

Solvency and Financial Condition Report

December 2017

Contents

Summary **3**

A. Business and performance **3**

A.1 Business 3

A.2 Underwriting Performance 5

A.3 Investment Performance 5

A.4 Performance of other activities 5

A.5 Any Other Information 5

B. System of Governance **5**

B.1 General Information on the system of Governance 5

Board of Directors 6

Audit Committee 7

Risk Committee 7

Remuneration policy 8

B.2 Fit and Proper requirements 8

B.3 Risk Management System 9

Own Risk Solvency Assessment ("ORSA") 11

Reverse Stress Test **12**

B.4 Internal Control 12

B.5 Internal Audit Function 13

B.6 Actuarial Function 13

B.7 Outsourcing 14

B.8 Any other information 14

Compliance Function 14

C. Risk Profile **15**

C.1 Underwriting risk 15

C.2 Market risk 16

C.3 Credit Risk 16

C.4 Liquidity Risk 16
C.5 Operational risk 16
C.6 Other material Risks 17
C.7 Any Other Information 17
D. Valuation for Solvency Purposes 17
D.1 Assets 18
D.2 Technical Provisions 18
D.3 Other Liabilities 19
D.4 Alternative methods of valuation 20
D.5 Any Other Information 20
Methodology and our assumptions 20
Risk Margin 21
E. Capital Management 21
E.1 Own funds 21
E.2 Solvency Capital Requirement and Minimum Capital Requirement 22
E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement 23
E.4 Differences between the standard formula and any internal Model used 23
E.5 Non-compliance with the Minimum Capital Requirement or significant non-compliance with the Solvency Capital Requirement 24
E.6 Any Other Information 24
Appendix 1 QRT's 25
S.02.01.02 Balance Sheet 25
S.05.01.01 Balance Sheet Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance) 27
S.17.01.02 Non- Life Technical Provisions 29
S.19.01.21 Non- Life Insurance Claims Information 31
S.23.01.01 Own Funds 32
S.25.01.21 Solvency Capital Requirement 34
S.28.01.01 Minimum Capital Requirement 35

Summary

The new EU-wide regulatory regime for Insurance Companies, known as Solvency II, 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, some of which required to be published on the Company's public website. This document is the first version of the Solvency and Financial Condition Report ("SFCR") that is required to be published by DeCare Dental Insurance Ireland DAC

This documents has been prepared in order to assist consumers understand the capital position (under pillar 1 of Solvency II) of DeCare Dental Insurance Ireland DAC (DDII) "the Company" as at 31 December 2017 and covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. It is 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 that has the ultimate responsibility for all of these matters

A. Business and performance

A.1 Business

Established in 2004 DeCare Dental Insurance Ireland DAC (DDII) is a regulated private company limited by shares. The principal activity of the Company is the transaction of non-life insurance business in private dental care within Ireland and it is licensed in accordance with the provisions of the Insurance Acts and Regulations as defined in the European Communities (Non-Life Insurance) Framework Regulations, 1994, as a Non-Life Insurance Undertaking Class 2 (sickness).

The Company's operating address and registered office is:

Industrial Estate
Claremorris
Co Mayo
F12 KD85

The Central Bank of Ireland ("CBI") is responsible for financial supervision of the Company. The CBI's address is:
Central Bank of Ireland,
North Wall Quay,
New Wapping Street

PO Box 559
Dublin 1
Ireland.

The Company's external auditor is EisnerAmper Audit Limited, Chartered Accountants and Statutory Audit Firm, 6 The Courtyard Building, Carmanhall Rd, Sandyford, Dublin, D18 CA2.

The immediate parent company is DeCare Dental LLC, LLC a global benefits management group incorporated in the United States of America with over 40 years of proven success and more than 9 million customers worldwide.

DDII's ultimate parent company is Anthem Inc. which is one of the largest health benefits companies in the United States

Anthem Inc. was incorporated in the United States of America and trades on the New York stock exchange. It is the largest group into which the company's financial statements are consolidated. Copies of the group financial statements are available from the company secretary at 120 Monument Circle, Indianapolis, IN 46204, United States of America.



The Company's financial year end is 31 December each year.

A.2 Underwriting Performance

As stated above the principal activity of the Company is the transaction of non-life insurance business in private dental care within Ireland. There are no other material lines of business.

Written Premium has decreased by of 9% from the previous year while earned premium has increased by 7%

Loss ratios (Claims expense divided by Earned Premium) have decreased significantly from 71% to 59% while year on year operating expenses have remained the same

A.3 Investment Performance

As at the 31 December 2017 the company's financial assets consist of cash and cash equivalents of €5,189,768 and deposits other than cash equivalents of €2,200,446.

