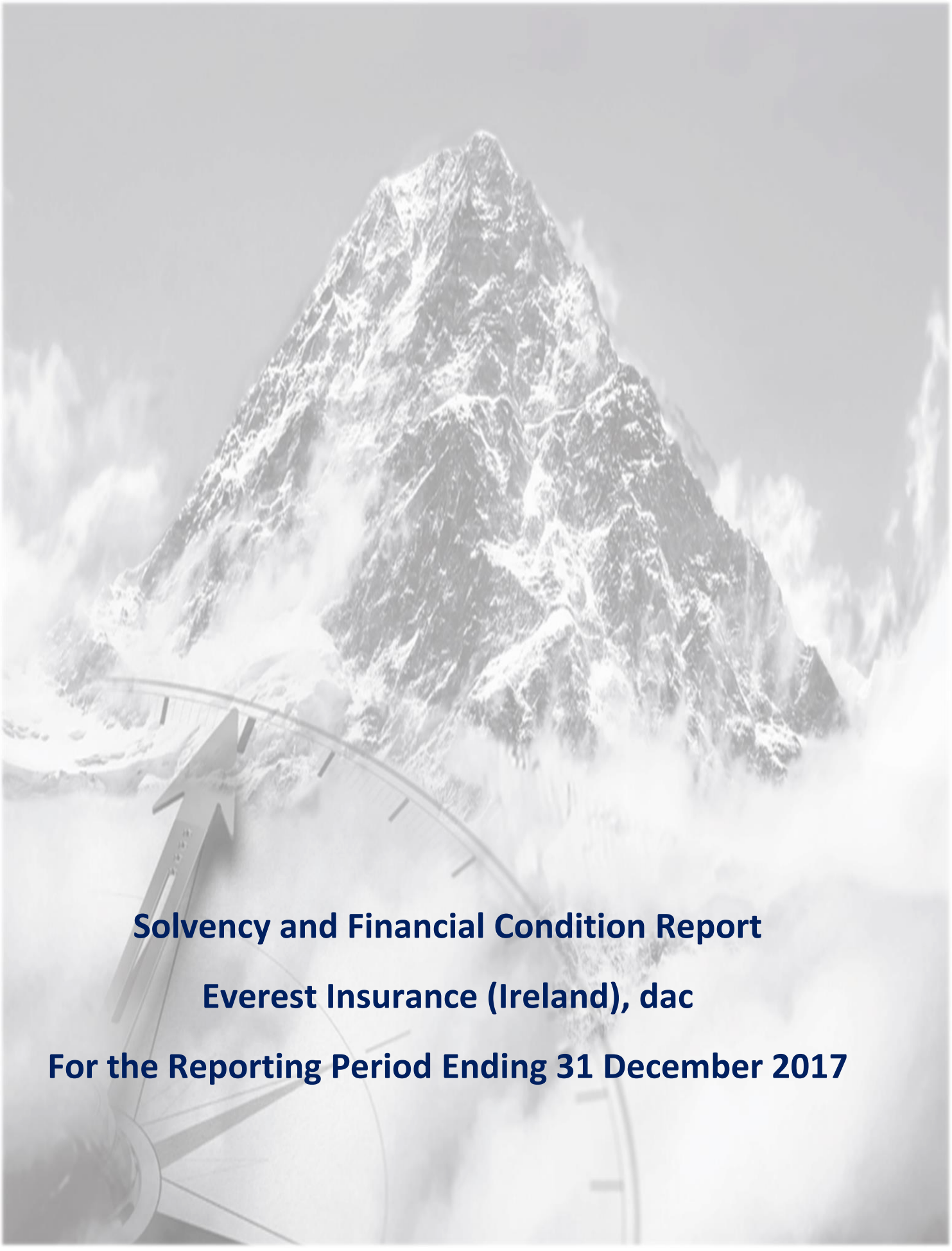


Solvency and Financial Condition Report

Everest Insurance (Ireland), dac

For the Reporting Period Ending 31 December 2017

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SUMMARY

1. Business and performance

Everest Insurance (Ireland) dac ("EIID", "the Company") presents its first Solvency and Financial Condition Report (SFCR). This document has been prepared in accordance with the requirements of Solvency II to provide stakeholders with information on the Company's system of governance and financial position.

The reporting period covered by this document is from 15th November 2017 to 31st December 2017. The report date is 31st December 2017.

Company background

Everest Insurance (Ireland), dac is an Irish designated activity Company licensed by the Central Bank of Ireland (CBI) to write the following classes of insurance business.

7 Goods in transit (including merchandise, baggage, and all other goods)
8 Fire and natural forces
9 Other damage to property
13 General liability
14 Credit
15 Suretyship
16 Miscellaneous financial loss

The Company is part of the Everest Re Group of companies and the ultimate parent Company is Everest Re Group Ltd ("Everest Re", "the Group") which is a global insurance and reinsurance company registered on the New York Stock Exchange. The Everest Re Group prides itself on:

- ✓ Seasoned, responsive underwriters
- ✓ Global network of professionals across all kinds of risk
- ✓ Efficient operations that save time and money
- ✓ Consistent leadership and Company vision.

EIID seeks to deliver those priorities across all its licensed lines. The Company was authorised by the CBI on 15th November 2017 and began to trade as an insurance company from that date. The Company's strategic focus will be to write primary insurance business across the European Union and elsewhere, if authorised on a non-admitted basis, with initially a predominance of business in our trade credit and political risk product set. Suretyship, excess casualty, property and management liability will form the remainder of our business in the short term. Through service arrangements with its Group affiliates, the Company will be able to access a full range of expertise and infrastructure necessary to support the Company thereby enabling it to provide full service capabilities across its product lines and compete with market leading capabilities. EIID will utilise large corporate and specialist brokers to write business.

Business review

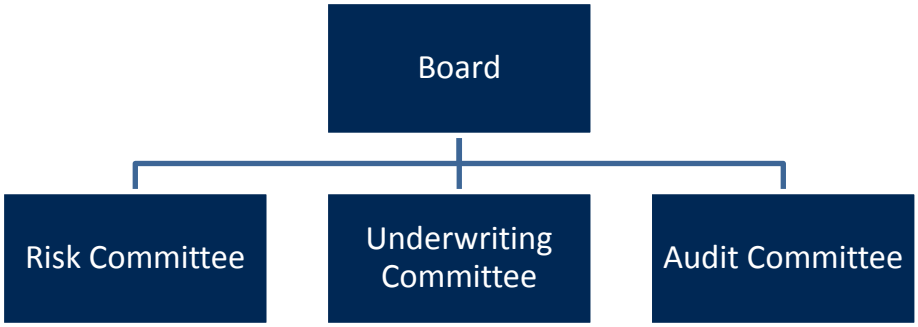
The Company produces annual financial statements in accordance with Financial Reporting Standard FRS 102 & 103 ("FRS"). As the Company was authorised in late 2017 it has only begun its insurance business and for the period ended 31st December 2017 the Company incurred a pre-tax loss of €0.5m. Gross Written Premiums ("GWP") and Net Earned Premiums ("NEP") were €0.4m and €0m respectively.

The Company purchases both external and internal reinsurance. It has entered into treaty reinsurance agreements with panels of external reinsurers. Whole account quota share and variable account quota share reinsurances have been purchased from Group affiliated entities. All of the reinsurance programmes seek to limit risk exposure, reduce volatility and to maintain a level of capital above the Solvency II Solvency Capital Requirement ("SCR").

2. System of governance

The Company is subject to the various requirements set out by the Central Bank of Ireland including the Corporate Governance Requirements for Insurance Undertakings 2015.

The Company has set up a governance structure comprising of the Board supported by Committees as follows:



	Main Function	Main Responsibility
Board of Directors	Lead and control EIID	✓ Setting the Company's strategy ✓ Responsibility to ensure that the Company's system of governance is appropriately maintained and delivered ✓ Oversees the governance framework and operation of the system of governance through the Audit and Risk Committees
Risk Committee	Responsible for our risk governance, oversight of risk exposures and risk strategy.	✓ Oversight of risk management system ✓ Review current exposures and makes recommendations to the Board on risk appetite and future risk strategy
Underwriting Committee	Oversee the Company's policies, guidelines, and procedures relating to the underwriting of insurance business.	✓ Assists the Board in establishing and overseeing the Company's underwriting policies and procedures ✓ Reviews compliance with the Company's underwriting principles
Audit Committee	Act as an independent link between the Board and EIID's internal and external auditors.	✓ Responsible for reviewing and monitoring the integrity of financial statements and associated internal controls as well as the performance of both internal and external audits ✓ Provides a link between the Board and the independent internal and external auditors
Chief Executive Officer	The most senior executive of the Company and is the link between management and the Board.	✓ Responsible for the Company's operations ✓ Delivering the strategy set by the Board Optimizes business performance within the governance and risk framework set by the Board.

