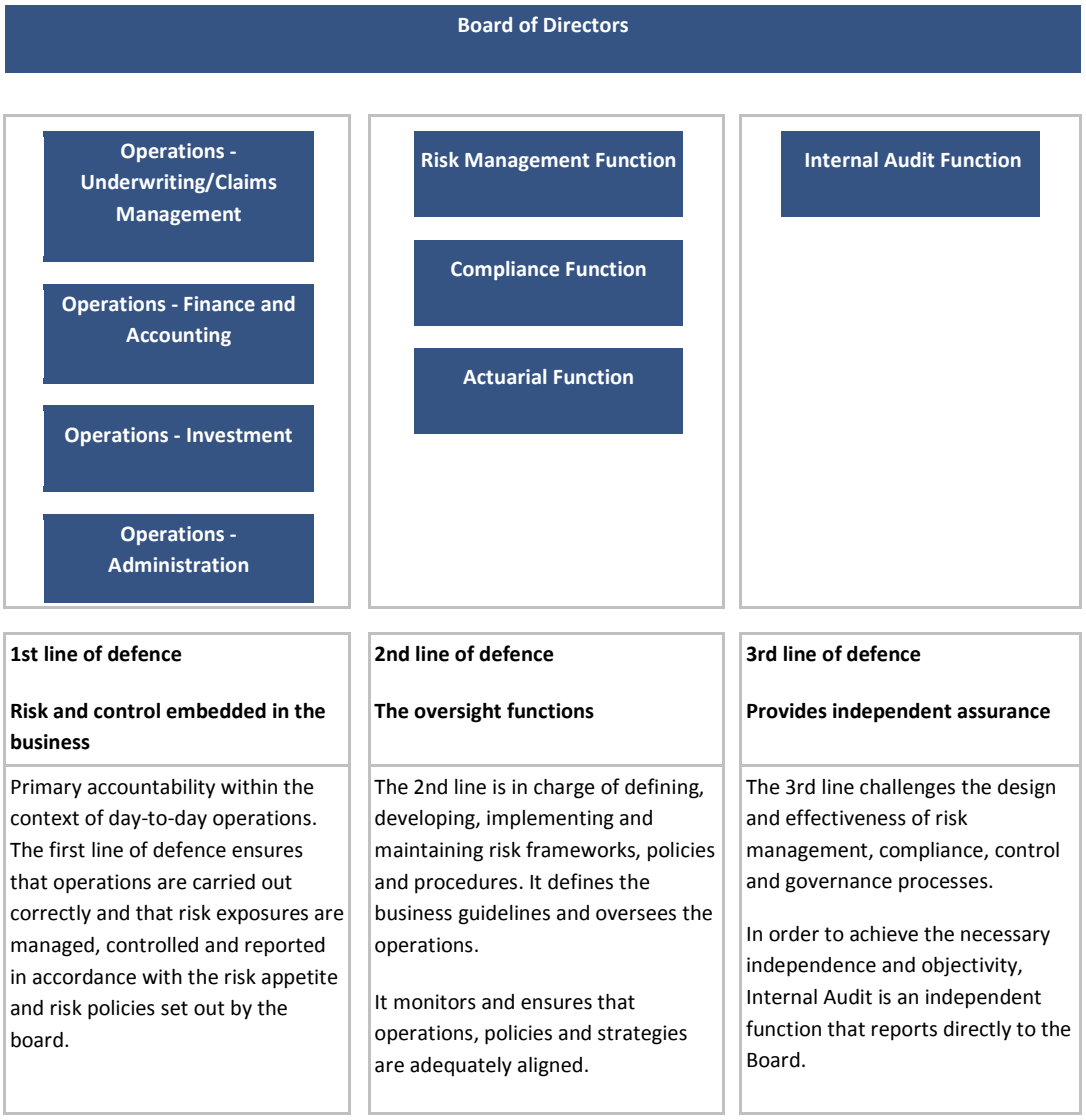
1. Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2. Risk Profile and Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.
3. A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
4. A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

There have been no material changes to this structure since the prior reporting period. The Company implemented the above framework in advance of the inception of Solvency II.