Due to the current market environment and the low risk nature of these financial assets the interest income for the year was €183.

A.4 Performance of other activities

The principal activity of the Company is the transaction of non-life insurance business in private dental care within Ireland .The Company was not engaged in any other activity during the year.

A.5 Any Other Information

There is no additional information that needs to be included in this report

B. System of Governance

B.1 General Information on the system of Governance

The Company is classified as a Low Risk firm under the Central Bank of Ireland's risk based framework for the supervision of regulated firms, known as PRISM or Probability Risk and

Impact System and is subject to the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015.

The Board of Directors has adopted a supervisory structure to suit the requirements of DDII's operational needs. This structure grants the required flexibility that leads to an efficient decentralisation of selective decision making while ensuring that responsibility for overall governance rests within the Board.

The CEO, assisted by the Finance and Compliance Manager oversee all activities undertaken and escalates material matters to the Board. There have been no material changes in governance from the previous year.

Board of Directors

The Board of the Company is of sufficient size and expertise to oversee adequately the operations of the Company. The composition of the Board has been designed to ensure:

- that it can adequately discharge its responsibilities and duties
- that it has a proper understanding of, and competencies to deal with, the current and emerging issues of the business
- that it can effectively review and assess the performance of outsourced arrangements

The Company's Board of Directors carry responsibility for the oversight of the business and sets its strategy and risk appetite

The Board is responsible for setting and overseeing:

- The business strategy and risk appetite for the institution;
- The amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the institution;
- The strategy for the on-going management of material risks including, inter-alia, liquidity risk;
- A robust and transparent organisational structure with effective communication and reporting channels;
- A remuneration framework that is in line with the risk strategies of the institution; and
- An adequate and effective internal control framework, that includes well-functioning risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework.

The following were members of the Board at 06 May 2018:

Mr. Denis Casey (Chairman)

Mr. Alan Holmes (Independent Non- Executive Director) - Appointed 01 April 2018
Mr. Seamus Kavanagh (Independent Non- Executive Director)
Mr. Michael Walsh
Dr. Tom Moffatt
Mr. John B Dillon
Mr Stephen Schlegel - Appointed 01 April 2018
Ms. Maureen Walsh (CEO)

The Company Secretary is Mr Michael Walsh

There have been no material transactions between the Company and any of its directors during the year. Management fees of €201,487 from our immediate parent undertaking "DeCare Dental LLC" were incurred during the year.

Audit Committee

The Board of Directors of DDII has established an Audit Committee, which is charged with the responsibility of assisting the Board in fulfilling its responsibilities to provide oversight with respect to

- The integrity of DDII's financial statements and other financial information.
- DDII's internal control over financial reporting.
- The independence, engagement and performance of DDII's independent auditors.
- The performance of DDII's internal audit function, and
- DDII's compliance with legal requirements and the compliance by DDII's directors and executive officers with DDII's Code of Conduct.
- DDII's compliance with, "The Corporate Governance Code".

The Current Members of the Audit committee are:

- Alan Holmes -Independent Non-Executive director,
- Seamus Kavanagh - Independent Non-Executive director
- John Dillon - Non-Executive Director,

Any action duly and validly taken by the Committee pursuant to the power and authority conferred to it shall for all purposes constitute an action duly and validly taken by the Board and may be certified as such by the Secretary or other authorized officer of DDII.

Risk Committee

The Board has received approval from the Central Bank to itself to carry out the functions which would otherwise be delegated to a risk committee

As such the board assumes the roles and responsibilities that would otherwise be carried out by a Risk Committee as per approval by the Central Bank of Ireland.
The Board of Directors in carrying out the functions of the Risk Committee will:

- Set the risk appetite and tolerance for future strategy, taking account of the Board's overall risk appetite, the current financial position of DDII and, drawing on the work of the Audit Committee and the External Auditor, the capacity of DDII to manage and control risks within the agreed strategy. The Board shall oversee the risk management function.

- Ensure the development and on-going maintenance of an effective risk management system within the DDII that is effective and proportionate to the nature, scale and complexity of the risks inherent in the business.

- Keep advised on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, amounts, types and distribution of both internal capital and own funds adequate to cover the risks of DDII.

Remuneration policy

In the case of DeCare the activities that have a major impact on the undertakings risk profile are sales related. DeCare has a remuneration policy in place for sales staff in line with the requirements of the "Guidelines on Variable Remuneration Arrangements for Sales Staff"

DeCare's Internal Audit function has conducted a review of the sales incentive/ remuneration arrangements at DDII for all staff involved in the sales process.

In the opinion of Internal Audit function there was overall, substantial assurance (i.e. there is an adequate system of control designed to achieve the audited system objectives that adequately manage the risks associated with the system with all controls being consistently applied and operating effectively) that the internal controls in operation around Variable Remuneration Arrangements for Sales Staff can be relied upon to support the overall achievement of DeCare's objectives.

