

Great American International Insurance DAC
Solvency and Financial Condition Report ("SFCR")

(for the financial year ended 31 December 2017)

Contents

Summary

A. Business and Performance
A.1 Business
A.2 Underwriting Performance
A.3 Investment Performance
A.4 Performance of other Activities
A.5 Any Other Information

B. System of Governance
B.1 General Information on the System of Governance
B.2 'Fit and Proper' requirements
B.3 Risk Management System including the Own Risk and Solvency Assessment
B.4 Internal Control System
B.5 Internal Audit Function
B.6 Actuarial Function
B.7 Outsourcing
B.8 Any Other Information

C. Risk Profile
C.1 Underwriting Risk
C.2 Market Risk
C.3 Credit Risk
C.4 Liquidity Risk
C.5 Operational Risk
C.6 Other Material Risks
C.7 Any Other Information

D. Valuation for Solvency Purposes
D.1 Assets
D.2 Technical Provisions
D.3 Other Liabilities
D.4 Alternative Methods for Valuation
D.5 Any Other Information

E. Capital Management
E.1 Own Funds
E.2 Solvency Capital Requirement and Minimum Capital Requirement
E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR
E.4 Differences between the standard formula and any internal model used
E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement
E.6 Any Other Information

Executive Summary

This is the second Solvency and Financial Condition Report ("SFCR") that is required to be published by Great American International Insurance DAC ("the Company" or "GAIIL").

The SFCR hereby presented aims to provide the reader with an overview of the business and performance, system of governance, risk profile, the valuation for solvency purposes and the capital management of the Company for the year ended 31 December 2017.

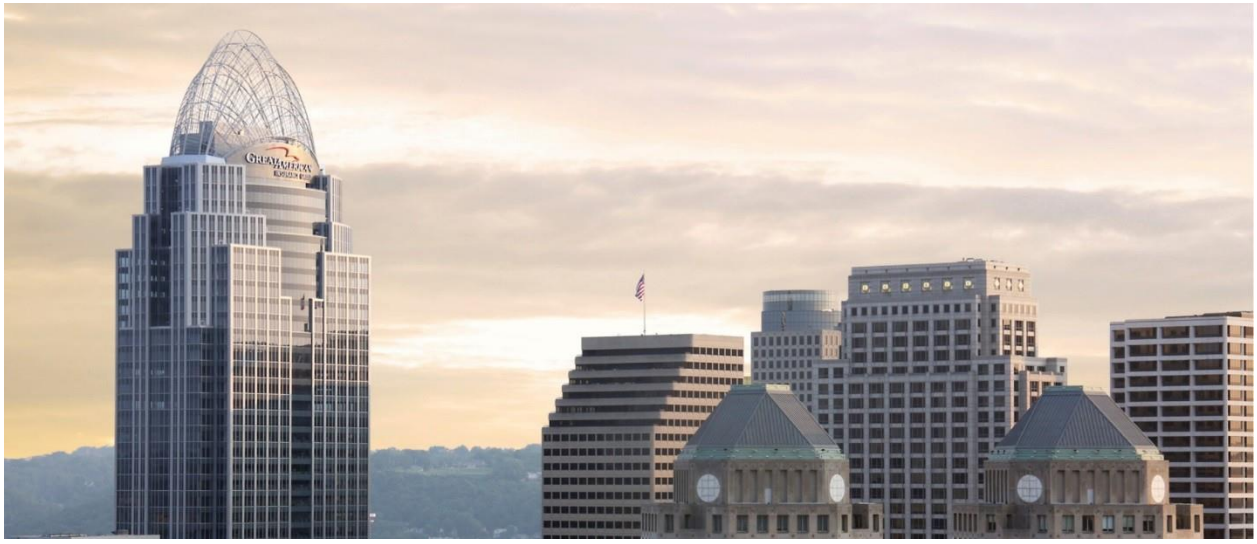
The Company's financial year runs to 31 December each year and it reports its results in Euro.

There have been no material changes in the system of governance during 2017. There have been some changes in the Board and committee composition due to the resignation and appointment of new directors but the overall structure of the board and the committees have remained the same.

A: Business & Performance

A.1 Business

Great American International Insurance DAC



We are a member of Great American Insurance Group whose roots go back to 1872 with the founding of its flagship company Great American Insurance Company. Great American International Insurance DAC is rated A+ by Standard & Poor's.[1]

Great American Insurance Group is engaged primarily in property and casualty insurance focusing on specialised commercial products for businesses, and in the sale of traditional fixed and fixed-indexed annuities. Headquarters operations are based in Cincinnati, Ohio, USA. Member companies of Great American Insurance Group are ultimately owned by American Financial Group, Inc.

[1] Standard & Poor's rating affirmed 23rd February 2018

Great American International Insurance DAC ("GAIIL" or "the Company") was established in Ireland on January 5, 2004 to write commercial insurance throughout Europe. The Company is an authorised and regulated Non-Life insurance undertaking and operates on a freedom of services basis. We are authorised to write the following classes of insurance: 1, 2, 3, 7, 8, 9, 13, 14, 15 & 16. The company secured an extension in authorisation with respect to class 13 general liability in March 2017.

The Company operates on a freedom of services basis and holds passporting rights with respect to the following territories:

- Austria
- Belgium
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Hungary
- Ireland
- Italy
- Luxembourg
- Netherlands
- Norway
- Poland
- Portugal
- Slovakia
- Spain
- Sweden
- UK

The Company's registered office details are as follows:

Great American International Insurance DAC
Station House
Dublin Road
Malahide
Co. Dublin
Company Registration Number: 380145
Tel: +353 1 8454850
Website: www.gaiil.com

The Company is authorised & Regulated by the Central Bank of Ireland ("CBI")
The CBI acts as Group supervisor for the purposes of Solvency II, the CBI's address is:

Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
Dublin 1
Ireland
Website: www.centralbank.ie

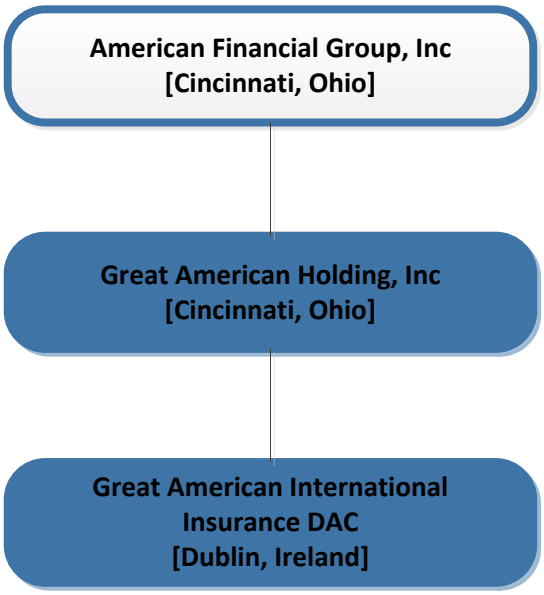
The Company's external auditor is PWC
The address for PWC is as follows:

PWC
One Spencer Dock
North Wall Quay
Dublin 1
Website: www.pwc.ie

On the 15 June 2016 a Statutory Instrument (SI 312 of 2016) was signed in Ireland that gives effect to the EU Directive and Regulation. SI 312 introducing mandatory rotation of audit firms after 10 years for each Public Interest Entity ("PIE"), all Insurance Undertakings are defined as PIE's therefore the company falls within scope of SI 312.

GAIIL went out to tender for a new audit firm in 2017 as the company's previous external auditor had been in-situ since the Company's inception in 2004. Following a tender process the appointment of PWC as external auditor was formally ratified by the Board.

Organisational Chart & Group Overview

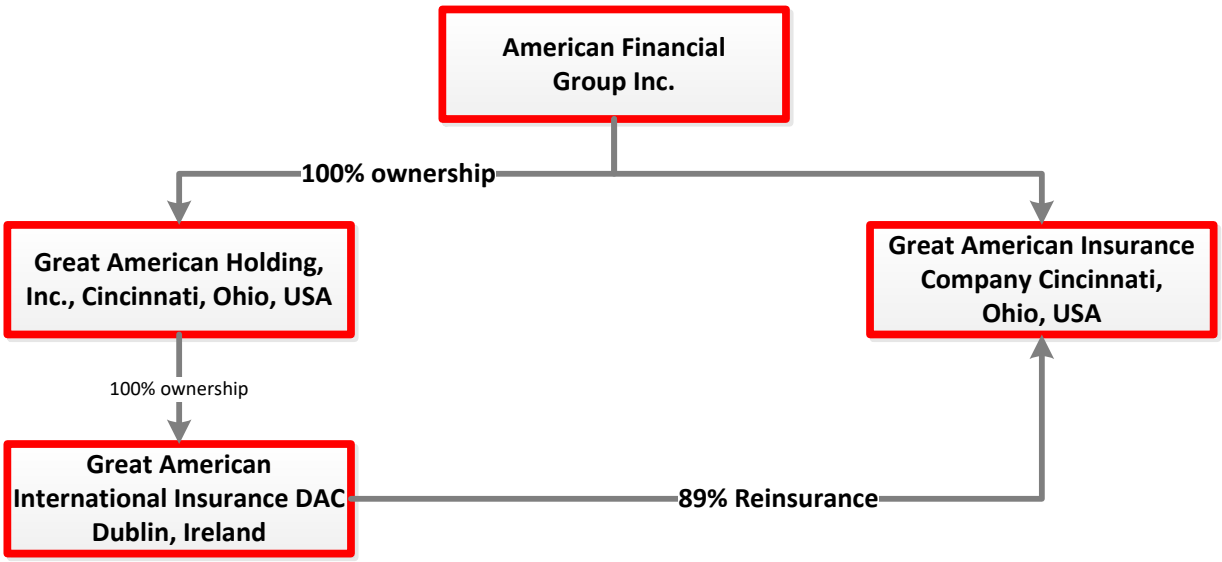


Great American International Insurance DAC is a wholly owned subsidiary of Great American Holding, Inc. ("GAH"). GAH is a wholly owned subsidiary of American Financial Group, Inc. ("AFG"), an Ohio corporation.

AFG is a holding company based in Cincinnati, Ohio. AFG's common stock is listed and traded on the New York Stock Exchange under the symbol AFG. Through the operations of Great American Insurance Group, AFG is engaged primarily in property and casualty insurance, focusing on specialised commercial products for businesses and in the sale of fixed and fixed-indexed annuities in the retail, financial

institutions and education markets. Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company.