In order to achieve the Company's objectives, the Board has established a system of governance with the following core components:

- the Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

According to these principles, the chosen governance model is one of "three lines of defence" which is illustrated as follows:



Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ('AIMD') for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board of Directors.

Remuneration and material transactions

The Company directly insures the risk of the parent and its subsidiaries. The Company reinsures a share of the risk exposure under a reinsurance agreement to Le Rock Re, a reinsurance company, authorised in Luxembourg which is also wholly owned by the same group.

All of the gross written premium income is received or receivable from Sanofi and its subsidiaries and affiliates. The Company pays outwards reinsurance premiums to Le Rock Re. The Company pays claims to the group and its subsidiaries and affiliates.

Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit and proper requirements

The Company has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered.

For those roles which are prescribed by the CBI as Controlled Functions ('CFs') and Pre-approval Controlled Functions ('PCFs'), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator's fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs. Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

B.3 Risk Management System including the own risk and solvency assessment

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;
- ensures the risk management framework is implemented in day-to-day business processes; and

- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ('ALM')
- Investment
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic

In addition to these, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been determined.

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ('ORSA') process annually in order to provide its Board of Directors with a forward looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in both expected and stressed situations. 3 year business projections, stresses and scenarios are compiled by the Operations Functions with input and agreement from the Risk Management Function and the Board of Directors to ensure that these are appropriate for the Company.

Capital and solvency projections are conducted by the Actuarial Function and validated by the Risk Management Function. Where applicable, any future additional capital needs will be identified and aligned to the Company's capital management plan i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

In line with CBI requirements, the Head of Actuarial Function provides an actuarial opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board for review and challenge. Following feedback and approval from the Board, the Company's ORSA report is finalised and results submitted to the CBI within 2 weeks.

The ORSA report provides clarity over projected risk assessments and solvency needs to three different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to solvency capital requirements	Gathers information about: projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that the ORSA is integrated in the Company's decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensure that risk exposures are measured on a regular basis triggering exception reports to the Board.

The capital risk appetite for the Company is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Board of Directors maintains a prudent approach to capital to ensure that the Company is in a comfortable position to meet this obligation.

B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the Company's governance manual.
2) Risk assessment	Procedures and policies are detailed and formalised in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables to Company to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

In order to set out how the Internal Control System is implemented, the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are designed by the Risk Management Function, approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least annually.

Compliance Function

The Compliance Function is an integral component of the Company's governance system. The Company has a dedicated Head of Compliance reporting to the Board of Directors, supported by a Compliance Officer who coordinates the activities of the Compliance Function.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- presentation of an annual compliance plan to the Board of Directors, outlining specific areas which it will focus on during a particular year;
- promotion of a culture of compliance within the organisation;
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the compliance risk faced by the Company;
- consideration of possible future changes in the legal environment and their potential effect on the Company as well as providing regular compliance and regulatory updates to the Board of Directors;
- identification and communication throughout the Company, the laws, regulations and codes of conduct to which the Company is subject and assisting to embed compliance with these in the way the Company does business; and
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board and in certain circumstances to outside bodies such as the CBI.

B.5 Internal Audit Function

Purpose and Objectives

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements with respect to the Company's Internal Control System by facilitating an objective and independent assessment of the processes and controls in place.

It assists the Company in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes employed by the Company. The audit approach is risk based and in line with an annual audit plan which is provided by the Head of Internal Audit to the Board of Directors.

The Internal Audit Function and the appointed Head of Internal Audit report directly to the Board of Directors.

Independence and Impartiality

The Company's Internal Audit Function has been established to be independent of the activities audited, the operational functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence ensures that the Internal Audit Function reports directly to the Board of the Company.