Remuneration paid to directors is 100% fixed. There is no variable remuneration is paid to directors.

B.2 Fit and Proper requirements

The Company complies with the Fitness and Probity Standards (Code issued under Section 50 of the Central Bank Reform Act 2010).

Prior to appointing any individual to a control function DDII ensures that they are

- competent and capable;
- honest, ethical and to act with integrity; and
- financially sound.

This is achieved through the performance of due diligence checks which include:

- Identification (copy of passport)
- Professional qualification(s)
- Continuous Professional Development where relevant to role
- References
- Record of previous experience
- Concurrent Responsibilities
- Individual Questionnaire

For key Control Functions (referred to as Pre-approved Control Functions or "PCFs"), approval from the Company's regulator is required prior to appointment by the Company's Board.

Persons occupying the PCFs are required to confirm on an annual basis whether they are aware of any material developments in relation to their compliance with the Fitness and Probity Standards of which the regulated financial service provider ought to be aware.

B.3 Risk Management System

The foundational elements of DDII's Risk management systems are shown below .This framework enables DDII to identify, assess and manage risks within the business
Risk management lies at the heart of the Company's business activities. The Company maintain a risk register that is updated on an ongoing bases by the DDII team and discussed by the Board on at least an annual basis. For each Key risk there is corresponding Risk Appetite Statement which reflects the articulated risk profile set by the Board through its profiling of the identified key risks. The CEO and The CRO supports the Board through its assessment and profiling of key risks to which the Company is exposed

The Head of Risk function is currently occupied by Mr Steven Moran (DDII Finance and Compliance Manager)

DDII's risk management process can be summarised as follows:



Risk Identification - The risk management stage that sets out to identify DDII's exposure to risks.

Risk Analysis - A stage in the risk management process that encompasses risk identification, description and estimation.

Risk Evaluation - The risk management stage concerned with decisions about whether each specific risk should be accepted or treated.

Risk Appetite - Limits DDII is willing to accept or capable of monitoring and controlling. These will be determined, using both quantitative and qualitative measures which include but are not limited to impact and likelihood.

Own Risk Solvency Assessment ("ORSA")

Every year and on an ad-hoc basis, if circumstances materially change, the Company prepares an ORSA.
The objective of the ORSA process is to enable the Board to assess its capital adequacy in the light of its assessments of its risks and the potential impacts of its risk environment, and enables it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and risk sensitivities that can be used in shaping strategy and risk appetite.

The most recent ORSA was updated on 18 December 2017. As part of this process DDII assessed it economic solvency needs, both as of that date and for the next three years using a stress testing approach in the four main areas of risk: underwriting, reserving, financial and operational.

The following stress tests were performed:

Underwriting risk

DDII has assessed the impact of an increase in claims of 25%, compared to expected claims, on its profit as at the 31 October 2017, and for the projected next three years from 2018 to 2020. This could result from a catastrophic event that sees an upsurge in claims. This is seen as an unlikely but possible scenario.

Reserving risk

DDII has assessed the impact of a deterioration in its reserves of 25% on its profit as at the 31 October 2017, and for the projected next three years from 2017 to 2020. This stress is to test the risk that reserves are inadequate, either for claims already reported or for a sudden reporting of incidents that have already occurred. This is seen as an unlikely but possible scenario.

Financial risk

DDII has assessed the impact of a reduction in available assets of 10% on its profit as at the 31 October 2017, and for the projected next three years from 2018 to 2020. This stress is to test

the risk that an investment counterparty defaults on its payments, meaning that DDII has fewer available assets in order to pay its liabilities.

Given that DDII is invested in cash and money market securities, the risk of such an event is low. This combined with the government guarantees in place means that the risk of an adverse impact on DDII has an extremely low probability.

Operational risk

DDII has assessed the impact on its profit as at the 31 October 2017, and for the projected next three years from 2018 to 2020 of a number of operational risks occurring during the same period.
The operational risks that DDII has assumed to happen during the same period are:

- A change in distribution
- Competition
- Reputational damage
- Excessive Supplier induced demand
- A loss of a key group
- Additional change in treatments covered under PRSI offering

Each of these risks is seen as an unlikely but possible scenario except for competition risk which is seen as highly likely. The probability of all four occurring during a single year is seen as unlikely.

The outcome of the exercise showed that based on DDII's own solvency needs the Company is projected to have surplus capital significantly in excess of its economic capital requirements over the next three years

Reverse Stress Test

As part of the ORSA process based on the Company's own assessment of solvency needs and using the forecasts at that date DeCare also calculated the ultimate loss ratio needed to erode all of the company's available capital over the 3 year period.