Fig 1: Org chart & reinsurance arrangements



Business Strategy

The Company's high level business strategy is as follows:

- Diversification of products & territories to assist with capital management and safeguarding of GAIIL's position in the market so there is no over reliance on any one product
- Utilise & build on the existing product experience & capabilities of our U.S parent
- Build specialist teams of underwriters for each product line
- Grow the overall book & presence of Great American across Europe in a prudent & profitable manner

A.2 Underwriting performance

The Company underwrites Non-Life insurance products across Europe in line with its authorisation and passporting rights. Existing policyholders are located across Europe. In 2017 the most significant countries for the company were UK, Italy & France who on a combined basis represent over 75% of the Company's gross written premium ("GWP"), with Italy being the most significant market for the company.

Breakdown of GWP by LOB

	FPD €000'S	C&S €000'S	MFL €000'S	Total GWP €000'S
2016	14,607	3,981	2,379	20,968
2017	12,575	11,316	3,865	27,756

The Company's overall GWP increased by just over 30% between 2016 & 2017, as per the above table the main reason behind the increase was that the company wrote €11.3 million of credit & surety business in 2017. The credit & surety business was principally derived from the Italian market. The Company increased staffing within the reporting period and has hired additional staff within the finance department to ensure sufficient resource to manage the Company's capital position and associated reporting requirements.

The Fire & Other Damage to Property line of business as well as Miscellaneous Financial Loss line of business remained largely consistent with premiums reported for the previous calendar year.

Underwriting Profits

€000'S	2017	2016
Premium Earned		
Gross	19,840	16,140
RI Share	(14,180)	(8,764)
Net	**5,661**	**7,376**
Commission Expense		
Gross	(8,381)	(6,588)
RI Share	7,271	3,815
Net	**(1,110)**	**(2,773)**
Claims Incurred		
Gross	(5,071)	(2,573)
RI Share	4,562	2,300
Net	**(508)**	**(273)**
Other Technical Provisions		
Gross	(695)	240
RI Share	81	(27)
Net	**(614)**	**213**
Operating Expenses & Investment Income		
Operating Expenses	(3,349)	(4,184)
Investment Income	27	48
Gross Underwriting P/L (% Earned premium)	**2,371 (12%)**	**3,083 (19%)**
Net Underwriting P/L (% Earned premium)	**107 (2%)**	**407 (6%)**

Overall, gross and net underwriting profits of the Company have remained stable during the year.

A.3 Investment Performance

The Company has a conservative outlook when it comes to investment decisions. On average between years 2012-2017 the company has held assets of between 15-22 million euros and this is all held in either cash or cash/term deposits. As all insurance assets are held in cash, and have been since the inception of the company, there is currently no Investment Committee and there is no authority given by the board to any of the officers to deviate from the current investment strategy.

The primary investment goal of the Company is to satisfy its regulatory solvency requirements and capital protection of all funds. Once these requirements are met the secondary goal is to generate investment income from these investments to contribute to the profitability of the group by way of interest income from deposit accounts.

The prevailing interest rates in the market over the reporting period resulted in minimal return on investment. The company is seeking additional banking facilities to ensure a diversified portfolio of accounts as there are a number of banks who have decided to withdraw from the Irish market such as Rabobank.

The table below, shows the breakdown of cash holdings as at 31st December and Investment Income during the year.

€000'S	Cash Holdings (as at 31st December)	Investment Income
2016	19,064	48
2017	21,999	27

A.4 Performance of other Activities

The Company's only activity is that of a Non-Life insurance undertaking.

Operating costs of the company including director's fees, auditor's fees and consultancy fees such as those associated with the actuarial function are charged through the technical account of the profit & loss statement.

A.5 Any other Information

A team of underwriters were hired in 2016/17 to support the development of an Inland Marine book of business in line with the company's extension in authorisation. The Company made a small profit in 2017. There was a reduction in profitability between 2016 and 2017 which was the result of the company investing in resource to build an Inland Marine Team. A small volume of premium for these lines was written in 2017, however it was not expected that new business would cover their costs during year one.

B: System of Governance

B.1 General Information on the System of Governance

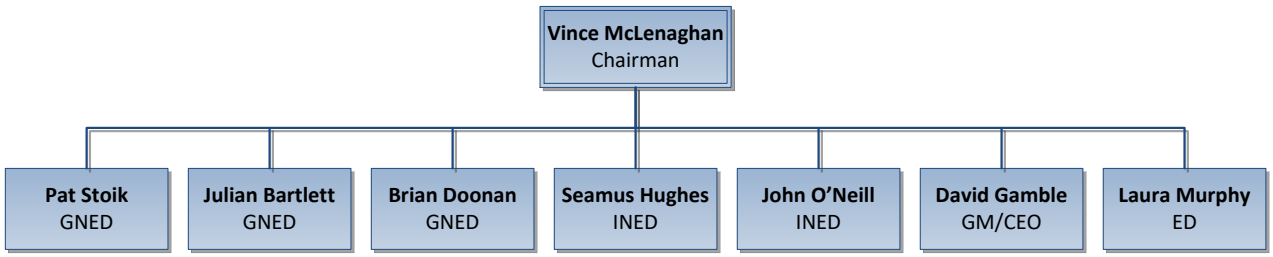
B.1.1 Overview:

The Company is classified as a low impact firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as "PRISM" or Probability Risk and Impact SysteM and is subject to the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015.

The Board of Directors are primarily responsible for:

- Determining the company's strategic objectives and policies;
- Monitoring progress towards achieving the objectives and policies;
- Appointing senior management; and
- Accounting for the company's activities to relevant parties, e.g. the shareholder and regulatory Authority(s).

Board of Directors[2]:



GAIIL's Board is made up of seven members:

- Chairman (a Group Non-Executive Director)
- General Manager / CEO
- Two Independent Non-Executive Directors "INEDs" as mandated by the Corporate Governance Code
- Three Group Non-Executive Directors "GNEDs"
- One Executive Director (elected from within GAIIL's management team)

Company Secretary: Laura Murphy

The Company is committed to high standards of corporate governance. The Company has appointed an outsourced Head of Actuarial Function and the Board has completed an annual review of Governance and its Committee structures in line with the Corporate Governance Requirements for Insurance Undertakings 2015.

The following Committees have been established by the Board to assist it in discharging its obligations and all committees operated throughout the year under review.

[2] *Board structure as of the 31/12/2017*

- Audit Committee
- Risk Committee
- Underwriting Committee

Each Committee operates under defined committee charter and committee outputs and recommendations are included in Board packs as discussion items.

The Audit Committee met just once in 2017 as the Board was heavily involved in the appointment of a new external audit provider. The Risk Committee met four times as there were changes in the governance framework with a revised Board composition. The Chair of each Committee is an Independent Non-Executive Director:

- Audit Committee (Chairman: John O'Neill)
- Risk Committee (Chairman: Seamus Hughes)

There were changes in Board composition in 2017 which resulted in changes to Committee composition, prior to November 2017 John Collins an Independent Non-Executive Director was chairman of the Audit Committee and Hugh Governey an Independent Non-Executive Director was chairman of the Risk Committee.

Audit Committee

The purpose of the Audit Committee, which is a committee of the Board, is to assist with the Board's oversight of:

- the integrity of the Company's financial statements
- the effectiveness of the Company's internal control framework
- the effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management system
- the performance of the Company's independent auditors
- the Company's compliance with legal and regulatory requirements
- monitoring the effectiveness, independence and objectivity of the external auditor

Risk Committee

The purpose of the Risk Committee, which is a committee of the Board, is to assist with the Board's oversight of:

- the effectiveness of the Company's risk management systems
- the risk appetite of the company and the timely reporting of material deviations from defined risk appetite
- management actions taken to mitigate or manage any high impact risks to which the company is exposed or may become exposed to
- the effectiveness, independence and objectivity of the Risk function
- the oversight of solvency II developments or any regulatory risk developments

Underwriting Committee

The function of the Committee is to review underwriting risk appetite and approve or decline new business proposals which fall outside of the company's risk appetite or outside of the underwriting authorities of the management team. The underwriting committee also reviews proposals for material or significant outsourced functions who are seeking underwriting or claims handling authorities.

B.1.2 Independent Control Functions:

The Company has established the four key functions required under Solvency II - risk management, compliance, actuarial and internal audit. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

B.1.2.1 Chief Risk Officer

The Chief Risk Officer is responsible for the implementation and adherence to the Company's Risk Management Policy, reporting to the Board & Risk Committee. The responsibilities of the Chief Risk Officer include:

- The implementation and ownership of and adherence to the Company's Risk Management Plan
- Maintenance of the Risk Register as the focal point for risk event reporting
- Identification, assessment and monitoring of key risks to which the Company is exposed
- To monitor adherence to the Risk Appetite Statement and report and monitor key risk indicators of risk limits
- To manage the annual 'Own Risk and Solvency Assessment' (ORSA) process and ensure that the Board and senior management consider its outputs on an ongoing basis throughout the year.

B.1.2.2 Compliance Function

The Company has a dedicated Compliance Manager who also sits on the Board of the Company and acts as Company Secretary. The responsibilities of the compliance function include:

- Identification, assessment and reporting with respect to the company's compliance risks
- Assessment of upstream legislative change and monitoring the appropriateness of the company's compliance procedures to comply with same
- Assisting, supporting & advising, as appropriate senior management and the Board with respect to compliance responsibilities
- Oversight of the submission of the company's regulatory returns

B.1.2.3 Head of Actuarial Function ("HoAF")

The function of the HoAF is outsourced to Deloitte; this adds an independent oversight of the Company's actuarial activities. HoAF responsibilities are fulfilled by Ruth Bauer (PCF-48) of Deloitte. David Gamble in his capacity as CEO (PCF-8) is responsible for oversight of the outsourced arrangement.

The responsibilities of the HoAF, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to the following matters:

- Coordinating the calculation of the firm's technical provisions
- Assessing the consistency of the internal and external data used in the calculation of technical

provisions against the data quality standards as set in Solvency II
- Ensuring the appropriateness of the methodologies and underlying models used as well as assumptions made by the company in the calculation of technical provisions
- Provision of an annual HoAF report providing advice on the company's underwriting policy, reinsurance policy and also the provision of advice to the Company on the ORSA (Own Risk and Solvency Assessment) process, including the opining on the appropriateness and financial consequences of stresses and scenarios
- Performance of all of the necessary actuarial work in respect of the actuarial certification of the technical provisions as required by the CBI, including the provision of an actuarial opinion on technical provisions (AOTP)

B.1.2.4 Internal Audit Function

The Head of Internal Audit function is outsourced to the Manager of the Group Internal Audit function at American Financial Group, Inc. ("AFG"). Head of Internal Audit responsibilities are fulfilled by Jerry Pater and Bob Greene AFG's Co-Heads of Internal Audit on an interim basis. Laura Murphy in her capacity as Compliance Manager (PCF-12) is responsible for oversight of the outsourced arrangement.