B.6 Actuarial Function

The Company has established an Actuarial Function, including a nominated Head of Actuarial Function ('HoAF') approved by the CBI, which carries out the following key tasks:

- Perform an evaluation of the incurred but not reported ('IBNR'), loss and allocated loss adjustment expense ('ALAE') liabilities gross and net of reinsurance together with a provision for unallocated claims handling expenses, carried out in line with the relevant professional guidance issued by the Society of Actuaries in Ireland.
  A number of adjustments are applied to this starting point to then calculate the Solvency II technical provisions. Under Solvency II, the best estimate is a probability-weighted average of future cash flows and is discounted for the time value of money. In addition, the contract recognition basis is different to the statutory financial statement basis.
- Calculate technical provisions on a Solvency II basis.
  - Perform GAAP to Solvency II balance sheet technical provision reconciliations.
  - Review of data quality controls and processes – seeking to identify inconsistencies, uncertainties and limitations; suggesting improvements where appropriate.
  - Report on the impact of changes in assumptions, methods and models.
  - Ensure results of technical provisions can efficiently feed into solvency capital calculations and Quantitative Reporting Templates ('QRTs').
- Support calculation of Solvency II balance sheet
  - Support calculation of SCR
  - Support calculation of MCR
- Support ORSA process
  - Project SCR over planning time horizon
  - Assess ORSA scenario impact
- Provide opinion on:
  - Technical provisions
  - Solvency position
  - Underwriting Policy
  - Reinsurance arrangements
  - ORSA

The HoAF reports to the Board of Directors and issues a report in writing at least annually documenting all of the material tasks that have been undertaken by the Actuarial Function during the reporting period.

B.7 Outsourcing

All functions and activities of the Company are eligible to be outsourced provided that specific criteria are satisfied in each instance.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the Company's System of Governance and all functions within the Company that are fundamental to carry out its core business. The Board is responsible for ensuring notification to the Central Bank of Ireland is made in a timely manner prior to the outsourcing of critical or important functions or activities, and thereafter where there have been material developments in relation to the service provider.

The objective of the Company's Outsourcing Policy is to ensure that the outsourcing of any critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

The Board is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities. The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements ('SLA').

The company management is coordinated and carried out at the registered office. The Company engages outsourced service providers in order to access the expertise necessary to manage the specific requirements of a regulated Captive Insurance Company operating on a global basis. The following critical or important Functions / activities are outsourced.

Critical or important Function	**Outsourced Service Provider**	**Jurisdiction**
Underwriting administration	Aon Insurance Managers	Ireland
Claims administration	Aon Insurance Managers	Ireland
Finance and Accounting	Aon Insurance Managers	Ireland
Risk Management Function	Aon Insurance Managers	Ireland
Compliance Function	Aon Insurance Managers	Ireland
Actuarial reserving	Willis Towers Watson	Ireland
Actuarial Function	Aon Global Risk Consulting	Luxembourg
Internal Audit Function	Group Internal Audit	France
Claims handling	McLarens Young International Cunningham Lindsey France Broadspire services Inc ESIS Inc.	Global – based on location of claims

B.8 Any other information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

C. RISK PROFILE

The Risk Appetite Framework adopted by the Board sets out the level of risk that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1 Underwriting Risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. As the theory of probability is applied to both the pricing (when premiums are written) and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims experience shall exceed the amount of the insurance liabilities that have been accrued at the balance sheet date. This could occur if the frequency and/or severity of the claims are greater than estimated. Insurance events are random and the actual number and amount of claims will vary from year to year from the estimate established using statistical techniques.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future; for example, isolated large claim occurrences, economic conditions. Internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates. The claims reserves have been subject to independent high level review by a professional actuary.

This risk is mitigated by collecting the estimated premium sufficient to meet estimated losses and expenses. As a Captive insurance company, all business written by the company is group business with Group entities and affiliates.

Underwriting risks are diversified globally and across a number of unrelated Insurance lines of business.

The Company cedes insurance risk to reinsurers to limit exposure to underwriting losses. The primary focus of the Company's reinsurance strategy is on the security and financial stability of reinsurers.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification is provided by an Actuarial Function.

C.2 Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. The Company diversifies its portfolio to reduce the exposure to market fluctuations and market risk concentrations.

The Company has an investment strategy in place in line with its Risk Appetite Framework and the related 'Prudent Person' regulatory requirements. The Company endeavours to:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

C.3 Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss.

The assets that are exposed to credit risk are:

- Investments and deposits with credit institutions
- Deposits with group undertakings
- Reinsurers' share of insurance liabilities
- Amounts due from reinsurers

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents, and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution.

Investments and deposits are managed under the Investment strategy (Market Risk). The Company recognises the credit risks associated with its reinsurance arrangements. The Company manages its reinsurance risks by establishing a reinsurance strategy and this strategy sets out the minimum requirements for any reinsurance counterparty.

