Gasrule Insurance DAC Solvency & Financial Condition Report (SFCR) Reporting period ended

December 31

2017

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1. Summary

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

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

Gasrule financial statements are prepared to 31 December 2017 in line with International Financial Reporting Standards as adopted by the European Union and its parent group reporting requirements and it report its results in EURO.

The Company's business strategy is to provide coverage for the SNAM Group.

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

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

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

As at 31 December 2017, the Company had eligible own funds of EUR 21,041,563 available to meet its Solvency Capital Requirement (SCR) of EUR 16,067,963; resulting is a Solvency Ratio of 131.0% which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. The Minimum Capital Requirement (MCR) was also satisfactorily met at the period-end. There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

Gasrule Insurance DAC is a private company limited by shares incorporated in Ireland. The Company is a wholly-owned subsidiary of SNAM S.p.A which is incorporated in Italy.



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

The Company is engaged exclusively in the underwriting of property and transit insurance risks, providing coverage to SNAM Group's industrial risks. The Company is considering extending this to include general liability coverage to SNAM Group commencing in 2018.

Gasrule is authorised by the Central Bank of Ireland ('CBI'), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life insurance. Authorisation is provided in respect of Class 7 – Goods in Transit, Class 8 – Fire and Natural Forces, Class 9 – Other Damage to Property and Class 16 – Miscellaneous Financial Loss.

The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

Gasrule is a captive insurance undertaking. Gasrule conducts all of its significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland.

All of the business written by the captive relates to direct insurance and proportional reinsurance of SNAM's European operations. The Company's insurance exposure is mitigated by setting limits of liability within its insurance programme and the purchase of reinsurance from a panel of reinsurers.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

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

The Company's external auditor for 2017 is EY, which is located at Harcourt Centre, Harcourt St, Dublin 2.

A.2 Underwriting Performance

The principal risks and uncertainties that the Company faces are those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary who serves as the Head of Actuarial Function ('HoAF')

Gasrule's strategic objectives are formulated in conjunction with SNAM as part of its global property arrangements. The Group strategy is to retain small element of risk within SNAM subsidiaries via the use of deductibles whilst ensuring that catastrophic risks are covered via the captive. It is therefore accepted that for the foreseeable future, in accordance with its business plan, Gasrule will maintain a stop loss reinsurance arrangement with the market which is considered to be the best strategic operating option available to the Company.

The current reinsurance agreement is placed with a panel of reinsurers, subject to minimum rating requirements.

Premiums written relate to business incepted during the financial year.

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers.

The Company's underwriting performance for the Property line of business for the reporting period ended 31 December 2017 and the comparative period is set out below. Amounts are presented in EURO, which is the Company's functional currency:

	2017	**2016**
	EURO '000	**EURO '000**
Gross premiums written	9,640	11,120
Gross Premium earned	10,158	11,352
Outward reinsurance premiums written	(2,711)	(4,209)
Outward reinsurance premiums earned	(3,336)	(4,207)
Earned premiums, net of reinsurance	6,822	7,145
Gross claims incurred	(4,333)	(5,052)
Claims incurred – recoverable from reinsurers	0	0
Claims incurred, net of reinsurance	(4,333)	(5,052)
Expenses incurred	(956)	(1,125)
Profit before taxes	**1,533**	**968**

The Company's underwriting performance for the Goods in Transit line of business for the reporting period ended 31 December 2017 and the comparative period is set out below. Amounts are presented in Euro, which is the Company's functional currency:

	2017 Euro '000	2016 Euro '000
Gross premiums written	5	1
Gross Premium earned	5	1
Outward reinsurance premiums written	0	0
Outward reinsurance premiums earned	0	0
Earned premiums, net of reinsurance	5	1
Gross claims incurred	0	0
Claims incurred – recoverable from reinsurers	0	0
Claims incurred, net of reinsurance	5	1
Expenses incurred	(0.9)	0
Underwriting profit	**4.1**	**1**

Premiums written relate to business incepted during the period but as the period of risk varies per policy, the majority of business incepts on 1st June, there is a portion of unearned premium at the financial year-end.

Premium pricing is re-assessed annually. This takes account of the underlying risks to be insured, historical claims performance, transfer price methodology, the pricing of reinsurance in the market and the relevant costs associated with the administration of the programme. The decline in premium on the prior year is reflective of the demerger of Italgas from Snam and of an improvement in loss experience in recent underwriting years which have subsequently reduced the Company's reinsurance costs.

Provision is made for notified losses on all underwriting years and calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers. Claims incurred in the prior period reflected the incidence of higher level of claims activity while the current period had a more benign claims experience.

The geographical spread of gross premium written is presented in the table below. In this analysis risks are categorized by country based on the location of the insured.