Our risk management, compliance, actuarial and internal audit functions are key functions in our system of governance. Each of these functions reports regularly to the Board, Risk Committee and/or Audit Committee. The functions operate independently from management and have open access to management, the Board and the books and records of the Company.

The Company plans to carry out periodic audits by the internal audit function. These will provide the Board with an independent review of the effectiveness of key processes within the Company. Findings and recommendations will be reported directly to the Audit Committee.

All persons who are either involved in the day to day running of the Company or hold key functions are required to demonstrate that they have the appropriate level of fitness and probity to fulfil the requirements of their role. Those persons holding positions in key functions are subject to the Central Bank of Ireland's Pre Approved Control Function (PCF) regime which requires regulatory pre-approval before they can take up the position.

3. Risk profile

As the Company was recently authorised, underwriting risk exposure is not yet significant. However, the primary business of the Company is to underwrite insurance risk and as such, the principal risk to which we are exposed is underwriting risk. This is the risk that the total cost of claims, claims adjustment expenses and premium acquisition expenses will exceed premiums received. This could arise as a result of factors including mis-pricing, inadequate underwriting assessment, inappropriate policy terms and conditions, under-reserving, large losses and unanticipated legal and/or claims trends.

Other risks faced by the Company include credit risk, operational risk and strategic risk. The Company is in the process of establishing a risk management system which will identify, monitor, measure, mitigate and report on the material risks facing the Company. Further information about our risk profile is in section C.

4. Valuation for solvency purpose

In Section D, we set out our approach to valuing assets and liabilities under Solvency II

The Company carries out a reconciliation between the valuation of assets and liabilities made under FRS and Solvency II. Differences include the valuation of gross and reinsurance technical provisions, insurance receivables and payables, and other liabilities. The reconciliation for the period ended 31st December 2017 is disclosed in section D.

5. Capital management

The Company aims to maintain sufficient own funds to maintain a comfortable margin to cover the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR"). Further details on capital management are in Section E.

Own funds at 31st December 2017 were €49.569m with a Solvency Capital Requirement of €5.106m resulting in a solvency ratio 971%. The MCR at 31 December 2017 was €3.7m. All own funds are classified as Tier 1 funds.

A. Business and performance

A.1 Business

(a) Name and legal form of the undertaking

Everest Insurance (Ireland), dac
Incorporated in the Republic of Ireland.

Registered Address:
70 Sir John Rogerson's Quay, Dublin 2.

(b) Name of the supervisory Authority responsible for the financial supervision of the undertaking

The Central Bank of Ireland,
New Wapping Street, North Wall Quay, Dublin 1, Ireland

(c) External Auditor of the undertaking

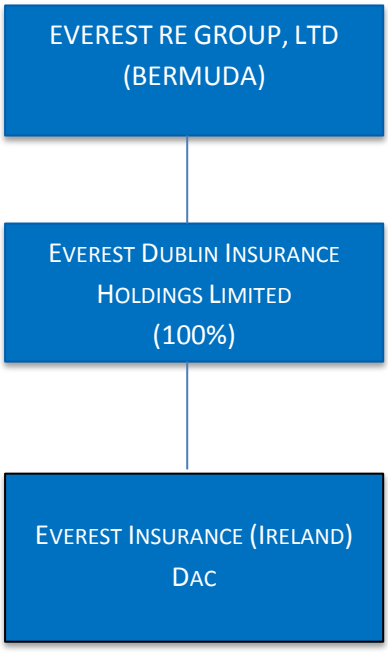
PricewaterhouseCoopers
One Spencer Dock,
Northwall Quay
Dublin 1, Ireland

(d) Holders of qualifying holdings in the undertaking

Everest Dublin Insurance Holdings Limited
3rd Floor, Huguenot House
35 – 38 St Stephen's Green
Dublin 2, Ireland

(e) Legal structure of the Company and Group

The Company is a designated activity Company and is part of the Everest Re Group



(f) Material lines of business and material geographical areas in which Business is carried out

The Company is licenced to write the following classes of business:

7 Goods in transit (including merchandise, baggage, and all other goods).
8 Fire and natural forces.
9 Other damage to property.
13 General liability.
14 Credit
15 Suretyship
16 Miscellaneous financial loss

The Company intends to write this business throughout Europe and outside of Europe, where authorised on a non-admitted basis. As at the date of reporting the Company had bound business in North America and Europe.

(g) Significant business or other events over the reporting period that have had a material impact on the undertaking

The following significant events occurred during the reporting period:

Authorisation	Authorisation to trade as an insurance company was received from the Central Bank of Ireland on 15th November 2017.
Start to trade	The Company began to trade as an insurance company on the 15th November 2017.
Name Change	The name of the Company was changed from Everest Direct Risk Services DAC to Everest Insurance (Ireland) DAC after receipt of the insurance certificate of authorisation from the CBI.
Capitalisation	After receipt of capital, this capitalisation was approved as Tier 1 own funds by the CBI.
S&P Rating	The Company received an S&P rating of A+.
Personnel	The following people were appointed to the board ✓ Stephen Cross (CEO) ✓ Mark deSaram (Chairman of the Board and non-executive director) ✓ Jim Thomas (Non-executive Director) ✓ Daryl Bradley (Non-executive Director) ✓ Michael Brady (Independent Non-executive Director) ✓ Eoin Byrne (Independent Non-executive Director)

A.2 Underwriting performance

The Company began to trade as an insurance Company on 15th November 2017. At the end of the year the Company had bound and incepted one policy and bound two others. The majority of the underwriting activity was focused on developing the pipeline of premium for 2018. The following tables which are extracts from QRT 5.01 and 5.02 lists the Company's underwriting result by Solvency II lines of business and major geographical location, including home country.

	General liability	Total
	€'000s	€'000s
Net Earned Premium	-	-
Net Incurred Claims	-	-
Expenses Incurred	476	476
Underwriting (Loss)	**(476)**	**(476)**

	North America	Total
	€'000s	€'000s
Net Earned Premium	-	-
Net Incurred Claims	-	-
Expenses Incurred	476	476
Underwriting (Loss)	**(476)**	**(476)**

The Company incurred expenses in setting up the Company and obtaining an authorisation to write insurance. For QRT purposes these have been included within General Liability line and North American region as premium written as at the report date, as reflected in our financial statements, all related to North American excess casualty business.

A.3 Investment Performance

(a) There was no investment return made by the Company in 2017. At the reporting date the Company's assets of €49.8m were held exclusively in Euro cash.

(b) There are no gains or losses directly recognised in equity.

(c) The Company does not have any investments in securitisations.

A.4 Performance of other activities

The Company does not carry out any activities which are not directly connected to the provision of insurance.

Net operating expenses incurred in the day to day operation of the Company and disclosed in the reports and financial statements for the period ended 31 December 2017 were €0.5m.

Other material income and expenses

Other than the income and expenses disclosed above the Company does not have any other material income and expenses.

The Company has not entered into any leasing arrangements.

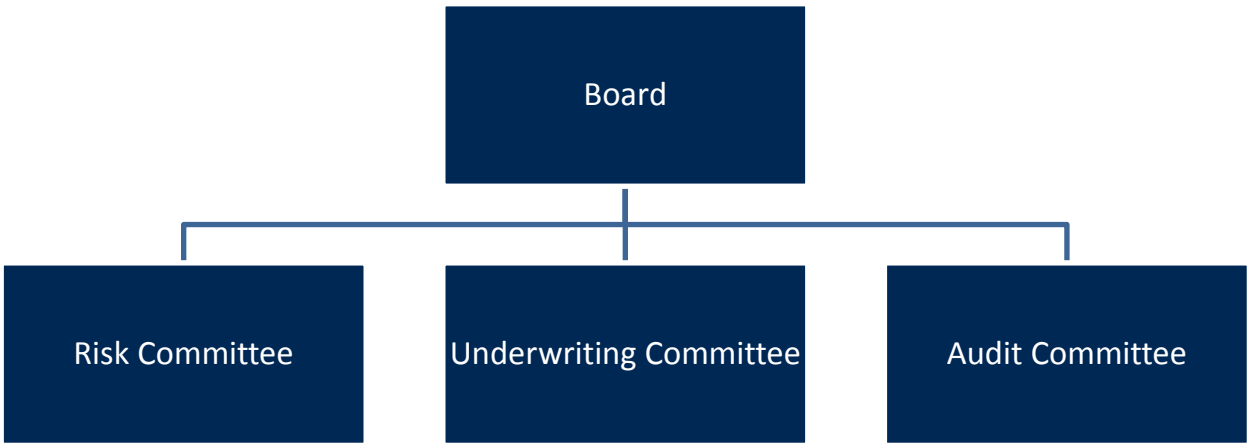
A.5 Any other material information

The Company does not have any other material information to disclose in regard to business and performance.