C.4 Liquidity Risk

The Company is exposed if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations.

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has its investments held in highly liquid assets which it can access immediately or within a very short time frame without incurring material costs or penalties. Investments are in compliance with the Company's investment guidelines.

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss. The Company have a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy.

The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk.

In addition, the Company is subject to Internal and External Audit review.

The Company maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, the Company puts in place service level agreements outlining key performance indicators against which its outsourced service providers can be monitored and assessed.

C.6 Other Material Risks

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review, at least annually, the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified. The Board of Directors will ensure continuing appropriateness, at least annually and revisions shall be affected where necessary.
- Ensure the Company strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

Sensitivity Risk

The Actuarial Function assesses annually the sensitivity of its estimate of the Company's unpaid claim liabilities of varying the key assumptions underlying its analysis. Given the nature of the Company's exposures, the key assumptions underlying the actuarial analysis are subject to a range of reasonable interpretations.

No other material risks have been identified.

C.7 Any other information

There are no other material items to report in this section.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

The Company prepares its financial statements on a going concern basis in compliance with FRS 102 and FRS 103 issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants Ireland, being applicable UK and Irish GAAP accounting standards, and in accordance with the provisions of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements Regulations 2015).

The Company uses the historical cost convention. It has 5 classes of assets.

- Cash and cash equivalents
- Investments and deposits with credit institutions
- Reinsurers' share of insurance liabilities
- Amounts due from reinsurers
- Amounts due from Insurers

Cash and cash equivalents comprise cash at banks and in hand and short term deposits with an original maturity of six months or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

Debt securities, other fixed income securities and equities are included in the balance sheet at carrying value, with realised and unrealised gains being included in the profit and loss. In line with FRS 102 the application of the recognition and measurement criteria of Sections 11 and 12 for financial assets/liabilities has been applied in relation to the Dedicated fund managed by an A rated asset manager.

Amounts due from reinsurers are held at the lower of cost or market value/realizable value.

The only material difference in the valuation of these assets between the financial statements and the Solvency II annual Quantitative Reporting Templates ('QRT's') relate to accrued interest on the cash and cash equivalents and the investments and deposits, which is shown separately in the Financial Statements.

On a Solvency II valuation basis, all assets and liabilities are held at a market consistent value for expected future cash flows. Therefore, items such as deferred acquisition costs are not included on the balance sheet. Instead the actual expected future cash flows associated with any future acquisition cost payments are included within the technical provision valuation.

Balance Sheet under Solvency II rules

Asset in kEUR	Current accounting	Solvency II	Reclass.	Fair value adj.*
Investments	944,090	945,711	1,621	0
Debts to affiliated undertakings	200,000	200,000	-	-
Investment fund	744,090	745,711	1,621	0
Reinsurers' Share of Technical Provisions	20,733	543	-	- 20,190
Debtors	2,573	2,573	-	- 0
Cash at bank	22,679	22,679	-	-
Prepayments and Accrued Income	2,156	169	(1,621)	(367)
Deferred acquisition costs	367			(367)
Other	1,789	169	(1,621)	-
Total	**992,230**	**971,673**	**-**	**(20,557)**

Information on how the Company invests its assets and manages risk in this area, including how it achieves compliance with the 'prudent person principle', is set out in Sections C2 – C4 above. Operational risks relating to the Company's assets are managed according to the control framework described in Section B4 above.

The Prudent person principle has been applied in assessing investment in the Company's assets.

D.2 Technical Provisions

The starting point for the calculation of the Solvency II technical provisions is the best estimate reserves from the statutory reserving basis. The statutory reserving basis has been performed using historical claims triangles to deduce development patterns. Claims projections have then been performed using standard actuarial methods, including the Development Factor Method, the Expected Loss Ratio Method and the Bornhuetter-Ferguson method ('BF'), essentially a blend of the two previous methods.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of an independent actuary. The reserves include estimates for both case reserves and losses incurred but not reported 'IBNR'). Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Full provision is made for the estimated cost of all claims notified but not settled at the year-end using the best information available at that time. Provision is also made for the cost of claims incurred but not reported at the year-end and for the estimated claims handling expenses that will be incurred after the year-end relating to claims outstanding at the year-end.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. In estimating the cost of claims notified but not paid, the Company has regard to claims circumstances as reported, any information available from loss adjusters and information on

the cost of settling claims with similar characteristics in previous periods. Provisions for IBNR are established having regard for the results of a valuation by an independent actuary.