	2017 EUR '000	2016 EUR '000
Italy	8,829	10,186
France	313	93
Austria	428	775
UK	75	67
Total	**9,645**	**11,121**

A.3 Investment Performance

The Company allocates its investment portfolio between Cash and an Intercompany loan with its parent SNAM S.p.A. The return on these investments is immaterial.

Cash is held in non-interest bearing current accounts.

A.4 Performance of other activities

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

A.5 Other Information

In respect of relevant quantitative information for this report please see the Annual QRT extract S05.01 and S05.02 in Appendix 1.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

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

The Company does not have any committees to delegate the governance responsibilities to, therefore, it is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual.

The Company employs a Chief Executive Officer and a Financial, Reporting & Administration Manager that, with the support of the outsourced Aon function and of the Compliance officer, oversee the regular governance duties of the Company.

The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.

2) Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.

3) A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.

4) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

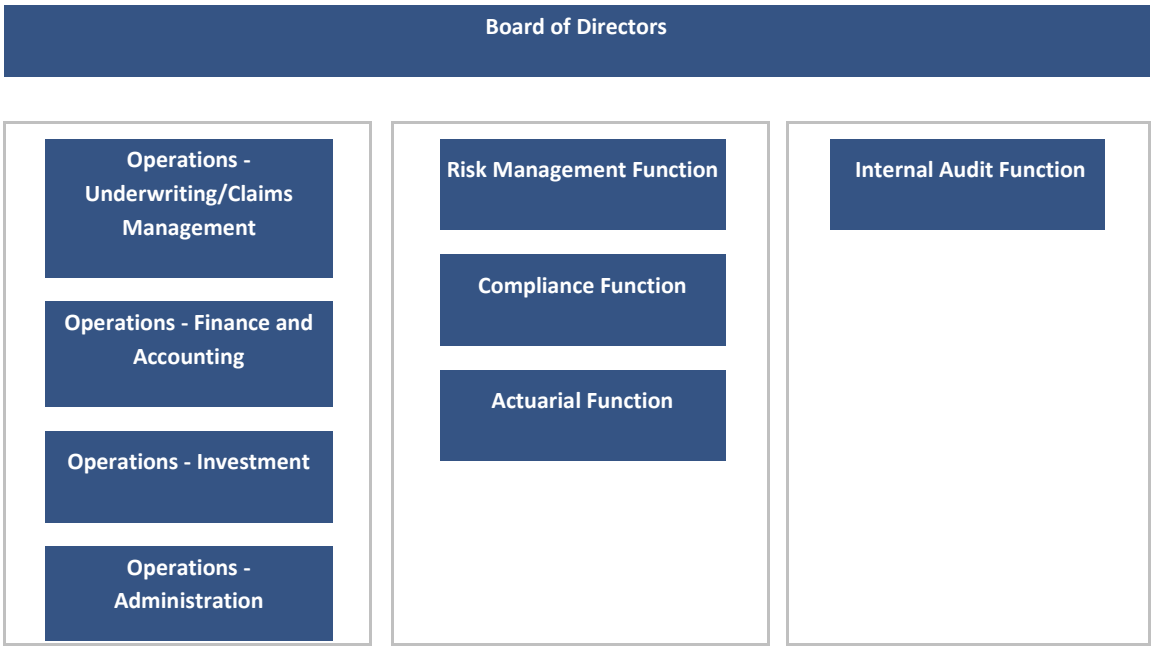
There have been no material changes to this structure since the prior reporting period. Gasrule implemented the above framework in advance of the inception of Solvency II.

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

- the Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;

- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

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



1st line of defence Risk and control embedded in the business	2nd line of defence The oversight functions	3rd line of defence Provides independent assurance
Primary accountability within the context of day-to-day operations. The first line of defence ensures that operations are carried out correctly and that risk exposures are managed, controlled and reported in accordance with the risk appetite and risk policies set out by the board.	The 2nd line is in charge of defining, developing, implementing and maintaining risk frameworks, policies and procedures. It defines the business guidelines and oversees the operations. It monitors and ensures that operations, policies and strategies are adequately aligned.	The 3rd line challenges the design and effectiveness of risk management, compliance, control and governance processes. In order to achieve the necessary independence and objectivity, Internal Audit is an independent function that reports directly to the Board.

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward

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

Remuneration and material transactions

The Independent Non-Executive Director of the Board receives fixed remuneration for their services as directors to the Company. The Company also had two full-time employees in 2017 (2016: 2), who are the Chief Executive Officer and Financial, Reporting & Administration Manager. Both employees receive fixed remuneration for their service.