Internal Audit is an assurance function that primarily provides an independent and objective opinion to AFG on the control environment, comprising risk management, control and governance, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the internal control environment as a contribution to the proper, economic, efficient and effective use of resources. Internal Audit Reports highlight any significant control failings or weaknesses identified and the impact they have had, or may have. The report also captures management actions and agreed timelines to rectify and/or action any findings.

A risk-based and cyclical coverage approach is used to determine the annual Internal Audit plan. The audit plan is shared with the Company's Audit Committee and Board along with progress reports, audit report ratings, key findings and the number of open and past due issues.

B.2 'Fit and Proper' Requirements

The Company has adopted a Fitness and Probity Policy. The procedures set out in this policy are designed to promote compliance and reduce GAIIL's compliance risk, thereby protecting GAIIL and its employees. The policy is intended to assist GAIIL's management and the Board in fulfilling their responsibilities as set out under section 50 of the Central Bank reform Act 2010.

The Fitness and Probity Standards provide that an individual performing a PCF is required to be:
- competent and capable;
- honest, ethical and to act with integrity; and
- financially sound

Prior to hiring a PCF (Pre-approved Control Functions) role holder, due diligence is undertaken in line with the Central Bank of Ireland's Guidance on Fitness and Probity Standards 2014. These include:
- Confirmation of compliance with the minimum competency code, where relevant
- Professional qualification(s)
- Continuous Professional Development, where relevant
- Interview notes and application / cv

- References
- Record of previous experience
- Record of experience gained outside the State
- Details of any current directorships or concurrent responsibilities
- Individual Questionnaire
- Written confirmation from the applicant confirming compliance with the standards
- Probity checks

The recruitment process for a candidate for a Control Function role includes the following:

- A written job description outlining the duties and responsibilities of the role
- An assessment of the level of fitness and probity required for the role, on the basis of the formally documented job description
- An interview process that matches the person with the requirements of the role
- Verification of identity, validation of relevant qualifications, experience, references and professional memberships including CPD details where applicable
- Probity checks depending on the nature of the role
- Written confirmation from the applicant confirming compliance with the fitness & probity standards

Individuals will be re-assessed in respect of Fitness & Probity in the event of any of the following scenarios:

- Change of role within the organisation (CF or PCF role)
- In conjunction with the annual PCF F&P declaration
- On receipt of a declaration from a PCF /CF of a change in personal circumstances (this declaration will be considered by the CEO to consider whether the change represents an impact on the individual's ability to carry out their role)
- Adverse media attention in respect of a PCF which may give rise to concen

B.2.1 Remuneration, Employee Benefits and Practices

The Company provides a range of benefits to employees, including contractual salary, life cover, health insurance and paid holiday arrangements. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Company pays contributions based on a percentage of salary determined by length of service into a pension fund on behalf of its employees (defined contribution plans). Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the Company in independently administered funds. Employees may contribute additional voluntary contributions to suit their circumstances.

As the Company does not have any direct sales staff there are no individuals on sales-driven incentive plans, therefore the company's remuneration practices are considered to promote sound and effective risk management and do not encourage excessive risk taking. The Company operates an annual discretionary bonus plan for employees based on overall Company performance and that of the

overall Group as well as individual performance. The provision of HR services is outsourced to Great American Specialty & Affinity a UK based intermediary also owned by AFG.

B.3 Risk Management System including the Own Risk and Solvency Assessment

The Company has developed a Risk Management System to promote effective risk management and also to ensure that the Company has adequate oversight of key risks and a framework in place to assess and manage these risks to within specified tolerances as per the Company's Risk Appetite. A Risk management policy has been adopted which:

a) defines the risk categories and the methods to measure the risks
b) outlines how the undertaking manages each relevant category, area of risks and any potential aggregation of risks
c) describes the connection with the overall solvency needs assessment as identified in the ORSA, the regulatory capital requirements and the undertaking's risk tolerance limits
d) specifies risk limits and risk tolerances within all relevant risk categories in line with the undertaking's risk appetite
e) describes the frequency and content of regular stress tests and the situations that would warrant ad-hoc stress tests

The Board of Directors of the Company are ultimately responsible for ensuring the effectiveness of the risk management system, setting the undertaking's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies.

The Board has created a number of committees whom are involved in the oversight and implementation of Risk Management.

- The Risk Committee: The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risk appetite of GAIIL and the risk management and compliance framework and the governance structure that supports it.
- The Underwriting Committee: The function of the Committee is to approve or decline new business proposals or new business partners under a delegated authority from the Board of GAIIL. The committee is also responsible for review and proposal of underwriting authorities and limits on behalf of the Board.

There are clearly defined roles and responsibilities within the risk management process which are set out in the table below:

	Board	Risk Committee / Underwriting Committee	CRO	Business Unit	Internal Audit
Risk Management Strategy	Approves strategy to manage risk by avoiding/ accepting/ transferring/mitigating	Reviews risk strategy documentation & authorises documentation to be tabled at Board level	Develops, documents and executes strategy	Executes risk strategy	Independent Assessment of the overall risk process. Focus on potential management bias in reporting of risk events and errors.
Risk Appetite (RA)	Approves RA for each risk, individually and in aggregate	Reviews and sanctions Risk Appetite prior to tabling at Board	Proposes to UWC and explains to BUs	Manages risk within limits assigned	
Risk ID	Approves risk identification process and outputs	Approves responsibility for Risk ID and validates risks identified	Provides supports to BUs in identifying risks. Documents them in the risk register and assigns responsibility.	Identifies their risks and reports to CRO	
Owner ID	Approves ownership of risks across GAIIL	Assigns / Approves responsibility for ownership of risks	Owns and manages risks assigned to CRO and communicates ownership to other BUs as applicable	Owns and manages risks relevant to them	
Risk Assessment	Reviews results of business environment review and scenario analysis and approves actions to manage risk	Validates the results of risk assessment. Considers strategy changes if necessary	Identifies significant risks from risk universe. Documents results of risk assessment and reports to RC. Develops risk scenarios. Analyse potential impact of risks.	Identify significant risks from the risk universe. Analyse potential impact of risk.	
Risk Reporting	Reviews RC reports. Take/approve action based on changes in risk strategy or profile	Review, approve CRO reports. Escalates matters to the Board with proposed actions	Prepares internal op risk reports for RC. Documents breaches in RA, and risk losses and reports to RC. Proposes actions if profile changed	Report breaches in RA errors and losses to CRO. Identify measure and report losses in order to monitor and manage activities and implement mitigants.	

The above table shows that risk management is embedded throughout the organisational activities and normal working routines of the Company and hence facilitates a prompt and proportionate response to risks as they arise.

Own Risks Solvency Assessment ("ORSA")

At a minimum, on an annual basis an ORSA is performed to ensure that the Board is aware of the adequacy of the Company's capital position given an assessment of the risks and possible changes to the risk environment. The ORSA is a key input into the capital management, business planning, product development and design activities of the Company. The ORSA is utilised to ensure that strategy and risk appetite are aligned e.g. the Company utilised outputs from preliminary outputs of ORSA runs during the year to model the impact of entry into new lines of business and thus support the formal regulatory authorisation application.

The ORSA Policy adopted by the Company sets out how the ORSA is performed and the key elements required within the ORSA Report which is submitted to the regulator (Central Bank of Ireland).

Elements of the ORSA are performed by a variety of contributors and key functions within the Company:

- The Board approve the ORSA policy, discuss and review the ORSA assumptions , process and conclusions prior to actual sign-off on the ORSA report
- The Risk Committee review the appropriateness of proposed scenarios and risks identified
- The Risk Management function manages and co-ordinates the ORSA process, runs the stress and scenario testing required and communicates the ORSA results
- The Compliance Function provides input on compliance risks and provides assurance to the Board that the ORSA process is conducted in a manner consistent with Solvency II requirements
- The Actuarial Function provides an annual opinion on the ORSA which addresses adequacy of stress scenarios, appropriateness of financial projections and calculation of the Technical Provisions
- The Management team contribute to the ORSA via the identification and management of risks which they individually and collectively own, manage and report on

The multiple contributors and users of the ORSA process shown above highlights how integrated the ORSA process is within the Company.

The ORSA Report itself is split into three main areas:

a) Description of the Company's Risk Management Framework
b) An Assessment of Risk Exposures
c) Risk Capital Requirements and Prospective Solvency Assessment

The CRO is the key individual responsible for the preparation of the ORSA and in particular the assessment of the capital requirements of the Company. To perform this assessment the CRO undertakes the following:

- Projections of Solvency cover and hence capital needs based on the Board approved three year business plan
- Appropriateness of Standard Formula versus development of a partial or full internal model
- Key assumptions utilised in ORSA re settlement patterns, future premiums, future dividends and CAT exposure
- Scenario testing: including a possible Brexit impact and expansion into new lines of business
- Stress testing: including a reverse stress and individual stresses based on premium levels, loss ratio deterioration, commission changes and increased counterparty default. Combination stress scenarios are also run given the interdependence of risks.

The report is submitted to the Central Bank of Ireland but its key findings are also shared internally with senior management and the Board to further improve business strategy and operations e.g. via investment decisions, product development, review of financial and internal controls.

In addition to the ORSA report the Company maintains sufficient documentation to allow a knowledgeable third party to reconstruct an individual ORSA. This includes the following documentation:

i) ORSA Policy
ii) Minutes of the Committees and bodies involved in the ORSA
iii) Working papers/correspondence regarding the assessment of risks and solvency
iv) Drafts and Final version of ORSA report
v) ORSA Excel Template submitted to CBI

B.4 Internal Control System

Company employees need access to financial and other sensitive data and systems in order to carry out their roles. Internal control policies and procedures are checks and balances that help protect a company from internal threats, such as theft, mismanagement of funds by employees, suppliers or customers and management of perceived or actual conflicts of interest.