B. Systems of governance

B.1 General Information on the systems of governance

The Company has set up a governance structure comprising of the Board supported by Committees as follows:



B.1a The role and responsivity of the administrative, management or supervisory body and key functions

Responsibility for the design and oversight of the Company's systems of governance, in line with the Corporate Governance Requirements for Insurance Undertakings 2015 by the Central Bank of Ireland, resides with the Board of Directors.

The Board is primarily responsible for

- Setting the Company's strategy
- Ensuring that the CEO and executive management implement the strategy and evaluating the performance of the Company in light of its business objectives, strategy and plans
- Ensuring that an appropriate system of internal control, including compliance, is in place and operating effectively
- Assessing and monitoring the major risks facing the Company and ensuring that an appropriate risk management framework is developed and implemented by management
- Monitoring capital adequacy
- Ensuring that the insurance undertaking complies with all relevant laws and regulations

The Board is supported by three Committees - Risk Committee, Audit Committee and Underwriting Committee. As at the Reporting Date, the Board had formally delegated specific functions to the Risk and Audit Committees as identified by the terms of reference for each Committee and had planned to formally delegate specific functions to the Underwriting Committee in early 2018. This delegation does not remove or absolve Board members of their responsibilities to the Company. The Board and the three Committees are constituted in such a way as to meet the requirements of the Central Bank of Ireland's *Corporate Governance Requirements for Insurance Undertakings 2015*.

Risk Committee

The Risk Committee is responsible for providing oversight and advice to the Board on current risk exposures and future risk strategy. It also oversees matters relating to compliance.

As at the reporting date, the Committee is composed of two Independent Non-Executive directors ("INEDs"), one of whom is its Chairman, the CEO and a non-executive director. It meets four times a year prior to each scheduled Board meeting and accepts presentations from the Head of Compliance and Chief Risk Officer. The Committee chairman may call additional meetings as and when deemed appropriate.

The Committee's responsibilities and level of authority are set out in formal terms of reference which are annually reviewed and approved by the Board. Key responsibilities are:

- Advising the Board on risk appetite and risk tolerance taking account of the Board's overall risk appetite
- Advising the Board on proposed strategic solvency targets
- Overseeing the Company's risk management system, policies, and procedures
- Overseeing the risk management function as managed on a day to day basis by the CRO
- Liaising regularly with the CRO to ensure the development and ongoing maintenance of an effective risk management system that is effective and proportionate to the nature, scale and complexity of the risks inherent in the business
- Ensuring 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 the organisation
- Overseeing the Company's compliance with statutory and regulatory requirements
- Participating in and monitoring the ORSA process and outcomes and ensuring that the ORSA is implemented effectively within the Company
- Reviewing certain large transactions referred by the Underwriting Committee
- Monitoring compliance with legal and regulatory requirements and
- Reviewing the annual compliance plan and the outcomes of the compliance monitoring programme of the Company.

Audit Committee

The Audit Committee is responsible for reviewing and monitoring the integrity of financial statements and associated internal controls as well as the performance of both internal and external audits. The Committee provides a link between the Board and the independent internal and external auditors.

As at the reporting date, the Committee was composed of four Non-Executive Directors ("NED"s), two of whom, including the Chairman, are Independent Non-Executive Directors ("INED"s). It meets four times a year prior to each scheduled Board meeting and accepts presentations from the CFO on operational and financial matters, as well as periodic reports from the Head of Internal Audit function and External Audit Partner. The Committee chairman may call additional meetings as and when deemed appropriate.

The Committee's responsibilities and level of authority are set out in a formal terms of reference document which is annually reviewed and approved by the Board. Key responsibilities are:

- Monitoring the effectiveness of the Company's internal controls, internal audit and IT systems
- Investigating any material breaches of the Company's internal financial control processes and recommending corrective action
- Approving the appointment of the external auditors, assessing both their independence and effectiveness
- Reviewing the scope of the audit and audit plans presented by the external and internal auditors
- Reviewing the Company's annual financial statements in conjunction with executive management and on an annual basis with the external auditor and
- Reviewing the Company's accounting policies and any significant matters raised by external and internal auditors.

Underwriting Committee

The Underwriting Committee will assist the Board in establishing and overseeing the Company's underwriting policies and procedures, and reviewing compliance with the Company's underwriting principles.

As at the reporting date, the Committee is composed of the Chairman of the Board, Chief Underwriting Officer, the Chief Financial Officer and such others as determined by the Committee. Meetings take place at least three times per annum to coincide with scheduled Board meetings or other such times deemed to be appropriate. The Chairman of the Committee will report regularly to the Board.

To fulfil its responsibilities and duties the Underwriting Committee shall:

- Periodically reviewing underwriting guidelines, rating and other underwriting tools and approve or amend as necessary
- Review and signing off risks referred which are outside of the Chief Underwriting Officer's authority limits as stated in his Letter of Authority
- Review all underwriting transactions which fall outside of the Chief Underwriting Officers Letter of Authority and either approve or provide individual authority delegations
- Review at least three transactions at each Underwriting Committee meeting. Such transactions will be selected by the Underwriting Committee according to their size, significance, uniqueness or such other factors as the Underwriting Committee may determine from time to time
- Invite one or more members of the Risk Committee, other than those members who belong to both the Risk Committee and the Underwriting Committee, to attend at least one Underwriting Committee meeting per annum
- Perform such other responsibilities regarding the Company's insurance underwriting activities or policies or such other matters as the Board of Directors may from time to time assign to the Committee
- Refer to the Risk Committee any individual prospective transaction that represents at least 20% of planned annual gross written premium for the current financial year.

Key Functions

Our risk management, compliance, actuarial and internal audit functions are the key functions in our system of governance. Each of these functions reports regularly to the Board, Risk Committee and /or Audit Committee. The Company intends to establish mandates for each of these functions which will set out their key responsibilities. The functions operate independently from management. The functions have open access to management, the Board and the books and records of the Company. The functions may draw upon support from Group where appropriate but also may engage external resources (whether systems, tools or people) as required. In addition, the Company will consider recruiting additional staff to support these functions as our business grows. Further information about our key functions is included later in Section B.

Risk function

Primary responsibility for risk management has been delegated by the Board to the Risk Committee. The Company has appointed a Chief Risk Officer ("CRO"), who commenced employment in January 2018. The CRO will have responsibility for developing and implementing the risk management function on a day to day basis and will provide a regular report to the Risk Committee.

Compliance function

The Company's compliance function is headed by the Head of Compliance. The Head of Compliance provides periodic reports to the Risk Committee. The function is primarily responsible for management of compliance risk and with managing compliance with the requirements of the regulatory environment in which the Company operates and mitigation of financial crime and data protection risks.

Actuarial function

The Company appointed a Head of Actuarial Function who commenced employment in January 2018. The roles of CRO and Head of Actuarial Function are held by the same person. The responsibilities of the actuarial function include oversight and calculation of technical provisions and the provision of opinions on technical provisions, the ORSA, underwriting and reserving, as required by the CBI and by Solvency II regulations.

Internal Audit function

The Internal Audit function is outsourced to Eisner Amper Ireland and is performed within Group guidelines. Oversight and support is provided by the Group entity, Inc. ("EGS") as deemed appropriate. The Board believes that this arrangement provides independent oversight both from a local and global perspective.

The mission of the Internal Audit function is to provide independent, objective assurance services. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate the effectiveness of risk management, internal control, and governance processes.

B.1.b Material changes in the system of governance in the reporting period

As this is the Company's first reporting period, there are no material changes in the system of governance to report.

B.1.c Remuneration policy

Overview of the Company's compensation objectives

As the Company has recently started operations, it has not yet formally established a remuneration policy. However, in appointing employees to date, the Company has adopted compensation practices which follow the Group's approach to compensation. The Company intends to develop a remuneration policy during 2018.

Components of the Company's compensation program

Annual compensation for the Company's employees consists principally of a base salary and a merit based discretionary cash bonus. In addition, the Company's senior management is eligible to receive equity-based awards representing shares in the Company's ultimate parent, Everest Re Group, Ltd. Apart from the salary, bonus and equity award components, all employees receive other forms of compensation including:

- Company funded pension plan
- Company paid life insurance/ death in service
- Medical insurance and
- Disability insurance.