There were no material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the board of directors

B.2 Fit & Proper

The 'Fit and proper' requirement is the standard required by the Central Bank of Ireland when appointing pre-approved controlled function holders. Gasrule is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

The Compliance function adopts appropriate controls in the registration of individuals across the Group ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

Roles and Responsibilities Detail

Key Roles	Outsourcing	Responsible
Board of Directors	No	Sergio Molisani (Chairman) Saverio Ratto (Chief Executive Officer) Darren Maher (Non- Executive Director)
Risk Management Function	Yes (within SNAM Group)	Roberto Giannetto Chief Risk Officer, SNAM S.p.A.
Compliance Function	Yes (External)	John O'Donnell (KPMG) Head of Compliance 1 Harbourmaster Place, IFSC, Dublin 1
Internal Audit Function	Yes (within SNAM Group)	Lorenzo Alzati Head of Internal Audit Function SNAM S.p.A.
Actuarial Function	Yes (External)	David Rowson (Aon Risk Solutions ('ARS')) Head of Actuarial Function 122 Leadenhall Street London EC3V 4AN

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

The overriding goal of the Company's risk management strategy is to reduce, as much as possible, the Company's risk exposure as a means of minimizing the impact of unexpected events, in order to increase the likelihood of achieving the Company's strategic and business objectives.

The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

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

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through risk management policies for each key risk category.

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

Gasrule produces annually an Own Risk and Solvency Assessment ("ORSA") report, the result of which is documented and reported to the Board and to the CBI. The approach may be summarized as follows:

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations.

As part of ORSA process the Company selected the appropriate stress and scenario tests as determined by the Board to be appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of adverse loss scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. The main purpose of this stage is to identify and assess any relevant complementary control, mitigation actions or review of the Risk Appetite in order to match prospective solvency needs with capital position. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders

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

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

In line with CBI requirements, the Head of Actuarial Function provides an actuarial Opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board.

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

SNAM S.p.A. would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in Gasrule so that SCR compliance can be demonstrated. SNAM S.p.A. is expected to continue to have ample capacity to provide this support to Gasrule.

B.4 Internal Control System

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

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

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

Detailed Processes and Embedded Control Activities

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

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Tasks and actions are shared between the key functions of the Company and clarify related roles, responsibilities and embedded control activities.

Compliance Function

The Company has a dedicated Head of Compliance reporting directly into the Board of Directors.

The mission of the Compliance Function is:

Assisting in ensuring the long term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements

of the internal control system are laid out in the Corporate Governance Framework document.

- The Compliance Function identifies and communicates throughout the Company, the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function seeks to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.
- The Compliance Function maintains a comprehensive compliance Risk Management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- Any violation of relevant law by the Company is investigated and followed up by the Compliance Function and reported to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- The Compliance Function considers possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function presents an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function promotes a culture of compliance throughout the Company

The Head of Compliance Function is a pre-approval controlled function (PCF-12) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Company has a Compliance Charter and Compliance Plan in place for the year 2017/18 which was reviewed and approved during the year.

B.5 Internal Audit Function

Purpose & Objectives

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

It assists the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational Functions and the Board of Directors. The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

The Head of Internal Audit Function is a pre-approval controlled function (PCF-13) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

B.6 Actuarial Function

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

- Coordination of the calculation of technical provisions;
- Identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- Explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- Assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;
- Taking into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion;
- Report in writing at least annually to the Board of Directors. The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:
    i. Details of the Technical Provisions
    ii. Methodologies & assumptions
    iii. Data sufficiency & quality
    iv. Experience analysis
    v. Report to the Board on reliability & adequacy
    vi. Opinion on Underwriting policy
    vii. Opinion on Reinsurance arrangements.

  Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied

- Contribute to the effective implementation of the Risk Management System in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and,
    ii. the ORSA process.

- think critically and organize the execution of actuarial approaches
- provide an actuarial Opinion to the Board of Directors in respect of the ORSA

Responsibility

The person in charge of the Actuarial Function shall meet all the following criteria:

- Be a duly qualified actuary;

- Have experience of more than five years in the field of insurance and / or reinsurance.

The Head of Actuarial Function is a pre-approval controlled function (PCF-48) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

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

In establishing the Company's Actuarial Function, the Board of Directors has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

B.7 Outsourcing

The objectives of Gasrule's Outsourcing Policy are to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's, and where applicable a relevant sub committee's responsibility for, or influence over key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors. The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company's System of Governance and all Functions within the Company that are fundamental to carry out its core business.

The Board must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company's core activities need not be included within the scope of this policy.

The Board is responsible for ensuring notification to the supervisory authorities is made in a timely manner prior to the outsourcing of critical or important Functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA).