A number of adjustments are applied to this starting point to estimate the Solvency II technical provisions. Under Solvency II, the best estimate is a probability-weighted average of future cash flows and is discounted for the time value of money. In addition, the contract recognition basis is different to the statutory financial statement basis.

Solvency II Technical Provisions

The Company has valued the technical provisions on the latest Solvency II Technical Specifications published by the European Union on 17 January 2015, Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ('Delegated Acts').

2017 (kEur)

SII Class	*Claims Provision*	*Premium Provision*	*Best Estimate*	*Risk Margin*	*Net Technical Provisions*
Liability	435,534	13,119	448,653	55,962	504,615
Marine	24,671	(4,087)	20,584	4,655	25,239
Property	27,067	6,931	33,998	4,648	38,646
Credit	1,379	0	1,379	159	1,538
Workers Comp	12,270	791	13,061	1,781	14,842
Motor	4,920	855	5,775	933	6,708
Total	**505,841**	**17,609**	**523,450**	**68,138**	**591,588**

2016 (kEur)

SII Class	*Claims Provision*	*Premium Provision*	*Best Estimate*	*Risk Margin*	*Net Technical Provisions*
Liability	397,954	12,109	410,063	50,692	460,755
Marine	20,327	(4,164)	16,163	4,070	20,233
Property	26,985	6,893	33,878	4,630	38,508
Credit	21,268	0	21,268	2,414	23,682
Workers Comp	13,541	1,373	14,914	1,992	16,906
Motor	5,925	867	6,792	1,030	7,822
Total	**486,000**	**17,078**	**503,078**	**64,828**	**567,906**

Solvency II requires undertakings to hold technical provisions which correspond to the amount they would have to pay to transfer their (re)insurance obligations immediately to another undertaking. This value comprises a best estimate and a risk margin, intended to represent a market consistent valuation. The technical provisions should take account of the time value of money by discounting using a risk-free interest rate term structure.

The best estimate is calculated separately for both gross exposures and reinsurance recoverable, and consists of both a claim provision and a premium provision.

- The claims provision is the discounted best estimate of all future cash flows relating to claim events prior to the valuation date.

- The premium provision is the discounted best estimate of all future cash flows relating to future unexpired exposure arising from policies that the (re)insurer is obligated to at the valuation date.

Under the Solvency II basis, all claim estimates are on a best estimate basis, with no allowance for prudence.

The technical provisions of the Company as at 31 December 2017, gross and net of reinsurance, comply in all material respects with all relevant Solvency II requirements.

The technical provisions of Carraig comprise the following Solvency II lines of business

- Marine, aviation and transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Workers' compensation insurance / Motor vehicle liability insurance
- Credit and suretyship insurance

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities and a Risk Margin.

Best Estimate of Liabilities

The best estimate is calculated by considering all future cash inflows and outflows required to settle the existing (re)insurance obligations over their lifetime. It represents the mean outcome of all possible scenarios, taking account of how likely they are to occur and their potential variability. In this regard, the best estimate is a probability-weighted average of future cash flows. The best estimate should also allow for the time value of money.

The Solvency II best estimate is calculated gross with any recoverable amounts calculated separately.

The gross best estimate is made up of a claim provision and a premium provision, relating to past and future exposures respectively.

The Solvency II claims provision is equivalent to the expected net present value of the best estimate claims reserve, with additional allowances for a number of (re)insurance related cash flows, which are discussed in more detail below. The claims provision should also include all unpaid premium relating to earned exposures that are within payment terms. Under the Solvency II contract boundary definition, any policies which have been bound, even if unincepted as at the valuation date, must be considered in the premium provision. The Solvency II premium provision is therefore equivalent to the expected net present value of the following cash inflows and outflows, relating to unearned exposure from incepted contracts and exposure from unincepted contracts bound as at the valuation date:

- Cash flows from future premiums in relation to future claims;
- Cash flows arising from future claim events (e.g. claims payments);
- Cash flows arising from ALAE and ULAE in respect of claims events occurring after the valuation date;
- Cash flows arising from the ongoing administration of polices in-force as at the valuation date; and
- Cash flows arising from salvage and subrogation.