Base salary is set to reflect the level of the role, experience and competencies of employees and to ensure that staff are fairly remunerated in line with market practice. Compensation awards and levels are generally intended to be reasonably competitive with compensation paid by organisations of similar stature so as to minimise the potential for disruptive turnover amongst important contributors.

Independent non-executive directors and external non-executive directors are paid an annual fee. They do not participate in any other incentive arrangements or pension scheme.

The Company awards annual merit based discretionary cash bonuses in accordance with the Group's approach, under which, the Company may make cash payments each year to employees who hold positions of significant responsibility and/or whose performance or potential contribution, in the judgment of management and the Group's Board, will contribute materially to the success of the Company. The actual cash bonus amounts recommended for individual employees will be determined by the Company's senior management based on a variety of factors including individual responsibilities, experience, contributions and performance, as well as position relative to internal peers. All bonus determinations are in the subjective judgment and discretion of the Company's senior management for all Company employees other than the Chief Executive Officer. The bonus for the CEO is agreed by the Group Board.

Equity based awards

The Company's compensation plan is premised on a strategic view of compensation which is achieved through the Everest Re Group, Ltd. 2010 Stock Incentive Plan, as adopted by the Group's shareholders in May, 2010 (the "2010 Stock Incentive Plan"). Awards under the 2010 Stock Incentive Plan are intended to reinforce management's long-term perspective on corporate performance, provide an incentive for key executives to remain with the Company for the long-term, and provide a strong incentive for employees to work to increase shareholder value by aligning key executives' interests with the Group's shareholders.

Awards under the 2010 Stock Incentive Plan to senior management of the Company have been in the form of restricted shares. Restricted share awards encourage employee retention because they vest over a five year period at the rate of 20% per year and the unvested shares are generally forfeited if the recipient leaves the Company before vesting. All restricted share award determinations for the Company's senior management are at the subjective judgment and discretion of recommendations made by Group's executive management to the Group's Board of Directors. Except for the Named Executive Officers and some additional key members of Group's executive management, the Group Board has not identified any specific factors or particular criteria that must be met by other members of the Company's senior management and does not assign any relative weighting to any factors or criteria it considers. Rather it relies on recommendations from Group's executive management. Examples of factors that executive management has considered include the recipient's demonstrated past and expected future performance, the recipient's level of responsibility within the Company, his/her ability to affect shareholder value, and past awards of restricted shares.

The Company does not operate any supplementary pension or early retirement schemes for board members or other key function holders.

B.1.d Material transactions with shareholders

The Company received a capital contribution of €49.999m from its sole shareholder Everest Dublin Insurance Holdings Limited in November 2017. There were no transactions with members of the Board.

B.2 Fit and proper requirements

B.2.a Requirements with regard to skills, knowledge and expertise of key persons, positions and functions

The Company is required to fulfil the minimum requirements as set out by the CBI in *Fitness and Probity Standards 2014.* The Company is required to nominate employees in specific control function ("CF") roles and in certain cases obtain the pre-approval of the CBI, by completing online individual questionnaires, before appointing individuals to Pre-approved Controlled Functions ("PCF") roles.

During 2018, the Company will prepare a Fitness and Probity Policy which will outline the Company's fitness and probity processes and procedures.

The Company requires that a person who holds a PCF or CF role can demonstrate that they have the necessary competence and proficiency to undertake the relevant function, have a sound knowledge of

the business, and their specific responsibilities together with a clear and comprehensive understanding of the legal/ regulatory obligations to undertake that function.

B.2b Description of processes for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

Where the Company has determined that an individual is appropriate for the role of PCF, the application process is undertaken for the submission of the individual questionnaire via the CBI Online System. The process involves:

- Completing the relevant sections of the individual questionnaire ("IQ") by both the applicant and proposer
- Documentation of supporting experience and relevant qualifications
- Declaration by the proposed holder of the PCF of the accuracy and veracity of the information provided
- Declaration by an appropriate officer confirming the checks of the individual were undertaken by EIID (e.g. appropriate due diligence with regard to qualifications and experience, previous employer reference checks etc.) and confirming that the Company is satisfied that the proposed holder of the PCF is fit and proper.

When the CBI confirms their approval of the appointment, the individual may commence their PCF role within EIID. The ongoing monitoring, including annual declarations and due diligence shall be the responsibility of the Head of Compliance.

Persons undertaking CFs roles are notified in writing by the Head of Compliance of their obligations under the Fitness and Probity standard, the letter will also identify the relevant Control Function code. The ongoing monitoring, including annual declarations and due diligence shall be the responsibility by the Head of Compliance.

In the cases where employees are not required to be nominated into control function roles the Company ensures that the employees are able to fulfil the requirements of their roles by holding such professional qualifications, knowledge and experience that would be reasonably expected by a knowledgeable third party and are of good repute and integrity.

During 2018, the Company will establish processes to enable the Company to annually confirm to the CBI that the Company is in compliance with the relevant regulatory requirements under the CBI's Fitness and Probity Standards 2014 and associated CBI Guidance (the "Fitness and Probity Standards").

These processes will ensure that all relevant persons meet, and continue to meet, the Fitness and Probity Standards and fulfil any training obligations.

The Company will also prepare a Fitness and Probity policy document which will address:

- Recruitment of persons undertaking PCF and CF roles
- Individuals performing PCFs and CFs on a temporary basis
- Outsourcing of PCFs and CFs
- On-going due diligence of individuals performing PCFs and CFs. Each CF and PCF holder must complete annual declarations on conflicts of interests, reputation and character, conflict of interests and civil and criminal record

- Addressing the consequences where a person's circumstances change and can no longer able to meet the F&P standard.

B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA)

B.3.a Risk management system and ORSA

Risk management system

The Risk Committee is responsible for overseeing the Company's risk management system. Following its recent authorisation as an insurance undertaking, the Company is in the process of establishing its risk management system. Working with the CRO and Company management, the Risk Committee will oversee the design and implementation of the Company's risk management framework over the course 2018. This will address areas such as:

- Establishing a three lines of defence risk management framework
- Development of a risk appetite framework and risk appetite statement
- A series of risk policies and business processes that will enable the Company to identify, monitor, measure, manage and report on the key risks of the Company
- Design of an ORSA policy and execution of the Company's first ORSA process
- Establishing a Company risk register
- Integration of the risk management system into the organisational structure and decision-making process

In designing the risk management system, the Company will leverage, where appropriate, frameworks, policies, processes and tools already existing within the Everest Group.

The Company uses the standard formula specified by EIOPA, rather than an internal model, to calculate its Solvency Capital Requirement.

ORSA

The Solvency II Directive requires that undertakings conduct their own risk and solvency assessment ("ORSA") which includes an assessment of overall solvency needs in the context of the Company's risk profile, approved risk tolerance limits and business strategy. The ORSA is required to be "an integral part of the business strategy and shall be taken into account on an ongoing basis in the strategic decisions of the undertaking". It must be completed annually or more frequently, following any significant change in risk profile. The Company did not complete an ORSA during the reporting period.

The Company plans to develop and implement an ORSA policy during 2018 which will address areas including governance of the ORSA process, integration of the ORSA into the organisational structure and into decision-making. The Company will be completing its first ORSA during 2018. As part of this ORSA, we will:

- Identify, assess, monitor, manage and report the short and long term risks that the Company faces or may face
- Determine the own funds necessary to ensure that the Company's overall solvency needs are met
- Undertake stress and scenario testing
- Document the outcome of the ORSA processes an ORSA Report

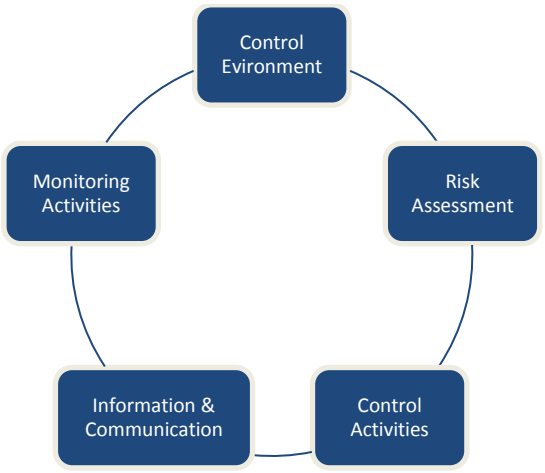
Prior to the Company receiving its insurance authorisation, the Company's sponsor estimated own solvency needs by projecting SCR, using the Standard Formula, as at the end of each year of a three year planning horizon. It also applied various stress tests to assess solvency needs. An ORSA report was prepared by the Company's sponsor and submitted to the Central Bank of Ireland as part of the application for authorisation of the Company.