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

The following critical or important functions / activities are outsourced:

Critical or important function	Outsourced Service Provider	Jurisdiction
Underwriting administration	Aon Insurance Managers (Dublin) Limited (AIMD)	Ireland
Claims administration	AIMD	Ireland
Finance and accounting	AIMD	Ireland
Actuarial Reserving	AIMD	Ireland
Actuarial Function	AIMD	Ireland
Compliance Function	KPMG	Ireland
Internal Audit Function	SNAM Group internal audit	Italy
Chief Risk Officer	SNAM Group	Italy
Claims handling	Cunningham Lindsey Lercari S.r.l Salomone & Associati Cercato & Associati Insurance Engineering Services Matthews Daniel RPA Rosati Engineering Services	Italy, United Kingdom and European based on location of claims

B.8 Any other information

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

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

C. RISK PROFILE

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

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

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

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

C.1 Underwriting Risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in both premium pricing and loss reserving exercises.

As the Company is a captive insurer, it is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the varying geographical locations of the underlying risks.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates, especially taking account of the longer term nature of the risks which the Company underwrites.

The Company manages these risks through its underwriting strategy of arranging for an external qualified actuary to review reserving adequacy of the Company on an annual basis, the settling of appropriate policy limits and having adequate reinsurance arrangements in place. The Company also monitors emerging issues and factors in their potential impact on the Company's pricing and claims reserving.

Given the Company is providing insurance for liability losses directly above local deductibles, the primary risk mitigation technique utilised is the purchase of a mixture of excess of loss and stop loss reinsurance as this provides balance sheet protection, from both claims severity and frequency, in an economically and administratively efficient manner. The effectiveness of these reinsurance arrangements is assessed on a monthly basis through the preparation of the Company's financial accounts and reviewed at an overall level as part of the considerations for premium pricing on an annual basis. The primary focus of the Company's reinsurance strategy is on the security and financial stability of reinsurers selected

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

Annual support and certification is provided by the Company's Actuarial Function.

As part of the Company's ORSA process, stress and scenario tests incorporating differing claims experience are considered. The impact of the Company experiencing a full aggregate breach was considered as part of the ORSA carried out in the reporting period. This scenario resulted in a reduction in the Company's available capital and would breach the minimum regulatory solvency requirements of the Company, however, the Company would foresee a recovery plan being implemented quickly to restore its solvency position.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in the ultimate loss ratios ('ULRs') used in the estimation of claims reserves for financial statements purposes and holding all other assumptions constant. The resultant impact on Gross and Net claims reserves and Profit before Tax (PBT) for the financial period is shown below:

	Ultimate claims at 31/12/2017	**Impact on Gross Claim Reserve**	**Impact on Net Claim Reserve**	**Impact on PBT for the year**
	€'000	€'000	€'000	€'000
2017/18				
Increase in ULRs by 10%	3,180	318	318	(318)
Decrease in ULRs by 10%	3,180	(318)	(318)	318
2016/17				
Increase in ULRs by 10%	5,296	528	529	(530)
Decrease in ULRs by 10%	5,296	(532)	(531)	530

C.2 Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. Management diversifies its portfolio to reduce the exposure to market fluctuations and matches the profile of the assets backing liabilities to those liabilities. The company is not exposed to market risk.

C.3 Credit Risk

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

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

Investments and deposits are managed under the Investment strategy.

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

The Company entered into an intercompany loan agreement with the Parent company, SNAM S.p.A, which is also subject to external credit rating.

The Company manages its reinsurance risks by establishing a reinsurance strategy and this strategy sets out the minimum requirements for any reinsurance counterparty. The Company mitigates this credit risk by reinsuring with counterparties who are considered appropriately credit worthy. Reinsurers that are not rated or do not fall within the pre-defined rating categories are approved on a case by case basis. The credit-worthiness of reinsurers is monitored on a regular basis.

C.4 Liquidity and Concentration Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations.

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

Concentration Risk includes the risk of additional losses incurred by the company due to either a lack of diversification of assets or from a large exposure to the risk of default of a single issuer of securities or a group of related insurers.

These risks are assessed under the Risk Appetite framework focusing on the spread of assets and number of financial institutions and ensuring that the investment portfolio is at any time made up of sufficient liquid assets i.e. daily traded securities or short term deposits.

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss.

The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes.

In addition, Gasrule is subject to Internal and External Audit review

In order to ensure the quality of the outsourced functions is as high as possible, Gasrule puts in place service level agreements as well as regularly reviewing the outsourced service providers. In addition third party companies have to assure the company's business continuity program, ensuring that adequate backup facilities are available if required.

C.6 Other Material Risk

Strategic Risk

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

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

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total. (Compare actual versus target performance on a regular basis (as defined for each objective) and produce a variance analysis explaining reasons for deviations.