The Company's Internal Control framework consists of three elements:

a) Board level controls
b) Independent key functions as detailed within section B of this document
c) Oversight of outsourced services

The company has in place Internal Control policies and procedures which protect the company from any one individual having undue influence and ensure that a minimum of at least two persons effectively run the Company. This ensures that any significant decision of the Company is made by more than one individual.

The Internal Audit Function has developed a register of entity level controls and periodically test elements of the Internal Control framework as part of their audit scope.

Board Level controls

Significant decisions are matters reserved for Board approval or appropriate Board sub-committee such as the Underwriting committee. Due to the size of parent company, any significant decisions are likely to require shareholder approval. Structures are in place to ensure that no individual has unfettered control.

In accordance with Article 41 and Article 44 of Solvency II Directive, the Company ensures that it appropriately documents decisions taken at management level and evidences how information from the risk management system has been taken into account when considering a material decision.

Documentation of Decisions taken by the Board of Directors

The Board has formally set-out key decisions which are reserved for Board approval to ensure that no one individual has unfettered influence and that the Company complies with Article 41 of the Solvency II Directive. The matters reserved for the Board are subject to periodic review to ensure appropriateness.

All Board members operate in accordance with a Board role statement and terms of reference as set out in formal letters of appointment.

All Board meetings are minuted by an independent legal firm in order to appropriately evidence decisions taken by the Board of Directors. Minutes from Board sub-committees and details of any business sanctioned by the Underwriting Committee as per the Board approved committee charter are included in the following quarters Board pack for oversight purposes.

CEO Delegated Authorities

The Board of Directors has delegated to the General Manager / CEO all powers they deem necessary for the operational day to day management of the Company. These authorities are periodically reviewed by the Board to ensure they are appropriate without being excessive. The authorities are intentionally limited to ensure that any material decisions that the Company faces are reviewed and sanctioned by more than one individual. CEO authorities were reviewed in 2017 to support the company's initiatives with respect to Inland Marine risk following receipt of an extension in authorisation from the Central Bank of Ireland.

Review of Policies & Procedures

All material policies are subject to annual review by the Board of Directors.

Oversight of outsourced services

The Company requires that any outsourcing partner, be they a sister Group Company or not, have in place an appropriate control environment and employ fit and proper people in its control functions.

All outsourced services are subject to the Company's outsourcing policy and material or significant services are also subject to the CBI Outsourcing Notification Process under Solvency II. Outsourcing arrangements are also subject to periodic audit where applicable to ensure no deviation from authorities granted and adherence to the contractual terms including service levels or KPI's as applicable. A register of outsourced service providers is maintained by the Compliance function and tabled at the company's Board meetings as a standing item.

B.5 Internal Audit Function

The Head of Internal Audit function is outsourced to the Manager of the Group Internal Audit function at American Financial Group, Inc. ("AFG").

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the shareholder and the Company / Board on the control environment, comprising risk management, control and governance, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the internal control environment as a contribution to the proper, economic, efficient and effective use of resources. Internal Audit Reports highlight any significant control failings or weaknesses identified and the impact they have had, or may have. The report also captures management actions and agreed timelines to rectify and / or action any findings.

A risk-based and cyclical coverage approach is used to determine the annual Internal Audit plan. The audit plan is shared with the Company's Audit Committee and Board along with progress reports, audit report ratings, key findings and the number of open and past due issues.

The American Financial Group (AFG) Internal Audit Department (IA) has the responsibility for auditing all entities contained within the AFG reporting operations, which would include all subsidiaries of AFG, Great American Insurance Company (GAI) and its subsidiaries, and Great American Financial Resources Inc. (GAFRI) and its subsidiaries. The AFG Audit Committee has oversight authority for the business activities of AFG. The AFG Audit Committee receives written reports for every scheduled meeting detailing the activities of the IA.

The normal duties of IA include audits of entities within the AFG Operation. These audits combine both operational and financial disciplines, as well as including IT auditing of the entity's computer systems. The department currently has 42 full-time professional positions budgeted. The senior reporting officers are Jerry Pater and Bob Greene, divisional assistant vice president and assistant vice president, respectively, along with a management team of four audit directors and five audit managers. The remaining department members are non-supervisory individuals. All management individuals have professional designations. In addition, there is a job requirement of having some type of industry specific professional designation in order to be promoted to a senior auditor. Currently, the professional designations of the IA Department include 11 CPAs (Certified Public Accountants), 7 CIAs (Certified Internal Auditors), 12 CISAs (Certified Information Systems Auditors) and 4 CFEs (Certified Fraud Examiners) along with several insurance specific certifications.

All members of the IA department are required to attend training programs each year totalling approximately 40 hours of education. These programs are either internal or externally sponsored and are chosen by the audit management and relate to each auditor's needs and experience level. Training may be for managing audit assignments, particular aspects of auditing or fraud, or specific for the insurance industry. There are no required continuing education requirements imposed by the department; however, every effort is made to assist each auditor in obtaining required CPE for the specific professional designation.

B.6 Actuarial Function

Article 48.1 of the Solvency II Directive requires that an Actuarial Function is established to:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements; and
- contribute to the effective implemementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements

GAIIL as per the details of section B1 outsource the Head of Actuarial Function to Deloitte. In accordance with the instructions as set out in the engagement letter between the parties, Deloitte undertake detailed actuarial review of GAIIL's business and provide a HoAF report to the Board on an annual basis opining on the adequacy and appropriateness of Technical Provisions, Reinsurance, Underwriting & ORSA. Deloitte also perform all of the necessary actuarial work in respect of the actuarial certification of the technical provisions as required by the CBI, including the provision of an actuarial opinion on technical provisions (AOTP). The Company in Q1 2018 hired an actuary who will act as the company's key interface with the HoAF.

B.7 Outsourcing

The Company outsources and enters into outsourcing arrangements only where there is a sound commercial basis for doing so and where the risk can be effectively managed. The company's management team and ultimately the board is responsible for oversight procedures in the application of the Company's outsourcing policy.

GAIIL will not outsource critical or important functions in a way as to materially impair the quality of GAIIL's internal control of, or the ability of the Central Bank of Ireland ("CBI") or other relevant regulatory authority to supervise GAIIL's compliance with its obligations under relevant legal and regulatory requirements or in any way that would result in policyholder detriment. In general this means that:

a) Any outsourcing arrangement will not result in the delegation of responsibilities of GAIIL's management team and / or the board of directors (the "Board")
b) If GAIIL outsources a critical or important function, it remains fully responsible for its legal and regulatory responsibilities and must satisfy itself that the service provider carries out the outsourced services effectively
c) GAIIL remains responsible for the performance of all outsourced activities

In advance of outsourcing any activity GAIIL considers a business case / business logic for outsourcing. This includes consideration as to whether GAIIL is appropriately resourced to provide the required service within the required timeframe and budget available, actual and potential conflicts of interest and risks of the proposed outsourcing. This may also include consideration as to whether an outsourced

arrangement is part of an overall new business opportunity and if so whether both the risk and the outsourced arrangement are within appetite.

Once a decision is taken to outsource a material business activity, GAIIL chooses an appropriate selection process e.g. tender or recommendations of possible business partners from legal advisors or external experts.

Due diligence is carried out on potential service providers in line with the Company's outsourcing policy, prior to any final decision being made whether to outsource the activity to a particular service provider. This process seeks to address all material factors that might impact on the potential service providers' ability to perform the specified activity. The Company's management undertake due diligence of chosen service provider to make sure all pre-stated requirements are met (Regulations 40 and 51 of the European Union (Insurance and Reinsurance) Regulations 2015, Article 274 (2)-(5) of Commission Delegation Regulation (EU) 2015/35 and Guidelines 14, 60, 61, 63 and 64 of the EIOPA Guidelines on the System of Governance.

All outsourcing arrangements relating to critical or important functions are subject to the Central Bank of Ireland notification process for (Re) Insurance undertakings under SII. Intra-group outsourced functions are managed with the same vigour at arms-length as per the requirements.

Monitoring of outsourcing arrangements takes place via regular reporting to risk/audit committee and board as appropriate. Periodic audits are undertaken with respect to material activities such as claims handling; an escalation process is in place in the event of a material breach. The Company's outsourcing arrangements are subject to regular review by the Board and the outsourcing policy is subject to a minimum of annual review for appropriateness.

Material Outsourcing activities of the Company are as follows:

Provider	Nature of arrangement	Responsible for oversight	Jurisdiction of Service provider
AFG Internal Audit	Internal Audit Services	Compliance Manager	USA
All Risks Srl.	Claims handling & binding based on rates pre-agreed by GAIIL	Head of Program Underwriting	Italy
Barracuda	Cloud backup Provider	I.T Manager	Ireland
CBP	Claims handling & binding based on rates pre-agreed by GAIIL	Head of Program Underwriting	Italy
Cotessat	Fiscal Representation	Finance Manager	France
Deloitte	Head of Actuarial Function	General Manager / CEO	Ireland
Filhet Allard	Claims handling & binding based on rates pre-agreed by GAIIL	Senior Bonds & Credit Underwriter	France
Fiscal Reps	Fiscal Representation	Finance Manager	UK
Great American Specialty & Affinity	Claims Handling & TPA services	Head of Program Underwriting	UK
Great American Specialty & Affinity	HR Services	General Manager / CEO	UK
Great American Specialty & Affinity	IT & Network Maintenance	General Manager / CEO	UK
Pension Trustees	Pension Trustee	Compliance Manager	Ireland
PWC	External Audit	Finance Manager	Ireland
Solly Azar Group	Claims handling & binding based on rates pre-agreed by GAIIL	Senior Bonds & Credit Underwriter	France
The Replacement Service (TRS)	Claims handling of affinity product	Affinity Underwriter	UK
Vantage Insurance Services	MGA for UK Bonds	Senior Bonds & Credit Underwriter	UK
Zenith	Claims handling & binding based on rates pre-agreed by GAIIL	Head of Program Underwriting	UK

B.8 Any Other Information

The company has assessed its corporate governance system & concludes that it is appropriate given the nature, scale and complexity of the operations of the company. As the company grows and diversifies product ranges additional controls will be put in place to ensure the control framework remains appropriate.

There were several changes to Board composition over the course of 2017 with the appointment of a new Chairman as well as new Independent Non-Executive Director's.

C: Risk Profile

The Company has in place a risk management system comprising strategies, processes and reporting procedure necessary to identify, measure, monitor, manage and report on a continuous basis the risks, at an individual and at an aggregated level to which the Company is or could be exposed. A principle part of this is the risk management policy, which outlines the guidelines necessary to accept risks only where they are consistent with the Company's objectives and risk appetite.