B.4 Internal Control System

B4.a Key procedures included in the internal control system

The Company will be developing its internal control system during 2018, including an internal control policy. The Board of directors, through the operation of the Underwriting, Audit, and Risk Committees is responsible for establishing and monitoring the effectiveness of an appropriate internal control framework.

The internal control framework will be designed to cover the following processes.



The framework is intended to

- Ensure the accuracy and timely reporting of financial and regulatory reporting
- Create a strong control environment that is aligned to the risks of the business and our processes and
- Ensure that we comply with all relevant laws and regulations.

In addition to administrative and accounting procedures, the internal control framework will cover the governance and oversight of:

- Underwriting
- Calculation of technical provisions
- Actuarial pricing
- Claims handling
- Compliance
- Outsourcing
- Data Protection and
- Information Technology.

Key internal controls will be documented and include at least the following:

- A narrative overview of the processes and procedures
- Identification of key controls
- A risk assessment of each key control and
- A testing plan for key controls.

The internal control policy will be subject to review and approval at least annually by the CFO before approval by the Board.

B.4.b The compliance function

The compliance function acts independently from other functions and departments and provides assurance to the Board in respect of the effectiveness of the compliance risk management framework. The Head of Compliance is not involved in any day to day operational activities, other than those required to fulfil their duties and to ensure that no conflicts of interest arise. The Head of Compliance has been given authority to access information necessary to ensure that duties are fulfilled in respect of the oversight of the Company's internal control framework.

The compliance function works closely with the Internal and External Audit functions to ensure that any deficiencies are noted, remediation measures are implemented and all material issues are brought to the attention of the Audit and Risk Committees.

Periodic compliance risk assessments of the Company's business activities will be undertaken by the Compliance Officer in conjunction with operational management. Compliance monitoring will be achieved through scheduled and unscheduled reviews, regulatory developments, incident/issue reporting, and the logging of complaints.

The Head of Compliance will undertake an annual review of the Company's compliance procedures and practices to determine if they are being carried out in accordance with applicable regulatory requirements. The result of this review will be presented to the Risk Committee for review and consideration.

B.5 Internal audit function

The Company has established an internal audit function to ensure that there is an independent review of the effectiveness of the internal control framework.

B.5.a Implementation of the internal audit function

The Company outsources the Head of Internal Audit function to Raymond Kelly of EisnerAmper, a firm of chartered accountants based in Dublin who hold the Pre-Approval Controlled role of Head of Internal Audit. The Board believes that outsourcing provides an additional level of independence from the executive function. In addition to this the Company has outsourced Internal Audit services to the Internal Audit department in Everest Global Services in the US. This team provides additional reviews and support as directed by the Audit Committee of Everest Re Group Ltd.

B.5.b Independence of the internal audit function

The internal audit function maintains its independence and objectivity from the activities it reviews by ensuring that it is not engaged in any operational or executive function which relates to the day-to-day activities of the Company. The Company has also appointed an external firm of Chartered Accountants to provide an additional level of independence from the executive function. The Head of Internal Audit reports to the Chairman of the Audit Committee who is an Independent Non-Executive Director. The internal audit report is reviewed by the Audit Committee, and presented to the Board by its Chairman.

B.6 Actuarial function

The Company is required to establish an actuarial function. The Company has appointed a Head of Actuarial Function ("HoAF") who commenced employment in January 2018. The role of the HoAF will be to establish the actuarial function, which will initially be comprised of just the HoAF.

B.6.a Responsibilities of the actuarial function

The actuarial function will be responsible for:

- Calculating technical provisions.
- Assessing the quality and sufficiency of data used in the calculation of technical provisions.
- Providing an opinion to the Board on underwriting policy and the adequacy of reinsurance arrangements.
- Contributing to the effective implementation of the Company's risk management system.
- Providing a report to the Board, at least annually, which will document the main tasks undertaken by the actuarial function.

In addition, the CBI requires that the HoAF provides an Annual Opinion on Technical Provisions to the CBI, supported by an Actuarial Report on Technical Provisions which is provided to the Board. The HoAF must also provide an annual opinion on the Company's ORSA. The first annual opinions will be provided during 2018.

B.7 Outsourcing

The Company outsources certain activities and functions to related entities Everest Advisers (UK) Ltd (EAUK) and Everest Global Services (EGS).

Pre-underwriting, claims and IT support are outsourced to EAUK while IT infrastructure, investment services and legal and finance support are outsourced to EGS. In addition to group outsourcing, the Company has outsourced the Internal Audit function to an external provider.

The Company remains fully responsible for meeting all of its obligations where an activity or function has been outsourced.

The Company is required to notify the CBI of any proposal to outsource critical or important functions or activities i.e. those activities which are essential to the operation of the Company as it would be unable to deliver its services to policyholders without them. During the authorisation process, the Company's sponsor notified the CBI of its plans to outsource Internal Audit and its planned arrangements with group outsource providers.

The Company is required to carry out a detailed examination to ensure that the service provider has the necessary ability to carry out the outsourcing function or activity, taking into account the impact of the proposed outsourcing arrangement on the operations of the Company.

B.7.a Outsourcing policy

As noted above the Company has started to establish its system of governance and subject to Board approval the Company's outsourcing policy will include:

- The roles and responsibilities within the Company in relation to outsourcing
- Those functions which may be outsourced by the Company
- The principles on which the Company outsources material functions
- A description of the processes and procedures which the Company carries out prior to outsourcing
- A description of the processes and procedures to be followed after an outsourcing agreement is effected including review of service levels and reporting and monitoring required by the Company.

B.7.b Critical or important functions or activities outsourced by the Company

Activity	Service Provider	Jurisdiction
Claims handling and adjusting Pre-underwriting Information Technology	Everest Advisors (UK) Ltd	UK
Internal Audit	Eisner Amper	Ireland
Investment Management Information Technology Legal Support Services	Everest Global Services, Inc.	USA

B.8 Any other material information

The Company does not have any other material information to disclose in regard to system of governance.

C. Risk profile

In the following sections, we provide qualitative and quantitative information for certain risk categories.

We did not carry out any stress testing or sensitivity analysis during the reporting period. As part of its 2018 ORSA, the Company will be preparing stress testing and sensitivity analysis for material risks and events.

As this is the Company's first SFCR, there are not any material changes in risk profile to report.

C.1 Underwriting risk

As the Company had only written three contracts at the Reporting Date, underwriting risk is not yet significant. However, the primary business of the Company is to underwrite insurance risk and as such, the principal risk to which we are exposed is underwriting risk, which is the risk that the total cost of claims, claims adjustment expenses and premium acquisition expenses will exceed premiums received. This could arise as a result of factors including mis-pricing, large losses, inappropriate policy terms/conditions, inadequate assessment of risk during the underwriting process and unanticipated legal and/or claims trends. Consistent, informed pricing is the key to writing a profitable book of business. Premium risk could arise from incorrect or inappropriate pricing tools, inappropriate use of pricing tools or insufficient pricing monitoring. Failure to accurately assess underwriting risk and establish adequate premium rates and terms and conditions could result in reduced earnings and capital.

We fully expect that our exposure to underwriting risk will grow as the Company develops. The Company plans to manage its underwriting risk through a cycle of planning, underwriting/pricing and monitoring. Where appropriate, the Company will use pricing models developed by Group. The Company intends to develop an underwriting policy during 2018, supported by a suite of underwriting guidelines and underwriting authorities. Where appropriate, the underwriting policy and guidelines will be consistent with existing Group policies and guidelines.

Underwriting risk includes reserving risk, which is the risk that claims experience is worse than assumed in setting claims reserves. To the extent that reserves prove to be insufficient to cover actual claims and adjustment expenses, the Company would recognise such reserve shortfalls and incur a charge to earnings which could be material in the period such recognition takes place. As the nature of the business written to date is long tail, meaning that it can take several years for claims to develop, any material deviation of actual experience from initial reserving assumptions may not be evident for several years.

The Company will develop a reserving policy during 2018, which will document the process for setting claims reserves.

In the context of its own funds, and significant solvency coverage, the Company is not currently exposed to material underwriting risk concentrations.

As at the Report Date, the Company's non-life underwriting risk component of the SCR, before diversification benefits, was €2.4m.

The Company did not make use of any special purpose vehicles in the reporting period.

