National Grid Insurance Company (Ireland) DAC

Solvency & Financial Condition Report (SFCR)

31 March 2017

Contents

Introduction 3

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

B. System of Governance
- B.1 System of Governance 6
- B.2 Fit & Proper Requirements 7
- B.3 Risk Management System 8
- B.4 Internal Control System 10
- B.5 Internal Audit Function 11
- B.6 Actuarial Function 11
- B.7 Compliance Function 12
- B.8 Outsourcing 13
- B.9 Any Other Information 14

C. Risk Profile
- C.1 Underwriting Risk 15
- C.2 Market Risk 15
- C.3 Credit Risk 15
- C.4 Liquidity Risk 15
- C.5 Operational Risk 16
- C.6 Other Material Risk 16

D. Valuation for Solvency II Purposes
- D.1 Assets 17
- D.2 Solvency II Technical Provisions 17
- D.3 Other Liabilities 20
- D.4 Alternative Methods of Valuation 21
- D.5 Any Other Information 21

E. Capital Management
- E.1 Own Funds 22
- E.2 Solvency Capital Requirement & Minimum Capital Requirement 23
- E.3 Use of duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement 25
- E.4 Differences between the standard formula and any internal model used 25
- E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement 25
- E.6 Any Other Information 25

F. Appendix 1 - Annual Quantitative Reporting Templates (QRTs) 26

INTRODUCTION

National Grid Insurance Company (Ireland) DAC ("NGICI" or "the Company") has prepared the below Solvency and Financial Condition Report on a solo basis 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.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The ultimate Administrative Body that has the responsibility for all of these matters is the Company's Board of Directors, with the help of governance and control functions that it has put in place to monitor and manage the business.

The Company is required to hold sufficient assets to match its policyholder liabilities at all times and a primary responsibility of the Board is to ensure that the Company's capital is adequate to cover the required solvency for the nature and scale of the business, and the expected operational requirements of the business. A number of mechanisms are in place to evaluate those levels and the outcome of those assessments indicate that the Company's capital is adequate at this time and for the expected requirements in the short to medium term.

The Company's financial year runs to 31 March each year and it reports its results in GBP (British Pound Sterling).

A. BUSINESS & PERFORMANCE

A.1 Business

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

The Company's operating and registered address is:

3rd Floor Metropolitan Building,
James Joyce Street
Dublin 1,
Ireland

The CBI is responsible for financial supervision of the Company. The CBI's address is:

New Wapping Street,
North Wall Quay,
Dublin 1,
Ireland.

NGICI is a wholly owned company of National Grid plc, a company incorporated in the United Kingdom. NGICI was incorporated in 2003, to act as a direct writing insurance company for National

Grid plc. and its subsidiaries. The Company is engaged in the underwriting of the following insurance for group risks;

- Motor Third Party Liability
- Employer Liability

The operation of the Company is subject to the local regulatory requirements in Ireland within which it operates.

The Company has no employees and no remuneration is therefore paid.

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

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 insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time. 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 financial year.

Provision is made for notified losses on all underwriting years.

Profit after tax for the year ended 31 March 2017 amounted to GBP 8m (2016: GBP 1.9m).

The table below shows the Company's premiums, claims and expenses for the year ended 31 March 2017, all expressed in GBP:

Year 31/03/2017	**Total**
Gross premiums written	4.27m
Gross premiums earned	4.27m
Gross claims incurred	(3.22m)
Expenses	0.88m

Gross premiums written relate to related motor vehicle liability and general liability risks located in the United Kingdom. All premiums resulted from contracts of insurance concluded in the Republic of Ireland. Gross premium written for year ended 31 March 2017 amounted to GBP4.27m (2016: GBP4.38m).

Gross claims paid during the financial year ended 31 March 2017 totalled GBP2.6m (2016: GBP3.2m). As at 31 March 2017, the Company held net claims provisions of GBP8.22m (2016: GBP10.12m).

A.3 Investment Performance

The Company's investment policy is in line with that of the National Grid plc Group.

The investment income for the year amounted to GBP3.3m compared to income of GBP0.5m in 2016.

A.4 Performance of Other Activities

The Company's only activity is that of a captive insurer.

Operating costs of the Company excluding foreign exchange are charged through the Technical Account of the Profit and Loss Statement.

Expenses during the year ended 31 March 2017 have increased due to the costs associated with the design and implementation of robust governance arrangements to secure compliance with continuing developments in the regulatory environment including Solvency II.

No dividends were paid during the year (2016: nil).

A.5 Any Other Information

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

B. System of Governance

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

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.

There have been no material changes to this structure since the prior reporting period. NGICI 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 is 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.