DeCare also calculated an estimated loss ratio that would result in the Standard Formula SCR at that date being above the available assets at that date.

B.4 Internal Control

DDII utilizes an internal control system that comprises three lines of defense and incorporates employees and managers, (first Line), senior management and PCF holders including Compliance and Risk management (Second Line) and Internal and external Audit (third line) to ensure among other that:

- transactions are only entered into with appropriate authority;
- assets are safeguarded;
- accounting and other records provide complete, accurate, verifiable and timely information;
- management is able to identify, assess, manage and control the risks of the business and hold sufficient capital for these risks.

B.5 Internal Audit Function

DDII outsources the Internal Audit Function to RSM McClure Watters to ensure the function holder has the required knowledge and experience, is appropriately qualified and has the appropriate level of skill necessary to perform this function in accordance with applicable professional and technical standards.

RSM objectively assesses the adequacy and effectiveness of the internal control environment to improve risk management, control and governance processes.

RSM in consultation with the Audit Committee adopt a risk-based and cyclical coverage approach is to determine the annual Internal Audit plan.

RSM act independently from the DeCare management team.

RSM report the results/findings and any corresponding recommendations resulting from the internal audit directly to the Audit Committee on an annual basis.

B.6 Actuarial Function

DDII outsources the Head of Actuarial Function to Willis Towers Watson to ensure the function holder has the required knowledge and experience, is appropriately qualified and has the appropriate level of skill necessary to perform this function in accordance with applicable professional and technical standards. The current function holder is Mr. Keith Morrison of Willis Towers Watson

The main roles and responsibilities of the Head of Actuarial Function include:

- Coordinating the calculation of Technical Provisions (including Best Estimate and Risk Margin)
- Providing an Actuarial Opinion on Technical Provisions and Actuarial Report on Technical Provisions
- Providing an Opinion on the Overall Underwriting Policy
- Providing an opinion on Reinsurance Arrangements (Note DDII do not currently have any re-insurance arrangements in place)
- Providing an Opinion on the ORSA Processes
- Providing an Overall on the Actuarial Function Report and presenting the same to the Board

B.7 Outsourcing

The Company outsources and enters into outsourcing arrangements only where there is a sound commercial basis for doing so, and where the risk can be effectively managed. A review is undertaken prior to any final decision being made as to whether to outsource a material business activity. This addresses all material factors that would impact on the potential service provider's ability to perform the business activity. An annual review of outsourced functions is carried out to ensure that all legal and regulatory requirements continue to be met.

The Key functions that are outsourced are the Internal Audit Function which is outsourced to the RSM McClure Watters and the Head of Actuarial Function which is performed by Mr Keith Morrison of Willis Towers Watson. Both RSM McClure Watters and Willis Towers Watson are based within the European Union

B.8 Any other information

Compliance Function

The Head of Compliance function is currently occupied by Mr Steven Moran (DDII Finance and Compliance Manager). The Head of Compliance Function attends and provides updates at Audit Committee meetings and has direct access to all of the members of the Audit Committee

Compliance monitoring provides assurance that the business is managing its regulatory risk exposure appropriately and that controls are effective. It is a key mechanism to independently confirm that the business is complying with agreed policies and meeting regulatory responsibilities

The primary function of the Compliance Function is to co-ordinate DDII and its staff's compliance with the company's legislative and regulatory requirements and well as DDII's Internal Codes and Policies. In particular, DDII's high level objectives are:

- to promote business unit awareness as to the need for staff to be informed and capable;
- to co-ordinate the implementation of any DDII Group-wide approach into DDII's procedures and manuals;
- to provide expert support on compliance issues;
- to set the compliance framework within which DDII operates;
- to provide support where compliance weaknesses and problems have been identified;

The Terms of Reference and the key responsibilities of the Compliance Function include

- The development of a compliance culture within the organization
- The identification off and adherence to the regulatory obligations of DDII
- The Provision of advisory services to management
- The conducting of a risk based monitoring program
- The record of responsibilities in DDII's *Compliance Manual* as appropriate
- Liaisons with regulators and other parties
- The facilitation of the provision of training of relevant personnel

C. Risk Profile

C.1 Underwriting risk

Insurance risk arises when there is unexpected volatility in the underwriting results .Dental Insurance is a relatively "uneventful" class of business in that there are no large claims that impact the book, there are no liability claims, and development is very "short-tailed". As a result DeCare Dental Insurance is not subject to the same volatility of risks as faced by other insurers in the general insurance market. DeCare dental policies include annual policy maximum amounts ranging from €2000 to €500 per policy and contain explicit exclusions in the policy wording.