The Company mitigates its underwriting risk through the use of reinsurance. We have entered into a whole account quota share treaty and a variable quota share treaty with EIR. We also benefit from external quota share treaties which apply by business segment and which are purchased and managed by Everest Group. Where appropriate facultative reinsurance may also be purchased. The effectiveness of these reinsurances will be monitored through activities including our ORSA, our quarterly claims reserving process and the annual actuarial opinion on reinsurance arrangements.

C.2 Market risk

Market risk is the risk that the fair value of investments will fluctuate because of changes in market prices. The value of technical provisions is also subject to interest rate risk as these are discounted using risk free rates. As at the Report Date of 31 December 2017, we had minimal market risk as all of our investments were held in cash. As such, we have not deployed techniques to mitigate market risk as at the report date. As at 31st December 2017, the Company's market risk component of the SCR, before diversification benefits, was €27k.

The Company held its assets in cash at a highly rated bank as a short term measure following capitalisation of the Company in November 2017 and pending investment of most of its assets in fixed income securities in accordance with Board approved investment guidelines. We regard this measure as consistent with the "prudent person principle" as our banking counterparty is highly rated and we intended to start investing according to our investment guidelines in early 2018.

The Company has developed Board approved investment guidelines. It will develop an investment policy during 2018. Market risk will be assessed and managed through the application of the Company's investment guidelines and investment policy.

C.3 Credit risk

Credit risk arises if counterparties fail to meet obligations as they fall due. The Company is exposed to credit risk through its banking counterparties, reinsurance arrangements and insurance premium receivables.

As at the report date, the Company held all of its investments in a cash account with Barclays Bank plc. The Company accepted this concentration risk as Barclays Bank plc is financially strong (Credit Quality Step 2) and as this was a short term measure pending investment of most of the Company's cash in a diversified portfolio of fixed income securities in early 2018.

As at the Report Date, the Company's counterparty credit risk component of the SCR, before diversification benefits, was €3.4m. In the short term, this risk will be mitigated through the investment of cash holdings in a diversified range of fixed income securities. Reinsurance credit risk in relation to external reinsurance is mitigated through the use of a diversified panel of strongly rated reinsurers. Reinsurance credit risk in relation to intra Group reinsurance is mitigated through the provision of a Guaranty from another Group entity.

Credit risk is assessed through measures including monitoring of counterparties' credit ratings and calculation of the counterparty credit risk component of the SCR.

C.4 Liquidity risk

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due.

The Company must meet its liabilities as and when they fall due, notably from claims arising from its non-life insurance contracts. There is therefore a risk that the cash and cash equivalents held will not be sufficient to meet its liabilities when they become due.

At the end of 2017 all funds were held as Cash at Bank and therefore fully liquid.

The total amount of expected profit included in future premiums, net of reinsurance, is €75k.

C.5 Operational risk

This is the risk of loss arising from inadequate or failed internal processes, personnel, systems or other external events. Areas of operational risk to which the Company may be exposed include, but are not limited to:

- IT systems: The Company relies on a range of IT systems in carrying out its business. Material failures of such systems could temporarily impair the Company's ability to operate.
- Data protection/ cyber: The Company holds client, employee, other third party data and proprietary data on its IT systems. This information could be accessed inappropriately in the event of a data protection/ cyber breach.
- Outsourcing: The Company has entered into a range of outsourcing agreements, including outsourcing of Internal Audit to a third party provider, outsourcing of claims handling, IT and pre-underwriting to Everest Advisors (UK) Limited and outsourcing investment management and certain internal audit, risk management and Company secretarial activities to Everest Global Services Inc. While outsourcing allows the Company to efficiently access capabilities that it does not have in-house, and these arrangements are subject to service level agreements, outsourcing also involves inherent operational risk as the Company relies on the activities of third parties and is subject to those parties' own operational risks. Outsourcing risk is mitigated through service level agreements with each outsource service provider.
- Key person: As appropriate for the early stage of the Company's development, it employs a small number of people, some of whom have multiple responsibilities and who are not yet supported by teams. The Company is exposed to the risk of the departure of a key team member or to errors arising because of concentration of responsibilities. However, the Company would expect to benefit from Group support in the event of the departure of a key team member. Replacement of PCF roles can take time to receive CBI approval.
- Brexit: The implications of the UK's exit from the EU are not yet known. The Company could be inhibited or limited in its ability to write UK business, although UK business is not a strategic focus of the Company. It could also be restricted in its ability to write business sourced through the UK post-Brexit. The Company relies on services provided by Everest Advisors UK. It might not be able to use these services or they could increase in cost post-Brexit.

The Company will develop its operational risk policy during 2018. Its internal control and outsourcing policies will also support in assessing, managing and mitigating operational risk. These policies will be reviewed and approved by the Board and will be subject to annual review.

As at the report date, the Company's operational risk component of the SCR was zero, because of the nature of the inputs to the Standard Formula calculation of SCR. However the Company does not consider that it has zero operational risk and holds significantly more capital than the SCR, partly to absorb risks not included in the SCR.

C.6 Other material risks

Other risks which the Company has identified include:

- **Reputational Risk** is the risk of damage to the Company's reputation by the actions of behaviour of employees. When dealing with both internal and external stakeholders every employee is expected to adhere to the highest ethical standards.
- **Strategic Risk** is the risk of failure to evaluate, prioritise and optimise strategic options. This failure could affect capital, cause higher capital costs and/or negatively impact market perception.
- **Fungibility Risk** is the difficulty or inability to access sufficient capital when needed. The Company benefits from a guarantee and keep well agreement from Group entities. Fungibility risk would arise if the Company cannot access Group capital if required.
- **Compliance risk** is the risk of not fully complying with all applicable laws and regulations. It could result from failure to identify all applicable laws and regulations, failure or inadequate design of compliance controls or inadequate compliance monitoring.

Because of their nature, the Company has not quantified these risks.

C.7 Any other information

The Company does not have any other material information to disclose in regard to risk.

D. Valuation for solvency purposes

The Company values assets and liabilities, other than technical provisions, at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods.

The financial statements of the Company are prepared under Irish GAAP. The following summarised balance sheet as at 31 December 2017 analyses the differences in valuation between the Company's annual financial statements and Solvency II.

		Statutory accounts value €'000	Adjustment €'000	Solvency II value €'000
Assets				
Reinsurers share of technical provisions		300	(630)	(330)
Property, plant & equipment held for own use		41	0	41
Insurance and intermediaries receivables		375	(375)	0
Receivables (trade, not insurance)		0	0	0
Cash and cash equivalents		49,856	0	49,856
Any other assets, not elsewhere shown		0	0	0
Total assets		**50,573**	**(1,005)**	**49,568**
Liabilities				
Best Estimate		0	(405)	(405)
Risk margin		0	70	70
Other technical provisions		375	(375)	0
Insurance & intermediaries payables		236	(236)	0
Payables (trade, not insurance)		59	0	59
Any other liabilities, not elsewhere shown		378	(103)	275
Total liabilities		**1,048**	**(1,049)**	**(1)**
Excess of assets over liabilities		**49,524**	**44**	**49,569**

D.1 Assets

D.1.a Valuation for each material class of asset:

Insurance and intermediaries receivables

Solvency II Valuation	Financial Reporting Valuation
These represent debtor balances which are greater than 90 days past due. Balances which are not greater than 90 past due are deemed to be future cash flows and reclassified as part of technical provisions.	This is made up of all outstanding premiums due from policy holders. It includes amounts which are due, overdue and where premium is not yet contractually due.

Cash and other cash equivalents

Solvency II Valuation	Financial Reporting Valuation
Cash and cash equivalents are monies held as cash on hand, cash and short term deposits held on call with banks. Such balances are considered to be held at fair value under Solvency II.	There are no differences from SII valuation

For the period ended the Company held all of its funds as Cash at Bank pending the implementation of the investment strategy.

The Company does not have any deferred tax assets or provide any guarantees.

D.2 Technical provisions

The Head of Actuarial Function is responsible for the oversight of the calculation of technical provisions. The technical provisions net of reinsurance as at 31 December 2017 are (€5k). The table below lists the Company's technical provisions by line of business.

Summary results, €'000					
SII line of business	Gross Best Estimate	Recoveries	Net Best Estimate	Risk Margin	Total Technical Provisions
General liability	(405)	330	(75)	70	(5)

Best estimate

The best estimate represents the probability weighted average of all future cash flows from bound contracts. As the Company has only recently commenced writing business, it cannot use any of its own claims data to calculate best estimate technical provisions. We have therefore relied upon claims assumptions, by business segment, supplied by the Group reserving function. These assumptions are used by Group reserving in setting claims reserves for the most recent accident / reporting year for Everest Insurance US and are also consistent with pricing and planning assumptions used by Everest Insurance US. In the absence of any EIID or market claims data, this is appropriate as EIID and Everest Insurance US are:

- Subject to similar underwriting guidelines
- Targeting similar types of business
- Reporting to the same segment underwriting leaders and
- Using the same pricing models, where applicable.