Fit & Proper requirements

The 'Fit and Proper' requirements are the standards required by the Central Bank of Ireland when appointing pre-approved controlled function holders. NGICI 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 ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

Roles and Responsibilities

A summary of the various Key Roles and Responsible parties are outlined below.

Roles and Responsibilities Detail

Key Roles	Outsourcing	Responsible
Board of Directors	No	Andy Agg (Chairman) Ann O' Keeffe Jim Boyd
Risk Management Function	No	Head of Risk carried out by National Grid plc – Risk Manager
Compliance Function	Yes (External)	Aon Insurance Manager's (Dublin) Limited – Head of Compliance
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)	EisnerAmper with (Head of Internal Audit Function)
Actuarial Function	Yes (External)	Actuarial Function carried out by Willis Towers Watson – (Head of Actuarial Function)

B.3 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 minimising 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 and Liability Management ("ALM")
- Investments
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic Risk

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

The Risk Management Function has also established a Risk Register and a Risk Appetite Framework that are reviewed and approved by the Board on an annual basis. The Risk Register reflects for each identified risk the inherent and residual exposure, and corresponding mitigation or hedging actions as well as related monitoring and maintenance actions to be undertaken. The Risk Appetite sets out the target amount of risk that the Company is prepared to accept in order to achieve its strategic objectives and sets out the tolerances for all risk categories in order to ensure a cautious management of the operations while staying aligned with the Boards' expectations.

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

Each year and on an ad-hoc basis, if circumstances materially change, NGICI prepares an Own Risk and Solvency Assessment ("ORSA") report. The objective of the ORSA process is to enable the Board to assess its capital adequacy in the light of its assessments of its risks and the potential impacts of its risk environment, and enable it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and risk sensitivities that can be used in shaping strategy and risk appetite. The approach may be summarised 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.

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 scenarios occur.

Produce the ORSA Report

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

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

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

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

Assessments to date indicate that, under the scenarios presented by management to the Board, the Company is adequately capitalised.

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

National Grid plc would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in NGICI so that SCR compliance can be demonstrated. National Grid plc is expected to continue to have ample capacity to provide this support to NGICI.

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

Detailed Processes and Embedded Control Activities

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

These items are approved by the Board of Directors and evaluated by the Internal Audit Function..

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 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 the Willis Towers Watson team and the roles and responsibilities of the Actuarial Function include:

- Coordination of the calculation of technical provisions;
- Identification of any inconsistencies 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;
- Explanation of 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;
- Assessment of 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;
- Consideration of the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion;

  Providing a written report at least annually to the Board of Director's, the reporting should document all material tasks that have been undertaken by the Actuarial Function, and

The Actuarial Function report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied.

- Contributing 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;
  ii. Contributing to the ORSA process.

- Thinking critically and organize the execution of actuarial approaches
- Providing 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-approved 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 Compliance Function

The Company has a dedicated Head of Compliance and Compliance Officer 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 Company has a Compliance Charter and Compliance Plan in place which is reviewed and approved annually. The last Compliance Charter and Compliance Plan was approved in June 2017.

B.8 Outsourcing

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

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

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance.

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 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 Company's outsourcing arrangements are subject to an annual review and the findings of this report are reviewed by the Board.

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 Ireland and the UK

B.9 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..

Annual support and certification is provided by an Actuarial Function. The Company additionally manages its 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. The diversity in its investment portfolio reduces the exposure to market fluctuations and matches the profile of the assets backing liabilities to those liabilities. Furthermore the Managers monitor the investment portfolio on a regular basis and bring any material movements to the Board's attention.

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

To manage these risks, the Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions and invests only in highly credit rated investments.

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. The Company's exposure to liquidity risk is considered to be low since it maintains a sufficient level of liquid assets to meet its liabilities. Liquidity risk is managed by investing primarily in investment funds which are easily redeemable and highly rated deposits which the Company deems to be very liquid.

C.5 Operational Risk

Operational risk entails the potential exposure of the Company to incidences of fraud, material error or delay in the processes of the Company, regulatory sanction and compliance breaches.

Operational risk is managed by a strong governance structure being put in place, which includes the extensive oversight of the shareholder, Board of Directors and executive management.

In addition, NGICI is subject to Internal Audit and External Audit review.

NGICI maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers, namely Aon to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, NGICI puts in place service level agreements and fee penalties for non-performance as well as regularly reviewing the outsourced service providers.

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

NGICI prepares its financial statements on a going concern basis in compliance with FRS 101, and in accordance with the provisions of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements Regulations 2015).

NGICI has 6 classes of assets as at March, 31 2017.

