Martinsurance DAC

Solvency & Financial Condition Report (SFCR)

March 31, 2017

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INTRODUCTION

Martinsurance DAC ("Martinsurance" or "the Company") has prepared the below Solvency and Financial Condition Report in accordance with the regulations set out in Articles 292 –297 of the Solvency II Delegated Acts together with the Guidelines on reporting and public disclosure issued by EIOPA.

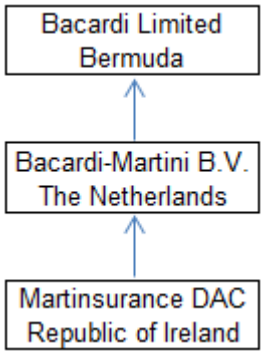
A. BUSINESS & PERFORMANCE

A.1 Business

The principal activity of Martinsurance is to accept (re)insurance risks arising from various exposures facing Bacardi. The Company is licensed to accept non-life risks on a (re)insurance basis.

With effect from 1 April 2017, all insurance policies will have expired. Martinsurance will cease its underwriting operations and will be entering run-off.

Martinsurance DAC Ownership Structure



Martinsurance is a 100% subsidiary of Barcardi-Martini B.V., a company incorporated in the Netherlands. The Company's ultimate parent undertaking is Bacardi Limited, a private, Bermudian domiciled company. The Company's operating address and registered address is:

Third Floor, Metropolitan Building,
James Joyce Street,
Dublin 1,
Ireland

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

Martinsurance is incorporated in Ireland and is licensed by the Central Bank of Ireland as a (re)insurance captive undertaking. The Company conducts all of its significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland. As such, Martinsurance strives to ensure compliance with all relevant Irish laws and regulations.

The Company's external auditor is PwC, which is located at One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

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

A.2 Underwriting Performance

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

Since the Company prepares its financial statements in accordance with FRS, the underwriting performance information given in this section is on an FRS basis.

Premiums written relate to business incepted during the year together with any difference between premiums for prior years and those previously accrued.

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

Profit after tax for the period ended 31 March 2017 amounted to $1,447k (2016: $1,874k).

Gross premiums written relate to the following lines of business; General Liability, Marine Transit, Property / Business Interruption, Product Recall, Environmental Impairment Liability and Alcohol Health Liability. All premiums resulted from contracts of (re)insurance concluded in the Republic of Ireland. Gross premium written for the period ended 31 March 2017 amounted to $11.78m (2016: $10.67m).

Gross claims paid during the financial year ended 31 March 2017 totalled $850k (2016: ($184k)). As at 31 March 2017, the Company held gross claims provisions of $5.53m (2016: $9.47m). Net operating expenses for the year amounted to $513k (2016: $529k).

As noted above, with effect from 1 April 2017, Martinsurance will no longer actively trade and will not write any further business.

A.3 Investment Performance

The Company allocates its investment portfolio as described below;

Cash and cash equivalents - Comprise cash in hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments in fixed interest securities are held at market value. Deposits with credit institutions are earned at amortised cost.

The investment income for the year amounted to $157k and includes interest income as well as gains and losses on investments as at 31 March 2017, compared to €343k in 2016.

A.4 Performance of other activities

Other than underwriting and Investment activities, the Company has no other material activities.

A.5 Any Other Information

There is no further important information about the business and performance.

B. SYSTEM OF GOVERNANCE

B.1 General Information on the System of Governance

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

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in the Governance Manual.

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

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

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

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

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

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

Given the limited scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board are satisfied that the system of governance in place is adequate.

The various functions assisting the Board, including the Compliance Function, have defined lines of reporting directly to the Board. In relation to any violation of relevant law by the Company, the Compliance Function, as well as reporting to the Board, will, in certain circumstances, also be required to report to outside bodies such as the Central Bank of Ireland.