Uncertainty

The claims experience of the Company could deviate significantly from that of Everest Insurance US. While EIID aims to write business with similar characteristics and according to similar guidelines to Everest Insurance US, EIID business is either located in different markets or sourced through intermediaries based in different markets. As Everest Insurance US has recently started operating in some of its markets, it has limited, and in some cases, no internal data to support the selected loss assumptions which are largely based on management experience / judgment and external benchmarks. Without sufficient data to support selected loss assumptions, they are subject to greater uncertainty than assumptions supported by several years of historical claims data.

As we have only written a small number of contracts to date, and therefore do not benefit from the diversification effect of pooling a large number of risks, there is more potential volatility surrounding the ultimate amount and timing of our future claims than those of a larger, more mature business. However, this is mitigated by the low volume of business written to date relative to the Company's own funds and the significant amounts of reinsurance protection that are in place.

EIID writes long tail lines of business, which can attach at primary and excess level. However the Company's portfolio is weighted towards experience low frequency / high severity losses. This business is inherently more volatile than certain short term / high loss frequency business.

Risk margin

Technical provisions include a risk margin to ensure that the value of technical provisions is equivalent to the amount that an insurer would be expected to require in order to take over the insurance obligations of the Company.

In calculating the risk margin, we applied simplified method 3, as outlined in Guideline 62, "Hierarchy of methods for the calculation of the risk margin" of EIOPA's "Guidelines on the Valuation of Technical Provisions." A full projection of future SCR or a projection of individual modules or sub-modules for the purpose of calculating risk margin would be disproportionate to the nature and size of the Company's liabilities. Method 2 is not appropriate as the Company has negative technical provisions while Method 4 is too simplistic, given that we can apply Method 3.

In calculating technical provisions, we have not applied any other of the simplifications provided in the Solvency II Delegated Acts.

Key differences between valuation for solvency and financial reporting

Solvency II Valuation	Financial Reporting Valuation
Contract recognition: Technical provisions include two contracts which were bound but not incepted at the valuation date.	Contract recognition: Financial reporting only recognised contracts that had incepted at the valuation date.
Risk margin: Technical provisions include a risk margin as prescribed by Solvency II regulations.	Risk margin: The Company did not include any risk margin in our statutory accounts.

Apart from the differences above, there are not any material differences between the bases, methods and main assumptions used by for the valuation for solvency purposes and those used for valuation in financial statements.

Because of the nature of the Company's business, it does not apply any of the following as provided in the Solvency II Delegated Acts:

- Matching adjustment
- Volatility adjustment
- Transitional risk-free rate structure volatility adjustment and
- Transition deduction

The Company's first reporting period is 15 November 2017 to 31 December 2017. Hence, we do not have any material changes to report since the previous reporting period.

D.3 Other liabilities

Other liabilities include intercompany liabilities, other tax payable in relation to PAYE and PRSI and accruals.

The Company values other at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods.

The Company has not entered into any leasing arrangements. The Company has not recognised any deferred tax liabilities. The Company does not operate a defined benefit pension scheme. There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.3.a Solvency II valuation for each material class of other liabilities

Insurance and intermediaries payables

Solvency II Valuation	Financial Reporting Valuation
These balances represent premiums payable to reinsurers not yet paid. Under Solvency II premiums payable are included as part of technical provisions calculation.	In its annual financial statements the Company has included contingent commissions payable to reinsurers in this category

Payables (trade not insurance)

Solvency II Valuation	Financial Reporting Valuation
Payables are recorded on an accruals basis.	There are no differences from SII valuation

These balances represent non-insurance related payables, trade and accounts payables to service providers and suppliers.

Any other liabilities, not elsewhere shown

Solvency II Valuation	Financial Reporting Valuation
This balance represents accrued expenses not yet paid.	For financial reporting valuation this balance includes DAC ceded to reinsurers. This is valued as nil in SII.

D.4 Alternative methods of valuation

The Company does not use any alternative methods for valuation.

D.5 Any other information

The Company does not have any other material information to disclose in regard to valuation for solvency purposes.

E. Capital management

E.1 Own funds

E1.a Objective, policies and processes for managing own funds

The Company aims to maintain sufficient own funds to cover SCR and MCR at all times. The amount of excess funds held will be reviewed from time to time. The level of excess funds was considered by the Company's sponsor during the process to establish the Company and as part of the application for regulatory approval. The Company holds excess funds to absorb potential volatility in SCR coverage and to absorb risks not included in the SCR, such as strategic risk, and will monitor coverage of SCR and MCR on a quarterly basis. In the event that the Company's own funds fall below an agreed threshold at the end of any financial quarter, the Company will call upon a Keep Well Agreement with EIR, under which EIR will take immediate action to restore own funds to the agreed threshold. The Company will consider its objectives for managing its own funds as part of its annual ORSA process, which is based on a three year business plan. The Company does not plan to have any ancillary own fund items.

The Company will formalise a Board approved capital management policy during 2018.

The CRO and CFO report to the Board at their regular meetings, on the level of eligible own funds and the ratio of cover over the SCR and MCR. Ultimate responsibility for maintenance of own funds lies with the Board of directors.

As this is the first reporting period for the Company, there are not any changes in own funds to report.

RSR

There were no distributions made to shareholders in the year.

E.1.b Own funds classification

As at 31 December 2017 the Company's excess of assets over liabilities is comprised of issued share capital of €2 and basic own funds of €49,999,998. The entire balance is available as Tier 1 unrestricted own funds to meet both SCR and MCR requirements. This inclusion of the capital contribution as own funds was approved by the CBI.

The Company does not have any Tier 1 own funds that fall within the following categories:

- paid-in subordinated mutual member accounts
- paid-in preference shares and the related share premium account
- paid-in subordinated liabilities valued in accordance with Article 75 of Directive 2009/138/EC

None of the Company's own funds are subject to the transitional arrangements. The Company does not have any ancillary own fund items. Furthermore, the Company has not deducted any items from own funds.

The following table shows basic own funds before deduction for participations in other financial sector as foreseen in Article 68 of delegated regulations 2015/35.

	2017 €s	Available	Sub-ordinated	Duration
Capital contribution	49,999,998	*Yes*	*No*	*No redeemable date*
Reconciliation Reserve	(431,457)			
Share capital	2	*Yes*	*No*	*No redeemable date*
Total basic own funds after deductions	**49,568,543**			

The reconciliation reserve comprises the following:

	2017 €'000s
Statutory loss for year	(476)
Difference in technical provisions and premiums due	44
Reconciliation Reserve	(431)

Further details are contained in section E.1.e and E.1.f below.

E.1.c Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The Company's Own Funds are represented by 100% tier 1 unrestricted and are available to cover the SCR.

E.1.d Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The Company's Own Funds are represented by 100% tier 1 unrestricted and are available to cover the MCR.

E.1.e Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

	2017 €
Capital Contribution	49,999,998
Share Capital Issued	2
Retained Earnings	(475,819)
Equity per financial statements	**49,524,181**
Technical Provisions Adjustment	813,266
Premium Payable	(139,118)
Reinsurance Recoverable	(629,787)
Solvency II Own Funds	**49,568,543**

E.1.f Key elements of the reconciliation reserve

The reconciliation reserve is calculated as follows

	2017 €'000
Retained Earnings	(476)
Technical Provisions Adjustment	813
Premium Payable	(139)
Reinsurance Recoverable	(630)
Reconciliation reserve	(431)

Solvency II Guidelines on "Reporting and public disclosure" require disclosure in this section E.1 of information about any additional solvency ratios reported other than those included in template S.23.01. We have not reported any such additional solvency ratios.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company's Standard Formula Solvency Capital Requirement at 31 December 2017 is €5.106m. The table below provides a breakdown of the Company's Solvency Capital Requirement by risk type.

	2017 €
Underwriting Risk	
Premium and Reserve Risk	1,592,710
Catastrophe Risk	1,455,196
Lapse Risk	194,662
Diversification Benefit	-823,670
Counterparty Risk	**3,437,862**
Market Risk	
Interest Rate Risk	2,674
Equity Risk	0
Spread Risk	0
Currency Risk	26,710
Property Risk	0
Concentration Risk	0
Diversification Benefit	-1,884
Diversification Benefit	-778,667
Basic SCR	**5,105,594**
Operational Risk	**0**
SCR	**5,105,594**

The SCR is designed to absorb the loss resulting from the occurrence of a 1-in-200-year loss event over the next 12 months. The Company uses the Standard Formula specified by EIOPA to estimate SCR. This models insurance, market, credit, and operational risk, and takes account of the Company's outwards reinsurance programmes. The Company's SCR calculation does not include any of the simplifications provided by the Solvency II Delegated Acts.