Variability in the run off of reserves mainly arises from uncertainty in relation to when dentists and policyholders submit invoices for work done for payment, therefore there is a much lower level of uncertainty than for other classes of insurance.

Given the stability of DDII's business, underwriting risk is not currently seen as a significant risk. However, as the business grows over the medium term, the underwriting risk will increase as a result.

C.2 Market risk

Market risk in relation to these financial assets is low as the risk of loss of capital from these financial assets is limited. As at the 31 December 2017 the company's financial assets consist of cash and cash equivalents of €5,189,768 and deposits other than cash equivalents of €2,200,446. These financial assets are spread among 3 financial institutions. Due to the nature of these financial assets their market risk volatility is relatively low.

DeCare manages this risk through placing the financial assets with regulated deposit taking institutions that have an appropriate credit rating, by ensuring that there is a sufficient portion of the financial assets available on demand and by spreading the financial assets between 3 institutions.

C.3 Credit Risk

As at the 31 December 2017 the Company's financial assets consist of cash and cash equivalents of €5,189,768 and deposits other than cash equivalents of €2,200,446. These financial assets are spread among 3 financial institutions.

DeCare manages this risk through placing the financial assets with regulated deposit taking institutions that have an appropriate credit ratings, by ensuring that there is a sufficient portion of the financial assets available on demand and by spreading the financial assets between 3 institutions.

C.4 Liquidity Risk

Due to the potential impact on our business of not having access to sufficient funds to meet liabilities as they become due, the company has a low risk tolerance in this area. As at the 31 December 2017 cash and cash equivalents represents 67% of total Solvency II assets and deposits represents 28% of total Solvency II assets. These financial assets are spread among 3 financial institutions. DeCare manages this risk by ensuring that there is a sufficient portion of assets available on demand. This is reviewed at regular Board meetings.

C.5 Operational risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, or from personnel or systems, or from external events. For DDII these would include:

- A change in distribution
- Competition
- Reputational damage
- Excessive Supplier induced demand
- A loss of a key group
- Additional change in treatments covered under PRSI offering

C.6 Other material Risks

All material risks are identified above

C.7 Any Other Information

The Company maintains a risk register that is updated on an ongoing basis by the DDII team and discussed by the Board on at least an annual basis. For each Key risk there is corresponding Risk Appetite Statement which reflects the articulated risk profile set by the Board through its profiling of the identified key risks

The Risk appetite for each of the Key risks identified as part of the risk management process is shown below:

Risk	Risk appetite
Competition	Modest
Excessive Supplier induced demand	Low/Conservative
Capital and solvency	Zero
Liquidity	Low/Conservative
Political (Change in PRSI Offering)	Modest
Pricing, underwriting, reserving	Low/Conservative
Tailored Pricing	Modest
Loss of Distribution channels	Modest
Loss of a Key/large Group	Modest
Reputational Damage	Zero

D. Valuation for Solvency Purposes

As stated above the principal activity of the Company is the transaction of non-life insurance business in private dental care within Ireland. There are no other material lines of business. Consequently all of the valuations in this section relate to Non-Life Insurance Undertaking Class 2 (sickness).

D.1 Assets

Reconciliation of Assets per statutory accounts to Solvency II Balance Sheet as at 31 December 2017	Statutory accounts value €	Removal of Premium written but not earned	Solvency II value €
Property, plant & equipment held for own us	13,998	-	13,998
Deposits other than cash equivalents	2,200,446	-	2,200,446
Insurance and intermediaries receivables	2,377,797	(2,101,591)	276,206
Receivables (trade, not insurance)	46,386	0	46,386
Cash and cash equivalents	5,189,768	0	5,189,768
Total assets	9,828,395	(2,101,591)	7,726,804

Assets have been invested in accordance with the prudent person principle. The above table shows a summary of assets in both the balance of assets in the statutory accounts and the Solvency II Balance Sheet. The difference in Insurance and receivables relates to Premium written but not yet earned of €2,101,591 which is included as an asset for the Statutory Accounts but is netted against the technical provisions for the Solvency II Balance Sheet.

D.2 Technical Provisions

The technical provisions comprise the Best Estimate of the Liabilities and the Risk Margin.

Dental Insurance is a relatively “uneventful” class of business in that there are no large claims that impact the book, there are no liability claims, and development is very “short-tailed” and as a result DeCare Dental Insurance is not subject to the same volatility of risks as faced by other insurers in the general insurance market.