The estimates are “best estimates” in the sense that they are the average of all possible outcomes. The Company has employed techniques and assumptions that are appropriate for the purpose. The

actual amounts required to meet future claim payments may differ from our estimates for a number of reasons, such as model specification error, parameter error and random error inherent uncertainty in insurance. External environment risk factors may cause material deviations in our estimates of technical provisions, including persistent negative interest rates, inflation, currency exchange rate fluctuations.

Risk Margin

The technical provisions consist of the best estimate and risk margin, which will bring the best estimate provisions into line with a market consistent valuation. The risk margin covers the discounted cost of capital that would be needed to support the full run-off of the liabilities, and is intended to represent the 'market premium' that would need to be paid in order to transfer the portfolio of liabilities to another party. It is determined using a cost-of-capital approach, where the cost-of-capital rate is the annual rate to be applied to the SCR in each period necessary to support the obligations over their lifetime. The risk margin was calculated consistently with the EIOPA guidelines to be €68.1m (2016: €64.8m).

Technical provisions at 31 December 2017

Solvency II Gross Technical Provisions ('000)

Best Estimate	*Risk Margin*	*Technical Provisions*
€523,449	€68,138	€591,588

Solvency II Net Technical Provisions

Best Estimate	*Risk Margin*	*Technical Provisions*
€522,907	€68,138	€591,045

Technical provisions at 31 December 2016

Solvency II Gross Technical Provisions ('000)

Best Estimate	*Risk Margin*	*Technical Provisions*
€503,078	€64,827	€567,905

Solvency II Net Technical Provisions

Best Estimate	*Risk Margin*	*Technical Provisions*
€500,925	€64,827	€565,752

Information on how the Company manages risk in the area of underwriting and reserving is set out in Section C1 above. Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section B4 above.

The Company is satisfied that it has access to sufficient historical claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company's needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, the Company has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other liabilities

Aside from Technical Provisions, the valuations of which are detailed above, the Company has two other principal classes of liabilities;

- Deferred taxation
- Creditors arising out of direct insurance operations

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, except to the extent that deferred tax assets are recognised only when it is more probable than not that there will be future taxable income streams against which such assets can be offset.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Amounts due from reinsurers are held at the lower of cost or market value/realizable value.

D.4 Alternative methods for valuation

No alternative methods were used.

D.5 Any other information

There is no other information to report

E. CAPITAL MANAGEMENT

E.1 Own funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

As part of the annual review of the medium-term capital plan, the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR').

The Company's own funds consist of the following items:

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board.

The Company has not paid any dividends to shareholder since 2011.

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is €373.2m (2016: €345.9m). This is comprised solely of Tier 1 capital.

The Company has no material ancillary own funds.

The shareholders' funds as shown in the Company's Financial Statements total €359.9m (2016: 342.8m). A number of adjustments are applied under the Solvency II methodology primarily relating to the technical provisions. Under Solvency II, the best estimate is a probability-weighted average of future cash flows and is discounted for the time value of money. In addition, the contract recognition basis is different to the statutory financial statement basis.

E.2 Solvency capital requirement and minimum capital requirement

The Company's Solvency II recognized own funds totalling €373.2m (2016: €345.9m) is sufficient to meet its SCR and results in a Solvency Ratio of 155% (2016: 152%).

The Company's Solvency Capital Requirement ('SCR') as at 31 December 2017 totals €241.1m (2016: €227.9m) and Minimum Capital Requirement ('MCR') as at 31 December 2017 totals €64.2m (2016: €63.6m)

	€ '000
Risk charge	**31-Dec-17**
BSCR	227,247
Operational Risk	15,703
Diversification and other adjustments	(1,890)
SCR	241,060
Available Capital	373,159
Surplus/Deficit	132,099
Solvency Ratio	155%

E.3 Use of duration-based equity risk sub module in calculation of the solvency capital requirement

There was no use of duration based equity risk sub module in the calculation of the SCR.