In addition to the SCR, we are also required to calculate our Minimum Capital Requirement ("MCR"). This is lower than the SCR and is designed to correspond to a solvency level below which policyholders and beneficiaries would be exposed to an unacceptable level of risk if the insurer were allowed to continue its operations. MCR as at the Report Date was €3.7m. The following table is an extract from form S28.01.

	2017 €'000
Linear MCR	10
SCR	5,106
MCR cap	2,298
MCR floor	1,276
Combined MCR	1,276
Absolute floor of the MCR	3,700
Minimum Capital Requirement	**3,700**

Basic Own Funds is the excess of assets over liabilities as determined by the Solvency II balance sheet.

The Company's own funds include only Tier 1 unrestricted funds, without imposed capital add-ons.

Throughout the period the Company has eligible own funds available to meet the SCR and MCR. The own funds ratio to SCR and MCR at the reporting period end are 971% and 1340%, respectively.

The Company has not used any undertaking-specific parameters in calculating the SCR using the Standard Formula.

In calculating the MCR, the Company has used the following approach:

- A linear MCR based on the net of reinsurance best estimate technical provisions and the net written premiums in the last 12 months.
- A floor of 25% of the SCR and a cap of 45% of the SCR is applied
- An absolute floor of €3.7m is applied to calculate the overall MCR requirement.

As this is the Company's first reporting period, there are not any changes relative to prior periods to report.

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

The Company did not make use of the duration-based equity sub-module in the reporting during the reporting period.

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

The Company uses the Standard Formula to calculate the Solvency Capital Requirement. Therefore no differences exist.

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

The Company complied with the Solvency II Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period. The Company held Own Funds in excess of both the Minimum Capital Requirement and Solvency Capital requirement throughout the reporting period.

E.6 Any other information

The Company does not have any other material information to disclose in regard to capital management.

APPENDICES

Glossary of terms

ALM	Asset/liability management
BAC	Board Audit Committee
BETP	Best estimate technical provision
BRC	Board Risk Committee
BSCR	Basic Solvency Capital Requirement
CBI	Central Bank of Ireland
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRO	Chief Risk Officer
dac	Designated Activity Company
DAC	Deferred Acquisition Costs
EAUK	Everest Advisors UK Ltd.
EGS	Everest Group Services, Inc.
EIOPA	European Insurance and Occupational Pension Authority
FRS	Financial Reporting Standard
HOAF	Head of the Actuarial Function
KPIs	Key financial performance indicators
MCR	Minimum Capital Requirement
ORSA	Own Risk and Solvency Assessment
PCF	Pre-approved controlled function
QRT	Quantitative Reporting Template
RM	Risk margin
RSR	Regular Supervisors Report
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report

Quantitative Reporting Templates (QRT)

The following QRT templates, applicable to the Company, are required for the Solvency and Financial Condition Report.

The reporting currency is Euro.

Template ref	Template Name
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses by line of business
S.05.02	Premiums, claims and expenses by line of country
S.17.01	Non-Life Technical Provisions
S.19.01	Non-Life Claims Information
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement
S.28.01	Minimum Capital Requirement

S.02.01 Balance Sheet

		Solvency II value
Assets		**€'000**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	41
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	
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**	
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**	(330)
Non-life and health similar to non-life	**R0280**	(330)
Non-life excluding health	**R0290**	(330)
Health similar to non-life	**R0300**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	49,856
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	**49,568**

		Solvency II value
Liabilities		**€'000**
Technical provisions – non-life	R0510	(335)
Technical provisions – non-life (excluding health)	R0520	(335)
TP calculated as a whole	R0530	
Best Estimate	R0540	(405)
Risk margin	R0550	70
Technical provisions - health (similar to non-life)	R0560	
TP calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
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	
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	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	59
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	275
Total liabilities	R0900	(1)
Excess of assets over liabilities	R1000	49,569

S.05.01 Premiums, claims and expenses by line of business

		General liability insurance	Total
		C0080	C0200
Premiums written		€'000	€'000
Gross - Direct Business	R0110	375	375
Gross - Proportional reinsurance accepted	R0120		
Gross - Non-proportional reinsurance accepted	R0130		
Reinsurers' share	R0140	300	300
Net	R0200	75	75
Premiums earned		0	0
Gross - Direct Business	R0210		
Gross - Proportional reinsurance accepted	R0220		
Gross - Non-proportional reinsurance accepted	R0230		
Reinsurers' share	R0240		
Net	R0300	0	0
Claims incurred		0	0
Gross - Direct Business	R0310		
Gross - Proportional reinsurance accepted	R0320		
Gross - Non-proportional reinsurance accepted	R0330		
Reinsurers' share	R0340		
Net	R0400		
Changes in other technical provisions		0	0
Gross - Direct Business	R0410		
Gross - Proportional reinsurance accepted	R0420		
Gross - Non- proportional reinsurance accepted	R0430		
Reinsurers' share	R0440		
Net	R0500		
Expenses incurred	R0550	476	476
Other expenses	R1200		
Total expenses	R1300		476

S.05.02 Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		US					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110		375					375
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		300					300
Net	R0200		75					75
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300							
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400							
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	476						476
Other expenses	R1200							
Total expenses	R1300							476

S.17.01 Non-Life Technical Provisions

		General liability insurance	Total Non-Life obligation
		C0090	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	(405)	(405)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	(330)	(330)
Net Best Estimate of Premium Provisions	R0150	(75)	(75)
Claims provisions			
Gross	R0160		
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		
Total Best estimate - gross	R0260	(405)	(405)
Total Best estimate - net	R0270	(75)	(75)
Risk margin	R0280	70	70
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	(335)	(335)
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	(330)	(330)
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	(6)	(6)

S.19.01 Non-Life Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]

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

Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100											0	0	0
2008	R0160	0	0	0	0	0	0	0	0	0	0		0	0
2009	R0170	0	0	0	0	0	0	0	0	0			0	0
2010	R0180	0	0	0	0	0	0	0	0				0	0
2011	R0190	0	0	0	0	0	0	0					0	0
2012	R0200	0	0	0	0	0	0						0	0
2013	R0210	0	0	0	0	0							0	0
2014	R0220	0	0	0	0								0	0
2015	R0230	0	0	0									0	0
2016	R0240	0	0										0	0
2017	R0250	0											0	0
Total	R0260												0	0

S.19.01 Non-Life Claims Information (Cont'd)

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 data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											0	R0100 0
2008	R0160	0	0	0	0	0	0	0	0	0	0		R0160 0
2009	R0170	0	0	0	0	0	0	0	0	0			R0170 0
2010	R0180	0	0	0	0	0	0	0	0				R0180 0
2011	R0190	0	0	0	0	0	0	0					R0190 0
2012	R0200	0	0	0	0	0	0						R0200 0
2013	R0210	0	0	0	0	0							R0210 0
2014	R0220	0	0	0	0								R0220 0
2015	R0230	0	0	0									R0230 0
2016	R0240	0	0										R0240 0
2017	R0250	0											R0250 0
Total	R0260												0

S.23.01 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	0	0			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	(431)	(431)			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	50,000	50,000			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	49,565	49,569			

EVEREST

S.23.01 Own Funds (Cont'd)

Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	49,569	49,569			
Total available own funds to meet the MCR	R0510	49,569	49,569			
Total eligible own funds to meet the SCR	R0540	49,569	49,569			
Total eligible own funds to meet the MCR	R0550	49,569	49,569			
SCR	R0580	5,106				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	10				
Ratio of Eligible own funds to MCR	R0640	13				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	49,569
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	50,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	(431)
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	75
Total Expected profits included in future premiums (EPIFP)	R0790	75

S.25.01 Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		€'000	€'001	€'002
Market risk	R0010	28		
Counterparty default risk	R0020	3,438		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	2,419		
Diversification	R0060	(779)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	5,106		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	
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	5,106
Capital add-on already set	R0210	
Solvency capital requirement	R0220	5,106
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 Minimum Capital Requirement

		C0010
MCR_{NL} Result	R0010	10

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		€'000	€'000
General liability insurance and proportional reinsurance	R0090		75

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
		€'000	€'000
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

		€'000
Linear MCR	R0300	10
SCR	R0310	5,106
MCR cap	R0320	2,298
MCR floor	R0330	1,276
Combined MCR	R0340	1,276
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	3,700