B.2 Fit & Proper Requirements

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

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

Roles and Responsibilities Detail

Key Roles	Outsourcing	Responsible
Board of Directors	No	James Kelly (Chairperson) Mark Smith Brian Lehane
Risk Management Function	Yes (External)	Aon Insurance Managers (Dublin) Limited. John Keating (Chief Risk Officer)
Compliance Function	Yes (External)	Aon Insurance Managers (Dublin) Limited. John McNamara, Head of Compliance Function
Operations - Underwriting/Claims Management	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations - Finance and Accounting	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations – Investment	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations – Administration	Yes (External)	Aon Insurance Managers (Dublin) Limited
Internal Audit Function	Yes (External)	Aon Commercial Services Ireland Limited. Mark Smith, Acting Head of Internal Audit Function
Actuarial Function	Yes (External)	Aon Global Risk Consulting. Sinéad Browne, Head of Actuarial Function

B.3 Risk management system including the own risk and solvency assessment

Risk Management System

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

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

- Underwriting/Reserving
- Asset Liability Management ("ALM")
- Investment
- Liquidity and Concentration
- Operational Risks
- Reinsurance and Other Risk Mitigation Techniques

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

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

Own Risk and Solvency Assessment ("ORSA")

Each year, Martinsurance produces an Own Risk and Solvency Assessment ("ORSA") Report. The approach may be summarized as follows:

Define the Stress Scenarios

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

As part of Own Risk Solvency Assessment process, the Company selected the appropriate stress and scenario tests as determined by the Board to be appropriate for the Company.

Stress the Financial Plan

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

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

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the stress scenarios. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenario(s) occur.

Produce the ORSA Report

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

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

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

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

The capital risk appetite for Martinsurance is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times.

Martinsurance has investment guidelines in place as documented in the Risk Appetite Framework. The Company invests in high quality rated financial institutions and Aon monitors credit ratings to ensure that all credit institutions meet a minimum rating of A defined by Standard and Poor's or a comparable rating from another leading rating agency in line with the Company's Risk Appetite Statement. The Company also endeavours to maintain a diversified investment portfolio so that in

the event of a downgrade or collapse of any one financial institution, the Company's SCR will not be materially impacted.

Compliance Function

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

The mission of the Compliance Function is:

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

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

B.4 Internal Control System

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

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

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

Detailed Processes and Embedded Control Activities

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

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary.

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

B.5 Internal Audit Function

Purpose & Objectives

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

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

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

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational Functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

B.6 Actuarial Function

The Actuarial Function is carried out by Aon Global Risk Consulting with Sinéad Browne as Head of Actuarial Function.

Role and Responsibilities of the Actuarial Function include:

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

  Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied
- Contribute to the effective implementation of the Risk Management System in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and,
    ii. the ORSA process.
- think critically and organize the execution of actuarial approaches
- provide an actuarial opinion to the Board of Directors in respect of the ORSA

Responsibility

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

- be a duly qualified actuary;
- have experience of more than five years in the field of insurance and / or reinsurance.

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

The Head of Actuarial Function reports to the Board on an annual basis.

B.7 Outsourcing

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

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

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions of the Company's System of Governance and all functions within the Company that are fundamental to carry out its core business.

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

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

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

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

All outsourced services are located in the following jurisdictions:

- Ireland
- London

B.8 Any Other Information

The Company has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.

C. RISK PROFILE

C.1 Underwriting Risk

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

Annual support and certification is provided by the Actuarial Function. The Company additionally manages its (re)insurance risk exposures through the purchase of reinsurance cover.

C.2 Market Risk

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

C.3 Credit Risk

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

- Cash and cash equivalents
- Investments and deposits with credit institutions
- (Re)insurers' share of insurance liabilities
- Amounts due from (re)insurers

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions.

The Company cedes a portion of risk to reinsurers in the normal course of business. The purchase of reinsurance cover does not relieve the Company of its obligation to its policyholders and accordingly a credit risk exists to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance agreements.

C.4 Liquidity Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost.

C.5 Operational Risk

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

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

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

C.6 Other Material Risk

Strategic Risk

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

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

- Review, at least annually, the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.

- Ensure the Company Strategy is implemented correctly including approval, review and monitoring of agreed Key Performance Indicators for the Company.

- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

No other material risks have been identified.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

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

Cash and cash equivalents comprise cash at banks and in hand and short term deposits. Carrying amounts approximate Martinsurance value due to the short-term nature and high liquidity of the instruments.