Sensitivity Risk

Actuarial function assesses the impact of varying the underlying assumptions with respect to initial average severity and expected reported loss development on their Best Estimate of Gasrule's unpaid claim liabilities and vary severity of $\pm$10% around the selected average severity as well as varying the paid and reported loss development patterns.

No other material risks have been identified.

C.7 Any other information

The Prudent Person Principle

The specific requirements of the Prudent Person Principle and its implementation within the Company are detailed in the Company's Governance Manual. This standard outlines the principles and rules which apply to the investment assets of the Company. The implementation of the Prudent Person Principle comprises rules concerning the due diligence and processes, the care, skills and delegation, the quality of investments, diversification, and specific rules for investment categories.

General rules

In general, the Company only invests in assets and instruments whose risks it can properly identify, measure, monitor, manage, control and report, taking into account the assessment of its overall solvency needs, the specific risk profile, approved risk tolerance, and the business strategy. Asset Liability Management is the central part of the Investment Process for the Company: assets held to cover technical provisions are invested in accordance with the nature and duration of the liabilities.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Gasrule prepares its financial statements on a going concern basis in compliance with International Financial Reporting Standards ("IFRS") as adopted by the European Union

Gasrule uses the historical cost convention except for those financial assets and financial liabilities, if any, that have been measured at fair value.

At the end of the current reporting period Gasrule has total assets valued at EURO 35,846,403 for solvency purposes. This total comprises the following categories of assets:

- Cash and cash equivalents EURO 23,073,804

Cash and cash equivalents comprise cash at banks and in hand in non-interest bearing current accounts. The assets reported at cost within the Statutory Financial Statements and at market value under Solvency II.

- Intercompany Loan EURO 12,000,000

Intercompany Loan to the parent company is at a fixed rate and is not exposed to interest rate risk. The amount due from the parent company is at a cost. The assets reported at cost within the Statutory Financial Statements and at market value under Solvency II.

- Insurance & intermediaries receivables EURO 939,518

Amounts due from Insurers – represents the residual part of insurance premiums to be received from Italian companies. Premium receivable has been included in Technical Provisions, while the IPT payable has been discounted to derive a market value.

- Reinsurance recoverables EURO (1,352,423)

No recoveries are expected on a best estimate basis, so the reinsurance technical provision is equal to the discounted reinsurance premium payable.

- Deferred tax asset EURO 189,217

Solvency II deferred tax asset in relation to the recognised loss when restating the balance sheet.

- Any other assets EURO 996,286

Future cash flows have been discounted to derive a market value and prepaid fees have been removed.

D.2 Technical Provisions

The technical provisions of Gasrule relate solely to the 'fire and other damage to property insurance' line of business and amounts at 31 December 2017, gross and net of reinsurance, are set out below in Euro (€'000):

	Claims Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Gross	14,256	(2,031)	12,225	1,297	13,522
Net	14,256	(679)	13,577	1,297	14,874

These amounts comply in all material respects with the relevant Solvency II requirements.

The starting point for the calculation of the Solvency II technical provisions is the amounts which have been calculated for the financial statements reserving basis. Within the financial statements, full provision is made for the estimated cost of all claims notified but not settled at the period-end using the best information available at that time. Provision is made for the cost of claims incurred but not reported and at the period-end, and potential development on outstanding claims estimates (together regarded as Incurred But Not Reported ('IBNR') reserves). In addition, an estimate is made for future claims handling expenses relating to claims outstanding at the year-end.

Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. In estimating the cost of claims notified but not paid, the Company has regard to claims circumstances as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. IBNR provisions are established having regard for the results of a valuation on a best-estimate basis together with a margin for uncertainty by an independent actuary.

Claims projections have been carried out using a range of standard actuarial methods, including the Incurred Chain Ladder method (ICL) and an initial expected approach. ICL estimates the ratio by which cumulative claims to date will increase (or decrease) at annual intervals from the date of policy inception and has been used to calculate the IBNR for 2016/17, based on the 2014/15 data as that is the most developed year. The initial expected approach was used for the 2017/18 IBNR based on the ultimate exposure ratio for the 2014/15 year as this year is the most developed year and therefore most reliable for an initial estimate.

Solvency II requires undertakings to hold technical provisions which correspond to the amount they would have to pay to transfer their (re)insurance obligations immediately to another undertaking. This value comprises a **best estimate** and a **risk margin**, intended to represent a market consistent valuation**.** The technical provisions take account of the time value of money by discounting using a risk-free interest rate term structure as at the valuation date. There is no allowance for prudence in the calculation of best estimates.

The best estimate is calculated by considering all future cash inflows and outflows required to settle the existing (re)insurance obligations over their lifetime. It represents the mean outcome of all possible scenarios, taking account of how likely they are to occur and their potential variability. In

this regard, the best estimate is a probability-weighted average of future cash flows, allowing for the time value of money.