There is however still a reasonable chance that the eventual outcome could still differ from our estimate of reserves across all policy types and accident years. This is as a result of:

- The inherent uncertainty in claims development including changes in the settlement patterns and

- The tendency for claims to deteriorate over time for reasons that are not apparent from the data including external environment and economic factors including such as Dental insurance inflation and/or Legal changes

The table below outlines the difference between the technical provisions recorded in the statutory accounts and the technical provisions recorded in the Solvency II balance sheet

Reconciliation of technical provisons per statutory accounts to Solvency II Balance Sheet at 31 December 2017										
Technical Provisions	Statutory accounts value €	Removal of Premium written but not Earned	Reclass of Deferred Revenue	Risk Margin	Removal of margins	Allowance for future profits in UPR	solvency II Expenses (Ex. ULAE)	Events not in data ("ENID's)	Allowance for Discounting	Solvency II value €
Technical Provisions	**3,088,035**	(2,101,591)	(7,251)	67,579	(119,416)	(766,470)	455,972	50,000	2,153	**669,011**

The risk margin is an addition to the best estimate Liabilities to ensure that the technical provisions as a whole are equivalent to the amount that insurance undertakings would be expected to require in order to take over and meet the insurance obligations.

The technical provisions represent a realistic estimate of the company's future obligations with an allowance for some deviation for plausible changes in estimation in the form of the risk margin.

Within the technical provision calculation, an allowance has been included within the premium provision of €776,470 for future profits in unearned premium. €22,726 of this relates to expected profits in annual premiums already received with the remainder relating to instalments yet to be received

D.3 Other Liabilities

Details of other liabilities are shown in the table below. The majority relate to trade payables. The €7,251 of a difference between the statutory balance sheet and the Solvency II balance Sheet is a result of deferred revenue been included in technical provisions in the statutory accounts but included in provisions other than technical provisions in the Solvency II balance sheet

Reconciliation of other liabilities per statutory accounts to Solvency II Balance Sheet at 31 December 2017	Statutory accounts value €	Reclass of Deferred Revenue	Solvency II value €
Provisions other than technical provisions	0	7,251	7,251
Insurance & intermediaries payables	10,128	-	10,128
Payables (trade, not insurance)	388,943	-	388,943
Total Other liabilities	**399,071**	**7,251**	**406,322**

D.4 Alternative methods of valuation

No Alternative methods of Valuation have been used

D.5 Any Other Information

Methodology and our assumptions

A number of adjustments are then made to the booked reserves in order to obtain the Solvency II technical provisions. Key points to note in relation to the methodology and our assumptions are as follows:

Removal of Margin. There is a small amount of margin above the best estimate produced as at 31 December 2017 by Willis Towers Watson which is removed from the undiscounted claims reserves. This ensures the technical provisions do not contain any prudence.

Cash-flows and discounting. Cash-flows have been discounted using the applicable currency risk free yield curve as at 31 December 2017 as published by EIOPA

Solvency II classes of business. All business written by DeCare has been classified as medical expense insurance, non-SL health risk, Solvency II line of business

Inclusion of unearned business. The expected claims on unearned business are calculated using the IELRs from our review of best estimate reserves as at 31 December 2017

Removal of premium written (not overdue) payable monthly. The premium provision has been adjusted for monthly payable premiums which although written has not been paid by the policyholder. The premiums due have also been reduced to reflect this. This differs from the treatment under Solvency I.

Events not in data ("ENIDs"). The allowance for ENIDS on the scenario of a backlog of reported claims from a dental provider that is excluded from the data at the review date. The ENID allowance is split between the claims provision and the premium provision.

Expenses. Unallocated expenses relate entirely to the cost associated to running off the premium provision. The unallocated expenses associated with the claims provision are sufficiently small due to the quick reporting and settlement pattern as to be covered by the total booked reserves.

Reinsurance and Reinsurance bad debt. Given that DeCare does not purchase any reinsurance, no allowance has been made for reinsurance recoveries and no adjustment has been made for reinsurance bad debt. Therefore, the gross technical provisions and the net technical provisions are identical for DeCare

Other adjustments. No other adjustments (such as for future premiums or un-incepted business) have been made

Risk Margin

The risk margin has been calculated separately by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over the lifetime thereof.

The annual cost of capital is taken to be 6% of the capital estimated at each future point, discounted to the valuation date using the same risk free yield curve as that used to determine the best estimate technical provisions.

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 cash deposits in bank accounts or money market funds. While there is no intention to change the class of asset in which DeCare is investing, the company will continue to monitor the credit ratings and the returns been offered by the credit institutions with the view to switching if advantageous

DDII's ordinary shares have full voting, dividend and capital distribution rights; they do not confer any rights of redemption.