The key material financial risks to which the Company is exposed are discussed below. For each category of risk, the Company's Board determines its risk appetite and sets its risk management, investment and associated policies accordingly.

C.1 Underwriting Risk

Underwriting risk refers to the risk that the cost of claims and benefits actually paid may deviate from the expected costs accidentally or owing to error or change of circumstances. This is a normal trading risk, arising out of contracts of insurance that the Company is exposed to in day to day operations, which includes claims as well as insurance underwriting. Authority for all action and expenditure within the Company flows from the Board, which has established that the necessary control systems are in place within the Company to ensure that business is undertaken in a responsible manner.

As a non-life insurance company, the Company is subject to the following main Underwriting Risks:

- Premium Risk: the risk that the premium amount is insufficient to provide insurance cover as a result of inadequate pricing
- Reserve Risk: the risk that the true value of insurance liabilities is greater than estimated values of insurance liabilities

The control of underwriting risk has been delegated by the Board to the Underwriting Committee in conjunction with the GAIIL Management team. The Board have approved the following key items within the Company's Risk Appetite for Underwriting Risk:

i) A low tolerance for significant adverse deviations in calendar year net profit caused by deviations in forecasted reserves

ii) Premium income per product line and country is managed within risk appetite so to minimize the risk of being over-exposed in any one product line or location

iii) In order to meet the profitability target, conservative risk exposures are developed in each class of business through:
    - Building a sustainable portfolio of business that balances risks from high and low volatility products with a spread across our European target countries
    - Selective underwriting, where there are lower level natural catastrophic perils
    - Monitoring of aggregate exposure

iv) As far as possible, risks are written that do not overlap with the exposures of other group companies to ensure that the Group is not overexposed to the risks it writes

v) In order to maintain adequate control and oversight of the business written, the Company avoids overexposure to third parties underwriting risks on its behalf

The key mitigant is the Company's reinsurance strategy whereby for most lines of business gross premiums are ceded on a quota share basis to a group company.

As part of the on-going ORSA process throughout the year a sensitivity analysis is performed on the impact on underwriting risk of future changes in premium written, loss ratio, commissions and combinations thereof.

C.2 Market Risk

This is the risk resulting directly or indirectly from fluctuations in the level of and / or volatility of market prices for assets, liabilities and financial instruments. The primary elements of market risk for the Company are Currency, Concentration, Spread and Interest Rate risks. The table below shows the key risk drivers for market risk over the last two years:

Risk Driver	Share at 31.12.17	Share at 31.12.16
Currency	45% (€1,344k)	49% (€1,333k)
Concentration	47% (€1,392k)	42% (€1,155k)
Spread	7% (€216k)	8% (€224k)
Interest Rate	0% (€8k)	1% (€18k)
Total	100%	100%

Currency risk is primarily a mismatch risk, where there are differences in currencies of assets and liabilities or supporting capital. The Company is exposed to variable returns as a direct or indirect result of fluctuations in the value of, or income from, assets net of liabilities due to exchange rate changes. Currency risk is addressed in the Asset Liability Management policy ("ALM"). GAIIL does not intentionally seek to make gains via deliberate currency mismatches. The ALM policy's purpose is to ensure a reduction where possible in currency risk arising from asset/liability mismatches. The Finance Manager monitors the movements in major currencies and highlights to the Board if there are significant movements in any one quarter.

	2017 £000's	2016 £000's
Gross Assets	18,872	12,366
Matching currency liabilities	-16,173	-12,339
Uncovered currency exposures	2,699	27
EURO equivalent of exposure	3,040	32

At the year-end the financial investments of the Company by currency were as follows:

Currency	2017 %	2016 %
EURO	59%	55%
GBP	38%	44%
Others	3%	1%
Total	100%	100%

Concentration risk is the risk arising from the Company assuming investments in single or highly correlated entities. GAIIL's Concentration Risk is addressed in the Investment Management Policy and is the possible exposure that GAIIL would be subject to increased losses associated with inadequately diversified portfolios of assets. As part of the 2016 ORSA process sensitivity analysis on concentration risk was carried out on the impact of varying the maximum percentage of investments to be held with any single entity. As a result, the Company has set a maximum risk appetite limit for direct assets to be held with any single credit institution or Group.

Due to the Company's conservative investment strategy all funds are invested in cash or short-term deposits. Prohibited investments include equities, fixed income products, commodities, derivatives and securitised investments. The Company is required to apply the 'Prudent Person Principle' in relation to investing in assets as introduced by Solvency II regulations. The Company is required to apply this principle and has ensured that its investment policy and asset selections are consistent with this Principle.

Spread risk is the risk of a change in value due to a deviation of the actual market price of credit risk from the expected price of credit risk. The Company seeks to mitigate spread risk via its Investment policy of placing deposits with the highest quality credit institutions where available. A summary of the Company's liquid assets at the balance sheet date is set out in C3 below.

C.3 Credit Risk

Credit risk is the risk arising from default or fluctuations in the creditworthiness (credit spread) of security issuers, counterparties and other debtors against whom the Company has claims.

Credit Risk is primarily managed within the Investment Management Policy as Counterparty Default Risk. Significant capital savings are achieved by utilising financial institutions with a Credit Quality Step of 4 or better (equivalent to an S&P rating of BB+ to BB-).

GAIIL holds some funds with Irish domestic banks (AIB and Bank of Ireland) and is aware that "bail-in" / deposit guarantee coverage by the Irish Government only extends to the first €100,000 of funds. The majority of these funds relate to day to day operational expenses. The funds are held in short-term deposits which can be readily transferred as necessary to higher rated institutions.

The credit exposure for the last 2 years is shown in the table below:

Credit Quality Step	Recoverables 31.12.17 €'000	Recoverables 31.12.16 €'000
1	0 (0%)	0 (0%)
2	7,820 (65%)	8,333 (66%)
3	4,280 (35%)	4,248 (34%)
4	0 (0%)	25 (0%)
Total	**12,100**	**12,606**

Due to the Reinsurance policy of reinsuring all risks on a quota share basis back to a Group company, there is a material credit risk arising from the reinsurance recoverables under this arrangement. The Company accepts this credit risk and if any external reinsurers are utilised they must hold a rating equivalent or higher to that of the Group Company or a bank guarantee is required from a bank with at least a rating equivalent to that of the Group Company. The Company reduces its exposure to non-group reinsurer default by managing reinsurer concentration and actively monitoring the amount or premium held by reinsurers.

Credit Risk exposure to Third Party Claims Administrators (TPAs) are reduced by requiring that claims escrows are held in designated accounts with signatory approval required by GAIIL with respect to claims settlements above delegated authorities. Due diligence, including financial due diligence is carried out prior to the appointment of a claims Administrator. Escrow funds are monitored by the finance team through receipt of bordereau and periodic bank statements.

Broker credit risk exposure is minimised by managing broker concentration and monitoring overdue balances. Broker appointments are subject to due diligence and in the event there is weakness identified in a balance sheet an annual review of their financials is undertaken to mitigate potential credit risk exposure.

As part of the ORSA process a stress test including the downgrade of investment and reinsurance counterparties was performed to model the future impact on credit risk. Mitigation strategies to rectify any breach of solvency cover requirements include seeking capital support from the parent and/or alternative reinsurance partners.

C.4 Liquidity Risk

Liquidity risk is the risk that the Company is not in a position to realise investments and other assets to meet financial obligations as they fall due. The risk consists of the costs of financing debts and market liquidity risk in connection with investments.

The Company has a very low appetite for liquidity risk and this is reflected by the conservative nature of its investments which are all in cash or short term deposits. Additionally liquidity risk is managed via monitoring of adherence to the Risk Appetite Statement which states:

- The company maintains sufficient liquid funds to meet all daily insurance transactions and expenses such that no material costs are incurred to meet cash flow needs
- The company maintains sufficient funds available within 2 days to meet its net CAT appetite such that no material costs are incurred to meet cash flow needs

- As per the Risk Appetite a minimum of €2.5 million is maintained in readily available cash to guard against a liquidity shortfall
- Per the Liquidity and Concentration Risk Management Policy cash flow projections are required if material new business lines are considered to assess the impact on liquidity risk

C.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people/personnel and systems or from external events. Examples of operational risks include: hardware or software failures, misuse of confidential client information, data entry errors, and natural disasters. The Company utilises the Standard Formula method to calculate the level of capital required to cover its operational risk which is calculated as a percentage of Technical provisions and written premiums. The key operational risks that the Company has identified are:

Cyber Risk

This relates to the security risk of data theft, malicious electronic data damage or service disruption arising from unauthorised access. Over the course of 2017, there has been significant focus both at company and corporate level with respect to cyber security initiatives to safeguard the company's data. An enhanced Information Technology section was introduced within Board packs to ensure on-going focus on this area. A working group was also put together to review the Company's IT risks and to ensure that appropriate procedures are put in place directly or on an outsourced basis to mitigate against exposures where possible. Following recommendations from the working group, enhanced business continuity arrangements were put in place on an outsourced basis. There has also been several bulletins and training sessions provided to all staff members by EISG (Enterprise Information Security Group) as part of the group wide Data Loss Prevention (DLP) program.

Outsourcing Risk

Similar to the reputational risk which arises from arrangements such as MGA appointments, the Company also outsources a number of operational functions such as claims handling. The outsourcing risk arises from the possible failure of an outsourced service provider to fulfil their obligations. The Company has in place an outsourcing policy and carries out due diligence prior to the appointment of an outsourced service provider. Material providers such as claims handlers are subject to at least an annual claims audit to ensure an appropriate level of service is being provided as per the terms and conditions of the associated service level agreement. The Company manages and monitors all of its outsourcing arrangements and reports as necessary on material risk issues as they arise to the Risk Committee and Board.

C.6 Other Material Risks

The principle other material risks of concern within the Company at present relates to Brexit which is both a strategic and operational risk. The Company has stress tested for a loss of UK business within its ORSA and is also seeking to diversify its geographical mix of business further to mitigate the loss of passporting rights which will arise over the course of the next year or year and a half subject to transitional timeframes.

The Company has submitted Brexit contingency plans to the Central Bank of Ireland and is in active engagement with the regulator with respect to the execution of same.

C.7 Any Other Information

There is no other material information regarding the risk profile of the company during the reporting period.