The Solvency II best estimate is calculated gross with any recoverable calculated separately following the same methodology. The best estimate is made up of a claims provision and a premium provision, relating to past and future exposures respectively. An allowance has been made for reinsurer counterparty default. Claims payments in the claim and premium provisions have been projected at annual intervals using annual paid development patterns.

The Solvency II claims provision is equivalent to the expected net present value of the best estimate claims reserve, with additional allowances to allow for all possible outcomes through the inclusion of provisions for Events Not in Data (ENID) and the future expenses that will be incurred in servicing the existing reinsurance obligations. The claims provision also includes all unpaid premium relating to earned exposures that are within payment terms.

Under the Solvency II contract boundary definition, any policies which have been bound, even if un-incepted as at the valuation date, must be considered in the premium provision. The Solvency II premium provision is therefore equivalent to the expected net present value of the following cash inflows and outflows, relating to unearned exposure from incepted contracts and exposure from un-incepted contracts bound as at the valuation date:

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

Gasrule had an Unearned Premium Reserve (UPR) of EURO 4,123,205 prior to the valuation date for contracts which incepted on 1 June 2017. Gasrule has also included the risks incepting on 1 January 2018, an amount of EURO 123,000 of Bound But Not Incepted (BBNI), in its calculation of the premium provision for the current reporting period. This is because the Company is obliged to accept this business as they committed to this premium prior to the valuation date. As this business is expected to be profit making, the best estimate of premium provisions is a negative amount i.e. an asset rather than a liability.

Estimates are “best estimates” in the sense that they are intended to be a probability-weighted average of all possible outcomes. Gasrule has employed techniques and assumptions that are appropriate for the purpose of calculating its Solvency II technical provisions. The actual amounts required to meet future claim payments may differ from estimates for a number of reasons, such as model specification error, parameter error and random error due to the inherent uncertainty in insurance. External environment risk factors may cause material deviations in estimates of technical provisions, including persistent negative interest rates, inflation and currency exchange rate fluctuations.

The Solvency II risk margin is intended to represent an amount that Gasrule would be required to pay, in excess of the best estimate of the liabilities, for a third party to assume the risk of running of

the existing liabilities. The actuarial calculation of the risk margin is consistent with the Solvency II regulations, applying a 6% cost of capital to the amount of capital required at the beginning of each year to support the run-off of the insurance obligations. These future costs of capital are then discounted to the valuation date and summed to calculate the amount of risk margin required.

The resultant differences between the value of technical provisions for solvency purposes and the financial statements at 31 December 2017 are shown below in Euro (€'000):

	Gross	Reinsurer's share	Net
Net Statutory Reserves	**13,285**	**-**	**13.285**
Solvency II Expenses	613	-	613
Provision for Events Not In Data	332	-	332
Counterparty default	-	-	-
Discounting	26	-	26
Net Solvency II claims provisions	**14,256**	**-**	**14,256**

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

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

D.3 Other Liabilities

Aside from Technical provisions, the valuations of which are detailed above, Gasrule has 1 other principal class of liabilities;

- Insurance Payables

This comprises of Insurance & intermediaries payables of EURO 990,995.

D.4 Alternative Methods of Valuation

No alternative methods were used.

There are no estimation or valuation uncertainty with regard to valuation of all assets and liabilities except technical provisions.

There have been no changes to the recognition and valuation bases or to estimations during the year.

D.5 Any Other Information

There is no other information to report

In respect of relevant quantitative information for this report please see Annual QRT S.02.01 extract in Appendix 1.

E. CAPITAL MANAGEMENT

E.1 Own Funds

The Solvency II Directive and the Delegated Acts identify the criteria own funds items must possess in order to be classified in one of the three Tiers (Tier 1, Tier 2 and Tier 3) of eligible capital. The Delegated Acts provide lists of items that fall into each of the three Tiers.

The Company assesses material risks that may threaten the accomplishment of the Company's strategic objectives or might have a substantial impact on the available qualifying own funds. These risks could result from either internal or external events.

Management has identified the following main material risks to which the Company is exposed.

- Loss arising from inability to meet short-term financial demands
- Loss arising from the failure of a financial counterparty
- Loss arising from default of a reinsurer
- Loss arising from inadequate or inappropriate reinsurance protection
- Loss arising from inadequate or failed processes and systems

Management has investigated the magnitude of each of these risks as well as sought to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

Risks are managed through a framework of internal controls supported by monitoring by management, internal audit, governance groups and the various functions of the board.

Gasrule's capital structure is composed of ordinary share capital and retained earnings, as below.