There is a difference of €310,182 between DDII's equity as shown in its audited financial statements and the excess of assets over liabilities as calculated for solvency II purposes. A reconciliation of the difference is shown below:

As at 31 December 2017	€
Total Equity in financial statements	6,341,289
Risk Margin	(67,579)
Removal of Margins	119,416
Events not in Data	(50,000)
Solvency II Expenses	(455,972)
Allowance for Future Profits in UPR	766,470
Allowance for Discounting	(2,153)
Solvency II-Basic Own Funds	6,651,471

The eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement is € 6,651,471. This is comprised entirely of Tier 1 Basic Own Funds

None of the Company's own funds are subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The table below sets out DDII's pillar 1 capital position as at 31 December 2017. It should be noted that this is still subject to supervisory assessment

As at 31 December 2017	€
Own Funds	6,651,471
Solvency Capital Requirement (SCR)	2,130,724
Minimum Capital requirement (MCR)	2,500,000
Ratio of Eligible own funds to SCR	3.12
Ratio of Eligible own funds to MCR	2.66

The Company uses EIOPA's Solvency II Standard Formula for the purposes of calculating the SCR.

The components of the SCR are:

	Before Diversification	Diversification	After Diversification
Counterparty risk	€765,805	-€177,041	€588,764
Health Risk	€1,509,504	-€348,972	€1,160,532
Market Risk	€265,314	-€61,336	€203,978
Operational Risk	€177,450	-	€177,450
Total	**€2,718,073**	**-€587,349**	**€2,130,724**

Key assumptions/points to note

- The potential for material risk concentration in this class of business is extremely low
- No allowance has been included for health catastrophe capital charge, other catastrophe capital charge or lapse risk due to the type of business and limits in place
- As assets are bank deposits we do not calculate cash flow and therefore these do not form part of the interest rate risk capital charge. The interest rate risk is zero
- Undertaking Specific Parameters have not been considered

The Linear MCR is calculated by applying the specified factor for medical expenses of 4.7% to both the net technical provisions as at 31 December 2017 and the net written premium in 2017. The final MCR is then calculated with reference to the cap (45%) and floor (25%) of the calculated SCR in addition to the minimum MCR for a non-life insurer of €2.5m.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

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

The Company uses EIOPA's Solvency II Standard Formula for the purposes of calculating the SCR. No Internal Model is used

E.5 Non-compliance with the Minimum Capital Requirement or significant non-compliance with the Solvency Capital Requirement

The company has complied with the Minimum Capital Requirement and the Solvency Capital Requirement

E.6 Any Other Information

There is no additional information that needs to be included in this report

Appendix 1 QRT's

S.02.01.02 Balance Sheet

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	13,998
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,200,446
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	2,200,446
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	276,206
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	46,386
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet	R0400	
Cash and cash equivalents	R0410	5,189,768
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	7,726,804

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	669,011
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	669,011
TP calculated as a whole	R0570	
Best Estimate	R0580	601,432
Risk margin	R0590	67,579
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	7,251
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	10,128
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	388,943
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	1,075,333
Excess of assets over liabilities	R1000	6,651,471

S.05.01.01 Balance Sheet Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

Annex I
S.05.01.01.01
Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	aviation and transport insurance	other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	5,603,056																5,603,056
Gross - Proportional reinsurance accepted	R0120	0																0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140	0																0
Net	R0200	5,603,056																5,603,056
Premiums earned																		
Gross - Direct Business	R0210	5,914,845																5,914,845
Gross - Proportional reinsurance accepted	R0220	0																0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240	0																0
Net	R0300	5,914,845																5,914,845
Claims incurred																		
Gross - Direct Business	R0310	3,488,094																3,488,094
Gross - Proportional reinsurance accepted	R0320	0																0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340	0																0
Net	R0400	3,488,094																3,488,094
Changes in other technical provisions																		
Gross - Direct Business	R0410	0																0
Gross - Proportional reinsurance accepted	R0420	0																0
Gross - Non- proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440	0																0
Net	R0500	0																0
Expenses incurred	R0550	1,686,360																1,686,360
Administrative expenses																		
Gross - Direct Business	R0610	55,125																55,125
Gross - Proportional reinsurance accepted	R0620	0																0
Gross - Non-proportional reinsurance accepted	R0630																	0
Reinsurers' share	R0640	0																0
Net	R0700	55,125																55,125
Investment management expenses																		
Gross - Direct Business	R0710	0																0
Gross - Proportional reinsurance accepted	R0720	0																0
Gross - Non-proportional reinsurance accepted	R0730																	0
Reinsurers' share	R0740	0																0
Net	R0800	0																0
Claims management expenses																		
Gross - Direct Business	R0810	120,527																120,527
Gross - Proportional reinsurance accepted	R0820	0																0
Gross - Non-proportional reinsurance accepted	R0830																	0
Reinsurers' share	R0840	0																0
Net	R0900	120,527																120,527
Acquisition expenses																		
Gross - Direct Business	R0910	0																0
Gross - Proportional reinsurance accepted	R0920	0																0
Gross - Non-proportional reinsurance accepted	R0930																	0
Reinsurers' share	R0940	0																0
Net	R1000	0																0
Overhead expenses																		
Gross - Direct Business	R1010	1,510,708																1,510,708
Gross - Proportional reinsurance accepted	R1020	0																0
Gross - Non-proportional reinsurance accepted	R1030																	0
Reinsurers' share	R1040	0																0
Net	R1100	1,510,708																1,510,708
Other expenses	R1200																	0
Total expenses	R1300																	1,694,283