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

The Board have prepared an ORSA Report outlining the ORSA process which supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

D.2 Technical Provisions

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers. The Company has regard to the gross and net loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and losses incurred but not reported ("IBNR").

Solvency II Technical Provisions

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM").

Best Estimate of Liabilities

The Solvency II BEL is comprised of a provision for claims outstanding ("PCO") and a premium provision ("PP"). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ("BBNI"). The PCO is derived from actuarial estimate of Martinsurance' s unpaid claim liabilities. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 March 2017 as published by EIOPA to discount the cash flows underlying the PCO. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II TPs. A provision for expenses related to the runoff of these liabilities is then added, as required by Solvency

II, as the IFRS estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

Discounting

Cash-flows have been discounted using the EUR and GBP (as appropriate) risk free yield curves as at 31 March 2017 as published by EIOPA.

Risk Margin

The Solvency II risk margin is intended to represent an amount that Martinsurance would be required to pay, in excess of the Best Estimate of the Liabilities, for a third party to assume the risk of running of the existing liabilities. The actuarial calculation of the Solvency II risk margin is consistent with the Solvency II regulations, which applies a 6% cost of capital to the amount of capital required at the beginning of each year to support the runoff of the insurance obligations.

D.3 Other Liabilities

Aside from Technical provisions, Martinsurance have no other material liabilities.

D.4 Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Information

There is no other information to report.

E. CAPITAL MANAGEMENT

E.1 Own Funds

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

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

Management has identified Underwriting Risk, Reserve Risk, and Investment Risk as the material risks to which the Company is exposed. Management has investigated the magnitude of each of these risks, as well as sought to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

In relation to Investment Risk, a clear strategy has been developed to manage risk in a manner which limits exposure to investment volatility.

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

Martinsurance capital structure is composed of ordinary share capital and retained earnings, as below.

Authorised ('000)	2015	2016
15,000,000 ordinary shares of €.45378 each	8,631	8,631
Allotted, called-up and fully paid 3,500,000 ordinary shares of €.45378 each	2,014	2,014
General Reserve	486	486
Retained earnings Opening and closing balance	14,168	12,721

Profit after tax for the year ended 31 March 2017 amounted to $1,447k.

Solvency II own funds

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is $16.039m and $15.949m respectively.

This is comprised solely of Tier 1 capital.

Martinsurance has no material ancillary own funds.

Capital management

The total capital of the Company as at 31 March 2017 consists of shareholder's equity of $16.67m.

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

E.2 Solvency Capital Requirement & Minimum Capital Requirement

Martinsurance Solvency Capital Requirement ("SCR") as at March 31, 2017 totals $3.781m. Martinsurance Solvency II recognized own funds totalling $16.039m is sufficient to meet its SCR and results in a Solvency Ratio of 424%. Martinsurance Minimum Capital Requirement ("MCR") as at March 31, 2017 totals $3.956m.

In '000 USD

Risk Item		31/03/2017	31/03/2016	Change
Market Risk	Interest Rate Risk	669	647	21
	Spread Risk	1,172	763	409
	Currency Risk	449	1,732	(1,284)
Default Risk		1,696	4,354	(2,658)
Health Risk		0	0	0
Non-Life Risk	Premium-Reserve Risk	1,341	11,577	(10,236)
BSCR		3,428	15,060	(11,633)
MCR		3,956	4,212	(257)
SCR		**3,781**	**13,458**	**(9,677)**
Solvency Ratio		**424%**	**116%**	**309%**

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

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

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

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

E.5 Non-Compliance with MCR and SCR

There are no issues with non-compliance with the MCR and SCR

E.6 Any Other Information

There is no other information to report.

APPENDICES

The following quantitative templates fall under scope of Solvency II Audit which comes into effect for periods from 31 December 2016 and have been added to Appendix 1.