	2017	**2016**
Authorised		
20,000,000 ordinary shares of €1 each	20,000,000	20,000,000
Allotted, called-up and fully paid		
20,000,000 ordinary shares of €1 each	20,000,000	20,000,000
Retained earnings		
Opening and closing balance	2,416,249	1,049,976

Profit for the year ended 31st December 2017 amounted to EURO 1,366,273.

Solvency II own funds

Under Solvency II valuation principals, the own funds eligible to cover the SCR are comprised of EURO 20,852,346 Tier 1 capital and EURO 189,217 Tier 3 capital. The own funds eligible to cover the MCR are of comprised EURO 20,852,346 Tier 1 capital

Gasrule has no ancillary own funds. There is no restriction on the transfer of own funds.

Own funds increased by €1.4m due to profit made during the 2017 period.

Capital management

The total capital of the Company as at 31 December 2017 consists of shareholder's equity of EURO 22,416,249.

The primary drivers in the increase of Gasrules SCR are:

Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant statement of financial position risks and regulatory requirements. As at 31 December 2017 the Company has adequate capital to meet these objectives.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

Gasrule's Solvency Capital Requirement ("SCR") as of 31 December 2017 totals EURO 16m. Gasrule's Solvency II recognized own funds totalling €21m is sufficient to meet its SCR and results in a Solvency Ratio of 131%. Gasrule's Minimum Capital Requirement ("MCR") as of 31 December 2017 totals EURO 4m.

Risk Charge	2016 EUR '000	2017 EUR '000	Change EUR '000
Non-Life Underwriting Risk	**13,015**	**13,269**	**254**
Counterparty Default Risk	**2,694**	**2,271**	**(423)**
Interest Rate Risk	-	1	1
Equity Risk	-	-	-
Spread Risk	250	300	50
Currency Risk	-	-	-
Property Risk	-	-	-
Concentration Risk	2,660	3,191	531
Diversification Benefit	*(239)*	*(286)*	*(48)*
Market Risk	**2,671**	**3,205**	**534**
Diversification Benefit	*(2,894)*	*(3,044)*	*(150)*
BSCR	**15,486**	**15,701**	**215**
Operational Risk	**412**	**367**	**(46)**
SCR	**15,899**	**16,068**	**169**
Available Capital	19,835	21,042	1,207
Surplus/Deficit	**3,937**	**5,040**	**1,103**
Solvency Ratio	125%	131%	6%
MCR	**3,975**	4,016	1.0%

Market Risk	The Spread and Concentration risks have increased because the intercompany loan amount has increased from EUR 10m in 2016 to EUR 12m in 2017.
Premium/Reserve Risk	The provision for claims outstanding has increased since the previous analysis, resulting in a higher reserve risk charge. This increase reflects the fact that Gasrule has not reached a steady state reserve position, but instead reserves are still accumulating at a faster rate than claims are being settled.
Available Capital	The increase to the available capital is driven by the retained profit of €1.4m recognised during 2017, as illustrated within the statutory financial statements.

The Company did not use simplified calculations or undertaking-specific parameters in the calculation of its SCR.

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

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

E.4 Differences between the Standard Model & Any Internal Model

Gasrule used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

E.5 Non-Compliance with MCR and SCR

The Company has been continuously compliant with both the MCR and the SCR throughout the reporting period.

E.6 Any Other Information

There is no other information to report

In respect of relevant quantitative information for this report please see Annual QRT extract in Appendix 1.

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet

S.05.01.02 – Premiums, claims and expenses by line of business

S.05.02.01 – Premiums, claims and expenses by country

S.17.01.02 – Non Life technical provisions

S.19.01.21 – Claims Developments

S.23.01.01 – Own Funds

S.25.01.21 – SCR using standard formula

S.28.01.01 – MCR

Annex I

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	189
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
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**	12000
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	12000
Reinsurance recoverables from:	**R0270**	-1352
Non-life and health similar to non-life	**R0280**	-1352
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	-1352
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**	940
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**	23074
Any other assets, not elsewhere shown	**R0420**	996

Total assets	**R0500**	35846
		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	13522
Technical provisions – non-life (excluding health)	**R0520**	13522
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	12225
Risk margin	**R0550**	1297
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**	991
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	68
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	224
Total liabilities	**R0900**	14805
Excess of assets over liabilities	**R1000**	21042

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**									Line of Business for: **non-life insurance**			Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						5	9376										9381
Gross - Proportional reinsurance accepted	**R0120**							265										265
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**							2711										2,711
Net	**R0200**						5	6929	-									6,934
Premiums earned																		
Gross - Direct Business	**R0210**						5	9895										9900
Gross - Proportional reinsurance accepted	**R0220**							264										264
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**							3336										3336
Net	**R0300**						5	6823										6828
Claims incurred																		
Gross - Direct Business	**R0310**							4123										4123
Gross - Proportional reinsurance accepted	**R0320**							171										171
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**																	
Net	**R0400**							4294										4294
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**						0	995										996
Other expenses	**R1200**																	-
Total expenses	**R1300**																	996