D: Valuation for solvency purposes

D.1 Assets

The following table analyses the Company's assets at 31 December 2017:

Asset Class	Solvency II Value €000's	Per F/S €000's	Difference €000's
DAC	-	11,983	(11,983)
Fixed Assets	1	1	-
Investments	12,100	12,100	-
RI Share of Technical Provisions	14,487	28,842	(14,355)
Insurance & Intermediaries receivables	2,040	2,040	-
Reinsurance Receivables	297	297	-
Cash and cash equivalents	9,899	9,899	-
Other Prepayments	904	904	-
TOTAL	**39,728**	**66,066**	**(26,338)**

The following table analyses the Company's assets at 31 December 2016:

Asset Class	Solvency II Value €000's	Per F/S €000's	Difference €000's
DAC	0	10,098	(10,098)
Fixed Assets	13	13	-
Investments*	12,606	12,606	-
RI Share of Technical Provisions	7,688	18,215	(10,527)
Insurance & Intermediaries receivables	2,949	2,949	-
Reinsurance Receivables	202	202	-
Cash and cash equivalents*	6,457	6,457	-
Other Prepayments	632	707	(75)
TOTAL	**30,547**	**51,247**	**(20,700)**

The Company has followed the Solvency II Directive and Delegated Regulation (EU) 2015/35 which provides for undertakings to recognize and value assets and liabilities other than technical provisions in accordance with International Financial Reporting Standards ("IFRS").

Deferred acquisition costs ("DAC") are excluded from the valuation of assets for solvency purposes.

DAC is made up of commissions which are related to the acquisition of new business and the renewal of existing insurance contracts. These are deferred in the balance sheet to the extent that they are attributable to premiums unearned at the balance sheet date. All cash-flows arising from expenses that will be incurred in servicing insurance & reinsurance obligations over the lifetime are considered in determining the best estimate technical provisions. The relevant adjustment is made under technical provisions.

Fixed Assets: Tangible fixed assets are carried at cost less accumulated depreciation and provisions for impairment. The cost of an asset is made up of the purchase price of the asset plus any costs directly attributable to bringing the asset into working condition for its intended use.

Investments: Investments comprises entirely of term deposits which have maturity dates in excess of three months at the date of acquisition. These are valued at the year-end exchange rate where appropriate. For the purposes of the financial statements Investments and cash & cash equivalents are combined and reported as "cash at bank and in hand".

RI Share of Technical Provisions: This is the most material difference between valuation for solvency II purposes and the valuation in the financial statements. It comprises of RI share in claims outstanding, ENIDs, commissions, Profit share, etc.

Other Prepayments: A difference arises on valuation of assets for solvency purposes with respect to other prepayments due to funds held in trust as a security against a bond. Ring-fenced funds such as funds held in trust are excluded from a Solvency valuation perspective.

Cash & Cash Equivalents: comprises cash on hand and demand deposits. Such investments are classified as cash equivalents where they have maturity dates of three months or less from the date of acquisition. These are valued at the year-end exchange rate where appropriate.

All other assets are valued for Solvency II on the same basis as the financial statements.

D.2 Technical Provisions

The technical provisions comprise the Best Estimate of the Liabilities ("BEL") and the Risk Margin. At 31 December 2017, the technical provisions were:

Technical Provisions	€m
Best Estimate of Liabilities (BEL)	23.284
Risk Margin	0.564
Total	23.848

At 31 December 2016, the technical provisions were:

Technical Provisions	€m
Best Estimate of Liabilities (BEL)	15.614
Risk Margin	0.404
Total	16.018

A split by line of business is shown in the table below as at 31/12/2017:

Line of Business	Best Estimate	Risk Margin	Total Gross Tech Prov.
Fire & Other Damage	13.879	0.248	14.127
Credit & Surety	8.285	0.176	8.461
Misc. Financial Loss	1.120	0.140	1.260
Total	**23.284**	**0.564**	**23.848**

A split by line of business is shown in the table below as at 31/12/2016:

Line of Business	Best Estimate	Risk Margin	Total Gross Tech Prov.
Fire & Other Damage	12.846	0.294	13.140
Credit & Surety	2.370	0.029	2.399
Misc. Financial Loss	0.398	0.081	0.479
Total	**15.614**	**0.404**	**16.018**

The key sources of uncertainty for the company are expenses, policyholder behaviour assumptions and potential cost of litigation or legislative changes such as the potential impact of Brexit.

The adjustment with respect to the technical provisions from the financial statements to the SII technical provisions are shown in section D.3.
The financial statement technical provisions are based on the FRS 102/103 accounting standards whereas the Company values technical provisions using the methodology prescribe in the Solvency II Directive & associated regulations made under the Directive.

The following actuarial methodologies were utilised when considering technical provisions.

- Paid Link Ratio Method
- Credibility Methods (Bornhuetter-Ferguson)
- Estimated Loss Ratio ("ELR") Method

The technical provisions are comprised of premium provision, claims provision and risk margin.

Premium Provision

The Company's premium provision as at 31/12/2017 is the present value of all future cash flows associated with unexpired business which is grouped into three categories.

- **Existing Business**: this relates to the unexpired portion of policies that have already incepted and that have been reported to the Company
- **Business incepted but not yet reported:** given the nature of the Company's business model, where business is acquired through third parties, there is a delay between the date of policy inception and the date of reporting the policy to the Company
- **Business bound but not incepted**: The Company writes a significant volume of business under a master policy structure which has a number of risks with various inception dates attached

Claims Provision

The table below provides a summary of the components of the undiscounted claims provision gross of reinsurance as of 31/12/2017:

Claims Provision Component	GAIIL (2017)	GAIIL (2016)
Premiums due	-	-
Claims Outstanding (OSCR + IBNR)	2,754	1,090
Commission	-	-
Expenses	165	66
Profit Sharing	-	-
ENIDs	95	48
Total	3,014	1,204
Discounting	6	(0.744)
Total (Discounted)	**3,020**	**1,204**

For Fire & Other damage lines of business claims where the Company had significant historical data, the paid link ratio method was selected for reporting year 2017 to allow for future claims development. This approach recognises the level of maturity of claims in this accident year.

The 2017 reporting year has only one year of claims experience. Therefore the results of the paid link ratio method, which is based solely on claims experience to date, is less reliable for 2017 than for older accident years. Combination of Paid Link Ratio, Bornheutter-Ferguson (BF) and Expected Loss Ratio (ELR) method was selected for this accident year, as deemed appropriate by HoAF, this places weights on the claims experience to date and on an Initial Expected Loss Ratio ("IELR") which is based on prior years' estimated ultimate claims or loss ratio assumed in pricing of the product.

The Estimated Loss Ratio method was utilised with respect to lines of business such as Trade Credit to estimate claims where there is limited historic claims experience. For these lines of business it was considered that the Link Ratio Method gives unreliable answers due to the immaturity of the development. An estimated loss ratio was applied to the ultimate premium to calculate the ultimate claims estimate. The estimated loss ratio was based on items such as prior claims experience, expert judgement, external benchmarks or a combination of these factors.

Recoverables on claims: the Company has quota share reinsurance treaties in place with a group company to mitigate risk relating to claims.

Risk Margin

In calculating its risk margin as at 31 December 2017, the Company has applied the simplification corresponding to Method 2 in Guideline 61 and Annex IV of EIOPA's Guidelines on Valuation of Technical Provisions.

Events Not In Data (ENIDs)

Solvency II requires that the best estimate corresponds to the probability-weighted average of future cash flows and that "cash flow projection used in the calculation of best estimate shall, explicitly or implicitly, take account of all uncertainties in the cash flows" (Delegated Acts, Article 30). The Company's best estimate has been derived from historical data, in line with standard actuarial techniques, and expert judgement where historical data does not exist. However, historical data may not capture all potential future outcomes, particularly stressed outcomes, and therefore an adjustment to the best estimate for Events Not In Data ("ENIDs") has been included.

Although the Company has several years of data for certain classes, it is plausible that events could occur which are not reflected in the historical data. The Company also wrote some new products during 2016 for which there is limited historical data. Therefore the value of estimated future claims and future cancellations have been actuarially adjusted to allow for such events.

D.3 Other Liabilities

These comprise of reinsurance, trade and intermediaries payables. There is no difference in the valuation basis for these amounts for solvency purposes as the amounts held under IFRS measurement principles are deemed to be approximations of fair value.

Great American International Insurance Liabilities (EUR) 2017	Current accounting basis	SII Valuation Principles
Reinsurance payables	1,449,303	1,449,303
Insurance & intermediaries payable	1,573,653	1,573,653
Payables (trade, not insurance)	1,548,434	1,548,434
Total	**4,571,390**	**4,571,390**

Great American International Insurance Liabilities (EUR) 2016	Current accounting basis	SII Valuation Principles
Reinsurance payables	576,102	576,102
Insurance & intermediaries payable	2,662,462	2,662,462
Payables (trade, not insurance)	1,335,178	1,335,178
Total	**4,573,742**	**4,573,742**

Reinsurance Payables: Reinsurance payables represent the sum of creditors arising out of direct insurance operations. These liabilities are measured as the amount due, which represents the amount expected to be paid.

Insurance & intermediaries' payable: Insurance & intermediary's payable represent the sum of creditors from new business introductions. These liabilities are measured as the amount due, which represents the amount expected to be paid.

Payables (trade, not insurance): Other liabilities include amounts due to employees, suppliers & public entities which are not insurance related as well as Insurance Premium taxes payable.

In the financial statements, insurance & intermediaries payable and Payables (trade, not insurance) are detailed on the Balance Sheet as Other Creditors including tax & social welfare and Accruals & Deferred Income.

D.4 Alternative Methods for Valuation

The Company does not use any alternative methods for valuation which are available under Articles 77 & 308 of the Solvency II Directive 2009/138/EC e.g. volatility adjustment, matching adjustment, transitional risk-free interest rate or the transitional deduction.

D.5 Any Other Information

The Company has adopted a simplification for the calculation of CAT risk (in line with that utilised by Lloyds of London) where an "average" Cresta zone exposure has been assumed for each country. Given the mobility of assets insured and the impracticalities of attempting to track the exact whereabouts of an asset within a country this approximation is considered reasonable.

E Capital Management

E.1 Own Funds

The Company has Basic Own Funds comprising Tier 1 unrestricted items as follows:

€ '000k	31.12.17	31.12.16
Ordinary share capital	635	635
Shareholder contributions	715	715
Surplus Funds	-	-
Reconciliation Reserve	9,960	8,606
Total Own Funds	11,310	9,956

The movement in Own Funds of €1,354k is made up of increase of Funds due to profit arising in 2017.