E.4 Differences between the standard formula and any internal model used

The Company used the standard formula in determining its SCR and MCR and did not rely on any internal model.

E.5 Non-Compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

There are no instances of non-compliance with the MCR and SCR.

E.6 Any other information

There is no other information to report.

Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet*

S.05.01.02 – Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 – Non Life technical provisions*

S.19.01.21 – Claim development triangles*

S23.01.01 – Own funds*

S25.01.21 – SCR using standard formula*

S28.01.01 – MCR*

*templates subject to external audit.

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

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
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)	745,711
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	745,711
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	200,000
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	200,000
R0270	Reinsurance recoverables from:	543
R0280	Non-life and health similar to non-life	543
R0290	Non-life excluding health	543
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	
R0360	Insurance and intermediaries receivables	1,005
R0370	Reinsurance receivables	1,568
R0380	Receivables (trade, not insurance)	
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	22,679
R0420	Any other assets, not elsewhere shown	169
R0500	**Total assets**	971,675

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

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	591,587
R0520	Technical provisions – non-life (excluding health)	576,745
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	510,388
R0550	Risk margin	66,357
R0560	Technical provisions - health (similar to non-life)	14,842
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	13,061
R0590	Risk margin	1,781
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	1,891
R0790	Derivatives	
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)	841
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	4,195
R0900	Total liabilities	598,514
R1000	**Excess of assets over liabilities**	373,161

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

		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						12,754	21,246	75,122	
Gross - Prop reinsurance accepted	R0120			2,810	3,132		5,065	5,004	2,307	
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140						2,426	12,904	24,101	
Net	R0200	0	0	2,810	3,132	0	15,393	13,346	53,328	0
Premiums earned										
Gross - Direct Business	R0210						12,754	21,338	74,691	
Gross - Prop reinsurance accepted	R0220			3,169	3,169		5,065	5,026	2,294	
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240						2,426	13,731	24,197	
Net	R0300	0	0	3,169	3,169	0	15,393	12,633	52,788	0
Claims incurred										
Gross - Direct Business	R0310						5,817	8,398	49,349	
Gross - Prop reinsurance accepted	R0320			3,167	1,601		2,310	1,978	1,516	-16,536
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340						-1,052			
Net	R0400	0	0	3,167	1,601	0	9,179	10,376	50,865	-16,536
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			498	158		1,117	1,737	5,192	
Other expenses	R1200									
Total expenses	R1300									

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

		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								109,122
Gross - Prop reinsurance accepted	R0120								18,318
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140						742		40,173
Net	R0200	0	0	0	0	0	-742	0	87,267
Premiums earned									
Gross - Direct Business	R0210								108,783
Gross - Prop reinsurance accepted	R0220								18,723
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240						742		41,096
Net	R0300	0	0	0	0	0	-742	0	86,410
Claims incurred									
Gross - Direct Business	R0310								63,564
Gross - Prop reinsurance accepted	R0320								-5,964
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								-1,052
Net	R0400	0	0	0	0	0	0	0	58,652
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								8,702
Other expenses	R1200								
Total expenses	R1300								8,702

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

		Line of Business for: life insurance obligations						Life reinsurance obligations		TOTAL
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	R1700	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900									0
Other expenses	R2500									
Total expenses	R2600									0

S.05.02.01 - Premiums, claims and expenses by country (In thousands of EUR)

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			FR	US	DE	IT	GB	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	67,527	36,508	7,068	4,937	1,394	719	118,153
Gross - Proportional reinsurance accepted	R0120			5,942				5,942
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140	20,452	16,320	3,509	1,671	496	256	42,704
Net	R0200	47,075	20,188	9,501	3,266	898	463	81,391
Premiums earned								
Gross - Direct Business	R0210	46,935	34,057	3,490	3,392	943	468	89,285
Gross - Proportional reinsurance accepted	R0220			6,338				6,338
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240	14,010	10,003	1,750	1,029	293	155	27,240
Net	R0300	32,925	24,054	8,078	2,363	650	313	68,383
Claims incurred								
Gross - Direct Business	R0310	42,281	8,354	2,794	2,633	674	411	57,147
Gross - Proportional reinsurance accepted	R0320			5,125				5,125
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340	345	859		72	23	5	1,304
Net	R0400	41,936	7,495	7,919	2,561	651	406	60,968
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	4,611	3,329	406	337	95	49	8,827
Other expenses	R1200							
Total expenses	R1300							8,827