Annex I
S.05.02.01
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		IT	FR	AU	GB		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**		8718.5	221.4	440.86	0		9381
Gross - Proportional reinsurance accepted	**R0120**		110	91	- 13	75		265
Gross - Non-proportional reinsurance accepted	**R0130**							
Reinsurers' share	**R0140**		2,482	88	120	21		2711
Net	**R0200**		6,347	225	308	54		6934
Premiums earned								
Gross - Direct Business	**R0210**		9,137	221	542	-		9900
Gross - Proportional reinsurance accepted	**R0220**		110	91	- 15	78		264
Gross - Non-proportional reinsurance accepted	**R0230**							0
Reinsurers' share	**R0240**		3,053	108	148	26		3336
Net	**R0300**		6,194	205	378	51		6828
Claims incurred								
Gross - Direct Business	**R0310**		4,015	-	107	-		4122
Gross - Proportional reinsurance accepted	**R0320**		173	-	-	-		173
Gross - Non-proportional reinsurance accepted	**R0330**							0
Reinsurers' share	**R0340**							0
Net	**R0400**		4,187	-	107	-		4,294
Changes in other technical provisions								
Gross - Direct Business	**R0410**							0
Gross - Proportional reinsurance accepted	**R0420**							0
Gross - Non- proportional reinsurance accepted	**R0430**							0
Reinsurers'share	**R0440**							0
Net	**R0500**							0
Expenses incurred	**R0550**		841	102	45	9		996
Other expenses	**R1200**							-
Total expenses	**R1300**							996

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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							-2031		
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140							-1352		
Net Best Estimate of Premium Provisions	R0150							-679		
Claims provisions										
Gross	R0160							14256		
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							14256		
Total Best estimate - gross	R0260							12225		
Total Best estimate - net	R0270							13578		
Risk margin	R0280							1297		
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							13522		
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330							-1352		
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340							14875		

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		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								
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								
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								
Total Best estimate - net	R0270								
Risk margin	R0280								
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				Total Non-Life obligation
		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	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320								
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								

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	

Gross Claims Paid (non-cumulative)

	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		
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			2,283	958								R0220		
N-2	R0230	1	1,347	515									R0230	958	3,241
N-1	R0240	-	-										R0240	515	1,863
N	R0250	-											R0250	-	-
													Total R0260	1,473	5,104

Gross undiscounted Best Estimate Claims Provisions

	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			179	2,110								R0220	2,115
N-2	R0230		757	3,042									R0230	3,050
N-1	R0240	931	5,671										R0240	5,682
N	R0250	3,406											R0250	3,409
													Total R0260	14,256

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	20000	20000			
Share premium account related to ordinary share capita	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertaking	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	852	852			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax asset	R0160	189				189
Other own fund items approved by the supervisory authority as basic own funds not specified abov	R0180					
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 fund	R0220					
Deductions						
Deductions for participations in financial and credit institution	R0230					
Total basic own funds after deductions	R0290	21042	20852			189
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on deman	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 deman	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on deman	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/E	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/E	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/E	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/E	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	21042	20852			189
Total available own funds to meet the MCR	R0510	20852	20852			
Total eligible own funds to meet the SCR	R0540	21042	20852			189
Total eligible own funds to meet the MCR	R0550	20852	20852			
SCR	R0580	16				
MCR	R0600	4				
Ratio of Eligible own funds to SCR	R0620	1.31				
Ratio of Eligible own funds to MCR	R0640	5.19				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	21042
Own shares (held directly and indirectly	R0710	
Foreseeable dividends, distributions and charge	R0720	
Other basic own fund items	R0730	20189
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced fun	R0740	
Reconciliation reserve	R0760	852
Expected profits		
Expected profits included in future premiums (EPIFP) - Life busines	R0770	
Expected profits included in future premiums (EPIFP) - Non- life busines	R0780	612
Total Expected profits included in future premiums (EPIFP)	R0790	612

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	3205		
Counterparty default risk	R0020	2271		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	13269		
Diversification	R0060	-3044		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	15701		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	367
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	16068
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	16068
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	

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	1,797

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		5
Fire and other damage to property insurance and proportional reinsurance	R0080	13578	6929
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	1797
SCR	R0310	16068
MCR cap	R0320	7231
MCR floor	R0330	4017
Combined MCR	R0340	4017
Absolute floor of the MCR	R0350	3700
		C0070
Minimum Capital Requirement	R0400	4017