The Company is a single shareholder entity. All the Company's shares are fully paid up and held by the immediate parent, Great American Holding, Inc., a company incorporated in the United States of America.

There is no issued debt and no plans to issue any in the short or medium term.

Own funds are all invested in cash & cash equivalents or term deposits of less than one year duration in line with the Company's investment policy.

The Board approved Capital Management Policy and Medium-term Capital Management Plan states:

- Own funds must be maintained at least 110% of the SCR (or MCR where relevant);
- No capital planned to be issued, redeemed or repaid in the short or medium term;
- The Board considers all requests from the shareholder for any potential distributions. The impact on solvency and potential growth opportunities will be assessed before the Board will draft a resolution to approve a dividend.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The amount of the Company's Solvency Capital Requirement and Minimum Capital Requirement at the end of the reporting period are €5.6m and €3.7m respectively as detailed in the table below.

FIG 1: Solvency Position & SCR ratio at 31/12/2017 & 31/12/2016

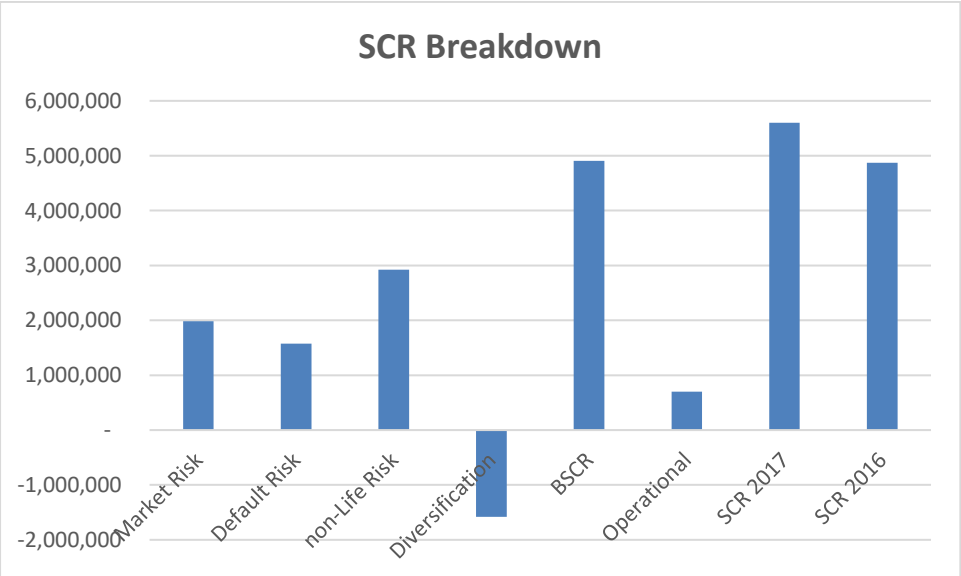
Solvency Position as at 31 December 2017				
Solvency	**Capital requirement**	**Eligible capital**	**Solvency ratio**	**MCR as % SCR**
SCR	5,602,769	11,309,569	201.9%	66.0%
MCR	3,700,000	11,309,569	305.7%	N/A

Solvency Position as at 31 December 2016				
Solvency	**Capital requirement**	**Eligible capital**	**Solvency ratio**	**MCR as % SCR**
SCR	4,874,221	9,955,548	204.2%	75.9%
MCR	3,700,000	9,955,548	269.1%	N/A

The table below shows the components of the SCR at 31/12/2017 versus 31/12/2016

€m's	2017	2016
Underwriting risk	**2.92**	**2.62**
Market risk	**1.99**	**1.82**
Counterparty default risk	**1.58**	**1.39**
Operational risk	**0.70**	**0.47**
Aggregate SCR	**7.19**	**6.30**
Correlation credit	**-1.59**	**-1.43**
Aggregate SCR net of correlations	**5.60**	**4.87**

FIG2: SCR Breakdown at 31/12/2017



The Company uses EIOPA's Solvency II Standard Formula. It does not use Company specific parameters and does not use simplified calculations in its computation

Underwriting Risk

Underwriting risk is made up of three elements, premium risk, reserve risk and catastrophe risk. The calculation for the first two elements is based on the expected value of net premiums over the next 12 months and the valuation of net technical (claims) provisions. Over the course of the reporting period the Company's management team have actively engaged with its outsourced HoAF with respect to actuarial assumptions and methodologies, this has resulted in a review of the underlying assumptions with respect to risk calculations.

Counterparty default risk

From the company's perspective the main element of counterparty default risk relates to default risk arising from investment activities pertaining to our banking partners where fund are held on short term deposit in line with the company's investment appetite.

The main changes in methodology / assumptions are as follows:

- Commission has been removed from the Unearned Premium Reserve ("UPR") as it reflected a double counting as it had already been paid
- Cancellation reserve was amended
- We had not previously taken credit for ceding commission & profit share on reinsurance arrangements with GAIC.
- The Company invoked an investment policy whereby funds were moved from some of the domestic banks to higher rated banks where possible, this resulted in a reduction in the Company's counterparty default risk

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

Within the Solvency II regulations there is the option to use the duration-based equity risk sub-module. The Company has not availed of this option as it does not hold any equity based investments and neither does it qualify as a life insurer that provides occupational pensions.

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

The Company does not use an internal model or a partial internal model for its calculation of its Solvency Capital Requirement. The Standard formula model is utilised entirely for this purpose.

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

The Solvency Capital Requirement ratio was maintained at above 100% over the reporting period in line with regulatory requirements and the Board approved Capital Management plan.

E.6 Any Other Information

There is no other material information to report regarding the company's capital management during the reporting period.

Appendix: Annual Quantitative Reporting Templates

General Information

Undertaking name	Great American International Insurance
Undertaking identification code and type of code	LEI/635400UCIHHMUXBWLN80
Type of undertaking	Non-Life undertakings
Country of authorisation	IRELAND
Language of reporting	English
Reporting reference date	31/12/2017
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions
Figures in	'000s

S.02.01.02

				Solvency II value
Assets				**C0010**
Goodwill			R0010	
Deferred acquisition costs			R0020	
Intangible assets			R0030	-
Deferred tax assets			R0040	-
Pension benefit surplus			R0050	-
Property, plant & equipment held for own use			R0060	1
Investments (other than assets held for index-linked and unit-linked contracts)			R0070	12,100
	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	12,100
	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	14,487
	Non-life and health similar to non-life		R0280	14,487
		Non-life excluding health	R0290	14,487
		Health similar to non-life	R0300	-
	Life and health similar to life, excluding health and index-linked and unit-linked		R0310	-
		Health similar to life	R0320	-
		Life excluding health and index-linked and unit-linked	R0330	-
	Life index-linked and unit-linked		R0340	-
Deposits to cedants			R0350	-
Insurance and intermediaries receivables			R0360	2,040
Reinsurance receivables			R0370	297
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			R0400	-
Cash and cash equivalents			R0410	9,899
Any other assets, not elsewhere shown			R0420	904
Total assets			**R0500**	**39,729**

Liabilities				**C0010**
Technical provisions – non-life			R0510	23,848
	Technical provisions – non-life (excluding health)		R0520	23,848
		Technical provisions calculated as a whole	R0530	-
		Best Estimate	R0540	23,284
		Risk margin	R0550	564
	Technical provisions - health (similar to non-life)		R0560	-
		Technical provisions 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	-
		Technical provisions calculated as a whole	R0620	-
		Best Estimate	R0630	-
		Risk margin	R0640	-
	Technical provisions – life (excluding health and index-linked and unit-linked)		R0650	-
		Technical provisions calculated as a whole	R0660	-
		Best Estimate	R0670	-
		Risk margin	R0680	-
Technical provisions – index-linked and unit-linked			R0690	-
	Technical provisions calculated as a whole		R0700	-
	Best Estimate		R0710	-
	Risk margin		R0720	-
Other technical provisions			R0730	-
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	-
	Debts owed to credit institutions resident domestically		ER0801	-
	Debts owed to credit institutions resident in the euro area		ER0802	-
	Debts owed to credit institutions resident in rest of the		ER0803	-
Financial liabilities other than debts owed to credit institutions			R0810	-
	Debts owed to non-credit institutions		ER0811	-
		Debts owed to non-credit institutions resident domestically	ER0812	-
		Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	-
		Debts owed to non-credit institutions resident in rest of the world	ER0814	-
	Other financial liabilities (debt securities issued)		ER0815	-
Insurance & intermediaries payables			R0820	-
Reinsurance payables			R0830	1,449
Payables (trade, not insurance)			R0840	1,574
Subordinated liabilities			R0850	-
	Subordinated liabilities not in Basic Own Funds		R0860	-
	Subordinated liabilities in Basic Own Funds		R0870	-
Any other liabilities, not elsewhere shown			R0880	1,548
Total liabilities			**R0900**	**28,419**
Excess of assets over liabilities			**R1000**	**11,310**

S.05.01.01

				Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional				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	-	-	-	-	-	-	12,575	-	11,316	-	-	3,865	-	-	-	-	27,756
	Gross - Proportional reinsurance accepted		R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross - Non-proportional reinsurance accepted		R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Reinsurers' share		R0140	-	-	-	-	-	-	10,986	-	8,895	-	-	-	-	-	-	-	23,220
	Net		R0200	-	-	-	-	-	-	1,589	-	2,421	-	-	-	-	-	-	-	4,536
Premiums earned	Gross - Direct Business		R0210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross - Proportional reinsurance accepted		R0220	-	-	-	-	-	-	12,742	-	2,840	-	-	-	-	-	-	-	18,369
	Gross - Non-proportional reinsurance accepted		R0230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Reinsurers' share		R0240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net		R0300	-	-	-	-	-	-	9,425	-	2,462	-	-	2,044	-	-	-	-	13,930
Claims incurred	Gross - Direct Business		R0310	-	-	-	-	-	-	3,317	-	378	-	-	743	-	-	-	-	4,438
	Gross - Proportional reinsurance accepted		R0320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross - Non-proportional reinsurance accepted		R0330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,082
	Reinsurers' share		R0340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net		R0400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in other technical provisions	Gross - Direct Business		R0410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross - Proportional reinsurance accepted		R0420	-	-	-	-	-	-	2,530	-	1,898	-	-	653	-	-	-	-	5,082
	Gross - Non- proportional reinsurance accepted		R0430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Reinsurers' share		R0440	-	-	-	-	-	-	- 375	-	1,250	-	-	-	-	-	-	-	875
	Net		R0500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred			R0550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Administrative expenses	Gross - Direct Business	R0610	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Proportional reinsurance accepted	R0620	-	-	-	-	-	-	- 375	-	1,250	-	-	-	-	-	-	-	875
		Gross - Non-proportional reinsurance accepted	R0630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R0700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Investment management expenses	Gross - Direct Business	R0710	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Proportional reinsurance accepted	R0720	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R0800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Claims management expenses	Gross - Direct Business	R0810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Proportional reinsurance accepted	R0820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0840	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R0900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Acquisition expenses	Gross - Direct Business	R0910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Proportional reinsurance accepted	R0920	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R0930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R1000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Overhead expenses	Gross - Direct Business	R1010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Proportional reinsurance accepted	R1020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gross - Non-proportional reinsurance accepted	R1030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R1040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Net	R1100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses			R1200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses			R1300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