S.17.01.02 Non- Life Technical Provisions

Annex I
S.17.01.02
Non-life Technical Provisions

		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	- 106,627								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									
Net Best Estimate of Premium Provisions	R0150	- 106,627								
Claims provisions										
Gross	R0160	708,059								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									
Net Best Estimate of Claims Provisions	R0250	708,059								
Total Best estimate - gross	R0260	601,432								
Total Best estimate - net	R0270	601,432								
Risk margin	R0280	67,579								
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	R0320	669,011								
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0								
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	669,011								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060								- 106,627
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								
Net Best Estimate of Premium Provisions	R0150								- 106,627
Claims provisions									
Gross	R0160								708,059
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								
Net Best Estimate of Claims Provisions	R0250								708,059
Total Best estimate - gross	R0260								601,432
Total Best estimate - net	R0270								601,432
Risk margin	R0280								67,579
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320								669,011
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340								669,011

S.19.01.21 Non- Life Insurance Claims Information

Accident year / Underwriting year	Z0010	

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

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100												R0100		4,364,271
N-9	R0160	2178854	1058264	106814	32766	8557	8786	3442		-	-		R0160	-	3,397,483
N-8	R0170	2133616	750161	92696	11629	11350	8199	1254	-	-			R0170	-	3,008,905
N-7	R0180	2212681	802044	108359	28036	11825	387	0	-				R0180	-	3,163,332
N-6	R0190	2396989	829940	92410	25175	1024	0	0					R0190	-	3,345,538
N-5	R0200	2652261	892768	96092	3615	0	0						R0200	-	3,644,736
N-4	R0210	3399075	957269	31080	0	0							R0210	-	4,387,423
N-3	R0220	2356075	364773	16409	0								R0220	-	2,737,257
N-2	R0230	2484420	592017	20049									R0230	20,049	3,096,487
N-1	R0240	3363735	561452										R0240	561,452	3,925,187
N	R0250	2945506											R0250	2,945,506	2,945,506
													Total R0260	3,527,007	38,016,125

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100												R0100	
N-9	R0160												R0160	
N-8	R0170												R0170	
N-7	R0180												R0180	
N-6	R0190												R0190	
N-5	R0200												R0200	
N-4	R0210												R0210	
N-3	R0220			223									R0220	
N-2	R0230		41188	0									R0230	
N-1	R0240	810912	24583										R0240	24,671
N	R0250	680,941											R0250	683,387
													Total R0260	708,059

S.23.01.01 Own Funds

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	635,000	635,000		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	4,265,000	4,265,000		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0				
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	1,751,471				
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	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	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	
Total basic own funds after deductions	R0290	6,651,471	6,651,471	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			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			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	6,651,471	6,651,471	0	0	
Total available own funds to meet the MCR	R0510	6,651,471	6,651,471	0	0	
Total eligible own funds to meet the SCR	R0540	6,651,471	6,651,471	0	0	
Total eligible own funds to meet the MCR	R0550	6,651,471	6,651,471	0	0	
SCR	R0580	2,130,724				
MCR	R0600	2,500,000				
Ratio of Eligible own funds to SCR	R0620	3.12				
Ratio of Eligible own funds to MCR	R0640	2.66				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	6,651,471
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	4,900,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	1,751,471
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	0

S.25.01.21 Solvency Capital Requirement

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	265,314		
Counterparty default risk	R0020	765,805		
Life underwriting risk	R0030			
Health underwriting risk	R0040	1,509,503		
Non-life underwriting risk	R0050			
Diversification	R0060	- 587,349		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	1,953,274		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	177,450
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	2,130,724
Capital add-on already set	R0210	
Solvency capital requirement	R0220	2,130,724
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 Minimum Capital Requirement

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	291,608

		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	601,432	5,603,000
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		
General liability insurance and proportional reinsurance	R0090		
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
MCR_{L} Result	R0200	

		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	291,608
SCR	R0310	2,130,724
MCR cap	R0320	958,826
MCR floor	R0330	532,681
Combined MCR	R0340	532,681
Absolute floor of the MCR	R0350	2,500,000
		C0070
Minimum Capital Requirement	R0400	2,500,000