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

		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	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060			791	855		-4,087	6,931	13,119				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140						-2,810		152				
Net Best Estimate of Premium Provisions	R0150	0	0	791	855	0	-1,277	6,931	12,967	0	0	0	0
Claims provisions													
Gross	R0160			12,270	4,920		24,671	27,067	435,534	1,379			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240						-284		3,485				
Net Best Estimate of Claims Provisions	R0250	0	0	12,270	4,920	0	24,955	27,067	432,049	1,379	0	0	0
Total Best estimate - gross	R0260	0	0	13,061	5,775	0	20,584	33,998	448,653	1,379	0	0	0
Total Best estimate - net	R0270	0	0	13,061	5,775	0	23,678	33,998	445,016	1,379	0	0	0
Risk margin	R0280			1,781	933		4,655	4,648	55,962	159			
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	14,842	6,708	0	25,239	38,646	504,615	1,538	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	-3,094	0	3,637	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	14,842	6,708	0	28,333	38,646	500,978	1,538	0	0	0

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

		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					17,609
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					-2,658
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	20,267
Claims provisions						
Gross	R0160					505,841
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					3,201
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	502,640
Total Best estimate - gross	R0260	0	0	0	0	523,450
Total Best estimate - net	R0270	0	0	0	0	522,907
Risk margin	R0280					68,138
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	591,588
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	543
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	591,045

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

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											1,041	1,041	0
N-9	R0160	819	33,547	5,348	1,551	-3,401	1,156	3,056	796	314	459		459	43,645
N-8	R0170	1,049	6,683	2,278	2,160	896	1,163	-216	464	128			128	14,605
N-7	R0180	1,907	19,134	6,820	14,314	8,408	10,976	7,754	8,904				8,904	78,217
N-6	R0190	822	6,061	6,263	3,729	833	477	799					799	18,984
N-5	R0200	721	8,994	3,398	1,084	4,220	372						372	18,789
N-4	R0210	1,152	7,332	5,528	1,970	828							828	16,810
N-3	R0220	2,024	5,222	4,597	2,289								2,289	14,132
N-2	R0230	1,581	19,132	12,407									12,407	33,120
N-1	R0240	1,094	10,117										10,117	11,211
N	R0250	468											468	468
												Total	37,812	249,981

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

		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	1,000	1,000			
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	372,159	372,159			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
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	373,159	373,159	0	0	0
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 EUR)

		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	373,159	373,159	0	0	0
Total available own funds to meet the MCR	R0510	373,159	373,159	0	0	
Total eligible own funds to meet the SCR	R0540	373,159	373,159	0	0	0
Total eligible own funds to meet the MCR	R0550	373,159	373,159	0	0	
SCR	R0580	241,060				
MCR	R0600	64,167				
Ratio of Eligible own funds to SCR	R0620	1.5479922				
Ratio of Eligible own funds to MCR	R0640	5.8154347				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	373,159
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	1,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	372,159
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	6,096
Total Expected profits included in future premiums (EPIFP)	R0790	6,096

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

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	48,969		
Counterparty default risk	R0020	18,758		
Life underwriting risk	R0030			
Health underwriting risk	R0040	4,947		
Non-life underwriting risk	R0050	199,076		
Diversification	R0060	-44,502		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	227,248		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	15,703
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-1,891
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	241,060
Capital add-on already set	R0210	
Solvency capital requirement	R0220	241,060
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 EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	64,167

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	13,061	2,810
Motor vehicle liability insurance and proportional reinsurance	R0050	5,774	3,132
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	23,678	15,348
Fire and other damage to property insurance and proportional reinsurance	R0080	33,998	13,102
General liability insurance and proportional reinsurance	R0090	445,016	52,875
Credit and suretyship insurance and proportional reinsurance	R0100	1,379	
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	64,167
SCR	R0310	241,060
MCR cap	R0320	108,477
MCR floor	R0330	60,265
Combined MCR	R0340	64,167
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	64,167