S.02.01.02 - Balance sheet

S.05.01.01 - Premiums, Claims and Expenses

S.05.02.01 - Premiums, claims and expenses by country;

S.17.01.02 - Non Life technical provisions

S.19.01.21 - Claims Developments

S23.01.01 - Own Funds

S25.01.21 - SCR using standard formula

S28.01.01 - MCR

Annex I
(Amount in $/000)
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	90
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	0
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	17958
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	0
Equities - listed	**R0110**	0
Equities - unlisted	**R0120**	0
Bonds	**R0130**	17958
Government Bonds	**R0140**	4019
Corporate Bonds	**R0150**	13424
Structured notes	**R0160**	515
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	0
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	3322
Non-life and health similar to non-life	**R0280**	3322
Non-life excluding health	**R0290**	3322
Health similar to non-life	**R0300**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	0
Health similar to life	**R0320**	0
Life excluding health and index-linked and unit-linked	**R0330**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	0
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	451
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	21821

Annex I
(Amount in $/000)
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	5628
Technical provisions – non-life (excluding health)	**R0520**	5628
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	5291
Risk margin	**R0550**	337
Technical provisions - health (similar to non-life)	**R0560**	0
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	0
Risk margin	**R0590**	0
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	0
Technical provisions - health (similar to life)	**R0610**	0
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	0
Risk margin	**R0640**	0
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	0
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	0
Risk margin	**R0680**	0
Technical provisions – index-linked and unit-linked	**R0690**	0
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	0
Risk margin	**R0720**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	0
Derivatives	**R0790**	0
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	0
Payables (trade, not insurance)	**R0840**	148
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	7
Total liabilities	**R0900**	5782
Excess of assets over liabilities	**R1000**	16039

Annex I
(Amount in $/000)
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**									Line of Business for: **non-life insurance and**			Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						1,301	6,191	4,289									11,781
Gross - Proportional reinsurance accepted	**R0120**																	-
Gross - Non-proportional reinsurance accepted	**R0130**																	-
Reinsurers' share	**R0140**						1,124	5,546	3,831									10,501
Net	**R0200**						177	645	459									1,281
Premiums earned																		-
Gross - Direct Business	**R0210**						1,301	6,191	4,289									11,781
Gross - Proportional reinsurance accepted	**R0220**																	-
Gross - Non-proportional reinsurance accepted	**R0230**																	-
Reinsurers' share	**R0240**						1,124	5,546	3,831									10,501
Net	**R0300**						177	645	459									1,281
Claims incurred																		-
Gross - Direct Business	**R0310**						99	490	- 3,674									- 3,085
Gross - Proportional reinsurance accepted	**R0320**																	-
Gross - Non-proportional reinsurance accepted	**R0330**																	-
Reinsurers' share	**R0340**						50	93	- 2,488									- 2,345
Net	**R0400**						48	397	- 1,186									- 741
Changes in other technical provisions																		-
Gross - Direct Business	**R0410**																	-
Gross - Proportional reinsurance accepted	**R0420**																	-
Gross - Non- proportional reinsurance accepted	**R0430**																	-
Reinsurers'share	**R0440**																	-
Net	**R0500**																	-
Expenses incurred	**R0550**						56	268	185									509
Other expenses	**R1200**																	4
Total expenses	**R1300**																	513

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

Annex I
(Amount in $/000)
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		FR	GB	IT	ES	DE	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**		3,802	3,351	1,945	874	700	10,672
Gross - Proportional reinsurance accepted	**R0120**							-
Gross - Non-proportional reinsurance accepted	**R0130**							-
Reinsurers' share	**R0140**		3,389	2,987	1,734	779	624	9,512
Net	**R0200**		413	364	211	95	76	1,160
Premiums earned								
Gross - Direct Business	**R0210**		3,802	3,351	1,945	874	700	10,672
Gross - Proportional reinsurance accepted	**R0220**							
Gross - Non-proportional reinsurance accepted	**R0230**							
Reinsurers' share	**R0240**		3,389	2,987	1,734	779	624	9,512
Net	**R0300**		413	364	211	95	76	1,160
Claims incurred								
Gross - Direct Business	**R0310**		- 941	- 944	- 437	- 254	- 234	- 2,810
Gross - Proportional reinsurance accepted	**R0320**							
Gross - Non-proportional reinsurance accepted	**R0330**							
Reinsurers' share	**R0340**		- 757	- 667	- 387	- 174	- 139	- 2,124
Net	**R0400**		- 184	- 277	- 50	- 80	- 94	- 686
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**							
Gross - Non- proportional reinsurance accepted	**R0430**							
Reinsurers'share	**R0440**							
Net	**R0500**							
Expenses incurred	**R0550**		164	145	84	38	30	461
Other expenses	**R1200**							4
Total expenses	**R1300**							465