S.05.02.01

			Home country	ITALY	UNITED KINGDOM	FRANCE	BELGIUM	POLAND
			C0080	C0090	C0090	C0090	C0090	C0090
Premiums written	Gross - Direct Business	R0110	1,076	13,809	6,114	2,809	1,315	1,247
	Gross - Proportional reinsurance accepted	R0120	-	0	0	0	0	0
	Gross - Non-proportional reinsurance accepted	R0130	-	0	0	0	0	0
	Reinsurers' share	R0140	944	11,141	5,133	2,391	1,092	1,017
	Net	R0200	132	2,668	980	418	223	230
Premiums earned	Gross - Direct Business	R0210	964	4,264	7,262	2,603	1,234	836
	Gross - Proportional reinsurance accepted	R0220	-	0	0	0	0	0
	Gross - Non-proportional reinsurance accepted	R0230	-	0	0	0	0	0
	Reinsurers' share	R0240	931	4,039	4,668	2,072	894	399
	Net	R0300	33	224	2,594	531	339	437
Claims incurred	Gross - Direct Business	R0310	263	1,375	1,536	245	106	114
	Gross - Proportional reinsurance accepted	R0320	-	0	0	0	0	0
	Gross - Non-proportional reinsurance accepted	R0330	-	0	0	0	0	0
	Reinsurers' share	R0340	234	1,280	1,383	218	94	102
	Net	R0400	29	94	153	27	12	13
Changes in other technical provisions	Gross - Direct Business	R0410	-	0	0	0	0	0
	Gross - Proportional reinsurance accepted	R0420	-	0	0	0	0	0
	Gross - Non-proportional reinsurance accepted	R0430	-	0	0	0	0	0
	Reinsurers' share	R0440	-	0	0	0	0	0
	Net	R0500	-	-	-	-	-	-
Expenses incurred		R0550	1,004	- 1,824	81	- 61	- 36	465
Other expenses		R1200						
Total expenses		R1300						

S.17.01.02

						Direct business and accepted proportional reinsurance												accepted non-proportional reinsurance				Total Non-Life obligation
						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	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
						C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole					R0010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Direct business				R0020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Accepted proportional reinsurance business				R0030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Accepted non-proportional reinsurance				R0040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole					R0050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM	Best estimate	Premium provisions	Gross - Total		R0060	-	-	-	-	-	-	12,287	-	7,571	-	-	406	-	-	-	-	20,264
				Gross - direct business	R0070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Gross - accepted proportional reinsurance business	R0080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Gross - accepted non-proportional reinsurance business	R0090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		R0100	-	-	-	-	-	-	5,492	-	5,260	-	-	1,209	-	-	-	-	11,961
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Recoverables from SPV before adjustment for expected losses	R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Recoverables from Finite Reinsurance before adjustment for expected losses	R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0140	-	-	-	-	-	-	5,485	-	5,256	-	-	1,208	-	-	-	-	11,949
			Net Best Estimate of Premium Provisions		R0150	-	-	-	-	-	-	6,801	-	2,315	-	-	802	-	-	-	-	8,315
		Claims provisions	Gross - Total		R0160	-	-	-	-	-	-	1,592	-	714	-	-	714	-	-	-	-	3,020
				Gross - direct business	R0170	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Gross - accepted proportional reinsurance business	R0180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Gross - accepted non-proportional reinsurance business	R0190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		R0200	-	-	-	-	-	-	1,336	-	601	-	-	604	-	-	-	-	2,541
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Recoverables from SPV before adjustment for expected losses	R0220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				Recoverables from Finite Reinsurance before adjustment for expected losses	R0230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	-	-	-	-	-	-	1,334	-	601	-	-	604	-	-	-	-	2,538
			Net Best Estimate of Claims Provisions		R0250	-	-	-	-	-	-	258	-	113	-	-	111	-	-	-	-	482
		Total Best estimate - gross			R0260	-	-	-	-	-	-	13,879	-	8,285	-	-	1,120	-	-	-	-	23,284
		Total Best estimate - net			R0270	-	-	-	-	-	-	7,059	-	2,429	-	-	691	-	-	-	-	8,797
	Risk margin				R0280	-	-	-	-	-	-	248	-	175	-	-	140	-	-	-	-	564
Amount of the transitional on	TP as a whole				R0290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Best estimate				R0300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Risk margin				R0310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total	Technical provisions - total				R0320	-	-	-	-	-	-	14,127	-	8,460	-	-	1,261	-	-	-	-	23,848
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due				R0330	-	-	-	-	-	-	6,819	-	5,857	-	-	1,811	-	-	-	-	14,487
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total				R0340	-	-	-	-	-	-	7,308	-	2,604	-	-	551	-	-	-	-	9,361

S.19.01.21

Gross Claims Paid (non-cumulative) - Accident Year

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Prior	R0100																		
N-14	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
N-13	R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-	-
N-12	R0130	281.34	112.20	-	-	-	-	-	-	-	-	-	-	-				-	393.54
N-11	R0140	955.93	232.66	-	-	-	-	-	-	-	-	-	-					-	1,188.59
N-10	R0150	778.88	365.89	0.24	-	-	-	-	-	-	-	-						-	1,145.01
N-9	R0160	1,098.43	393.15	-	-	-	-	-	-	-	-							-	1,491.57
N-8	R0170	1,782.94	281.78	1.38	-	-	-	-	-	-								-	2,066.11
N-7	R0180	1,323.45	246.34	1.38	-	-	-	-	-									-	1,571.17
N-6	R0190	1,021.52	215.56	7.63	-	-	-	-										-	1,244.70
N-5	R0200	1,264.28	172.44	2.66	4.05	-	-											-	1,443.42
N-4	R0210	1,440.54	223.30	- 0.14	-	0.58												0.58	1,664.28
N-3	R0220	1,322.88	456.51	7.24	9.66													9.66	1,796.28
N-2	R0230	1,602.85	425.37	13.20														13.20	2,041.42
N-1	R0240	1,799.07	561.77															561.77	2,360.84
N	R0250	2,866.40																2,866.40	2,866.40
Total	**R0260**																	**3,451.61**	**21,273.35**

Gross undiscounted Best Estimate Claims Provisions

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350	C0360
Prior	R0100																	
N-14	R0110																	
N-13	R0120																	
N-12	R0130																	
N-11	R0140																	
N-10	R0150																	
N-9	R0160																	
N-8	R0170																	
N-7	R0180																	
N-6	R0190																	
N-5	R0200																	
N-4	R0210																	
N-3	R0220				-													-
N-2	R0230			6														6
N-1	R0240		816															819
N	R0250	2,192																2,195
Total	**R0260**																	**3,020**

S.23.01.01

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Ordinary share capital (gross of own shares)	R0010	635	635	-	-	-
	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	715	715	-	-	-
	Subordinated mutual member accounts	R0050	-	-	-	-	-
	Surplus funds	R0070	-	-	-	-	-
	Preference shares	R0090	-	-	-	-	-
	Share premium account related to preference shares	R0110	-	-	-	-	-
	Reconciliation reserve	R0130	9,960	9,960	-	-	-
	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	-	-	-	-	-
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	11,310	11,310	-	-	-
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	11,310	11,310	-	-	-
	Total available own funds to meet the MCR	R0510	11,310	11,310	-	-	-
	Total eligible own funds to meet the SCR	R0540	11,310	11,310	-	-	-
	Total eligible own funds to meet the MCR	R0550	11,310	11,310	-	-	-
SCR		R0580	5,603	-	-	-	-
MCR		R0600	3,700	-	-	-	-
Ratio of Eligible own funds to SCR		R0620	202%				
Ratio of Eligible own funds to MCR		R0640	306%				

			C0060
Reconciliation reserve	Excess of assets over liabilities	R0700	11,310
	Own shares (held directly and indirectly)	R0710	-
	Foreseeable dividends, distributions and charges	R0720	-
	Other basic own fund items	R0730	1,350
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve		R0760	9,960
Expected profits	Expected profits included in future premiums (EPIFP) - Life business	R0770	-
	Expected profits included in future premiums (EPIFP) - Non-life business	R0780	-
Total Expected profits included in future premiums (EPIFP)		R0790	-

S.25.01.21

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	1,986	1,986	-
Counterparty default risk	R0020	1,577	1,577	-
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	-	-	-
Non-life underwriting risk	R0050	2,923	2,923	-
Diversification	R0060	- 1,582	- 1,582	-
Intangible asset risk	R0070	-	-	-
Basic Solvency Capital Requirement	R0100	4,904	4,904	-

			C0100
Adjustment due to RFF/MAP nSCR aggregation		R0120	-
Operational risk		R0130	699
Loss-absorbing capacity of technical provisions		R0140	-
Loss-absorbing capacity of deferred taxes		R0150	-
Capital requirement for business operated in		R0160	-
Solvency Capital Requirement excluding capital add-		R0200	5,603
Capital add-on already set		R0210	-
Solvency capital requirement		R0220	5,603
Other information on SCR	Capital requirement for duration-based equity risk sub-module	R0400	
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
	Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	
	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
	Net future discretionary benefits	R0460	

S.28.01.01

			MCR components
			C0010
Solvency II	MCRNL Result	R0010	1,550

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a w hole	Net (of reinsurance) w ritten premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	7,059	1,589
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	2,429	2,421
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	526
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

		C0070
Linear MCR	R0300	1,550
SCR	R0310	5,603
MCR cap	R0320	2,521
MCR floor	R0330	1,401
Combined MCR	R0340	1,550
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	3,700