Annex I
(Amount in $/000)
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I
(Amount in $/000)
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Direct business and accepted			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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provision:																		
Gross	R0060	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Best Estimate of Premium Provision	R0150	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims provisions																		
Gross	R0160	-	-	-	-	-	256	536	4,498	-	-	-	-	-	-	-	-	5,291
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	44	49	3,229	-	-	-	-	-	-	-	-	3,322
Net Best Estimate of Claims Provision:	R0250	-	-	-	-	-	212	488	1,269	-	-	-	-	-	-	-	-	1,968
Total Best estimate - gross	R0260	-	-	-	-	-	256	536	4,498	-	-	-	-	-	-	-	-	5,291
Total Best estimate - net	R0270	-	-	-	-	-	212	488	1,269	-	-	-	-	-	-	-	-	1,968
Risk margin	R0280	-	-	-	-	-	17	39	282	-	-	-	-	-	-	-	-	337
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Best estimate	R0300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk margin	R0310	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		Direct business and accepted proportional reinsurance									Direct business and accepted			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 - total																		
Technical provisions - total	R0320	-	-	-	-	-	273	575	4,779	-	-	-	-	-	-	-	-	5,628
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	44	49	3,229	-	-	-	-	-	-	-	-	3,322
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	-	-	-	-	229	527	1,550	-	-	-	-	-	-	-	-	2,306

Annex I
(Amount in $/000)
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	2

Gross Claims Paid (non-cumulative)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100												R0100	0	0
N-9	R0160								21,120				R0160	0	21120
N-8	R0170							- 66,253					R0170	0	-66253
N-7	R0180						7,596						R0180	0	7596
N-6	R0190					- 43,896	- 116,731						R0190	0	-160626
N-5	R0200				18,400	5,590							R0200	0	23990
N-4	R0210			- 64,896	3,232	2,763							R0210	2763	-58901
N-3	R0220		6,332	-	-								R0220	0	6332
N-2	R0230	295,422	- 181,674	-									R0230	0	113749
N-1	R0240	105,329	42,993										R0240	42993	148322
N	R0250	804,285											R0250	804285	804285
													Total R0260	850042	839612

Gross undiscounted Best Estimate Claims Provisions

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100												R0100	0
N-9	R0160												R0160	0
N-8	R0170												R0170	0
N-7	R0180								613				R0180	613
N-6	R0190												R0190	0
N-5	R0200						1159						R0200	1159
N-4	R0210					195510							R0210	195510
N-3	R0220												R0220	0
N-2	R0230			31423									R0230	31423
N-1	R0240		105339										R0240	105339
N	R0250	5036784											R0250	5036784
													Total R0260	5370827

Annex I
(Amount in $/000)
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	2014	2014		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	13935	13935			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	90				90
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	
Total basic own funds after deductions	R0290	16039	15949	0	0	90
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	16039	15949	0	0	90
Total available own funds to meet the MCR	R0510	15949	15949	0	0	
Total eligible own funds to meet the SCR	R0540	16039	15949	0	0	90
Total eligible own funds to meet the MCR	R0550	15949	15949	0	0	
SCR	R0580	3781				
MCR	R0600	3956				
Ratio of Eligible own funds to SCR	R0620	4.24				
Ratio of Eligible own funds to MCR	R0640	4.03				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	16039
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	2104
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	13935
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	0

Annex I
(Amount in $/000)
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	1560		
Counterparty default risk	R0020	1696		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	0		
Non-life underwriting risk	R0050	1341		
Diversification	R0060	-1169		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	3428		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	353
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	3781
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3781
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Annex I
(Amount in $/000)
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	333

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	212	147
Fire and other damage to property insurance and proportional reinsurance	R0080	488	691
General liability insurance and proportional reinsurance	R0090	1269	476
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070
Linear MCR	R0300	333
SCR	R0310	3781
MCR cap	R0320	1701
MCR floor	R0330	945
Combined MCR	R0340	945
Absolute floor of the MCR	R0350	3956
		C0070
Minimum Capital Requirement	R0400	3956