- Cash and cash equivalents (GBP 0.184m);
- Deposits with credit institutions (GBP 0.600m);
- Debtors arising out of insurance operations (GBP 6.274m);
- Financial Investments (GBP 41.124m)
- Reinsurer share of claims outstanding (GBP 0.688m)
- Accrued Interest (GBP 0.024m)

The differences in the valuation of the above assets between the financial statements and the Solvency II annual Quantitative Reporting Templates ("QRTs") relate to accrued interest on the cash and equivalents and the investments and deposits, which is shown separately in the Financial Statements, prepayments have not been allowed for under Solvency II as only future cash flows should be considered, and the valuation of the amount recoverable under a letter of indemnity has been revalued on a Solvency II adjusted basis in the QRTs.

These variances are included in Annual QRT Form S.02.01 which forms part of the Appendix 1 to this report.

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

D.2 Solvency II Technical Provisions

Provision is made for notified losses on all underwriting years. The Company has regard to the gross 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").

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM"). At 31 March 2017, the technical provisions, all expressed in GBP, were:

Year ended 31/03/2017	**Total**
Gross BEL	9.84m
Risk Margin	1.05m
Technical Provisions	10.89m
Recoverable	0.83m
Technical Provisions allowing for Recoverable	10.07m

Expenses

Expenses for each future financial year are estimated by assuming a 3% inflation rate reflecting that the majority of the expenses would be expected to increase in line with wages. Is it assumed that expenses are allocated on the basis of the claims payments made in the year.

Events Not in Data ("ENIDs")

In order to calculate an allowance for ENIDs, a scenario based approach was used which considers individual extreme events that could impact the Company.

Reinsurance bad-debt

A 100% loss given default had been assumed. This is a prudent assumption for reinsurers as typically some recoveries would be expected. However, given the immateriality of the bad debt in respect of reinsurance, this assumption is considered to be an appropriate simplification.

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.

Best Estimate of Liabilities

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

BEL

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 NGICI's FRS unpaid claim liabilities. The adjustment of FRS estimate of unpaid claim liabilities to a Solvency II basis requires that FRS unpaid claim liabilities are discounted to a present value basis. 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 FRS estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The methodology adopted implicitly assumes that NGICI will continue to write business into the future and that a portion of the expenses in future years will be attributable to new business, consistent with the required derivation of the expense reserve as per the current Solvency II regulations. The BEL is calculated as the sum of the PCO and the PP.

Risk Margin

The Solvency II risk margin is intended to represent an amount that NGICI 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.

Areas of uncertainty

The actuarial estimates are "best estimates" in the sense that they are the average of all possible outcomes. The actuaries have employed techniques and assumptions that are appropriate for the purpose of this investigation, given the information currently available. The actual amounts required to meet future claim payments may differ from their estimates for a number of reasons, such as model specification error, parameter error and random error inherent in insurance.

External environment risk factors may cause material deviations in estimates of technical provisions. Significant external risk factors include:

- Persistent negative interest rates: negative rates could translate into deeper negative discounting factors for the calculation of Technical Provisions, which could distort any subsequent analysis of these provision calculation results. Further, negative interest rates could imply a negative interest income from the cash at bank.
- Inflation: any significant increase in the consumer price index could lead to the unallocated loss adjustment expenses (ULAE) increasing by more than what had originally been forecast. Claims inflation could translate into future claims being settled at a higher level than in the past.
- Sudden changes in business volumes: since NGICI is a captive, it is often the case that a new line of business is added to its insurance programme depending on the needs of its parent company. However, this would usually be carried out with a prior assessment by NGICI's risk management function and approval by the Board of Directors.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other Liabilities

Aside from Technical provisions, the valuation of which is detailed above, NGICI has 3 other principal classes of liabilities;

- Other creditors including taxation (GBP 1.21m)
- Deferred income (GBP 2.36m); and
- Creditors arising out of direct insurance operations (GBP 0.13m)

No adjustment is required to these valuations for the valuation for solvency purposes as the amounts held under FRS measurement principles are deemed to be approximations of fair value.

The Solvency II Balance Sheet takes into account a deferred tax asset which occurs due to the difference between Solvency II Own Funds and Shareholders' Equity on the FRS Balance Sheet, as a result of Solvency II revaluations. The corporation tax rate of 12.5% is applied to the difference between Solvency II Own Funds and Shareholders' Equity on the FRS balance sheet.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

D.4 Alternative Methods of Valuation

The Company does not use any alternative methods of valuation.

D.5 Any Other Information

There is no other information to report.

E. CAPITAL MANAGEMENT

E.1 Own Funds

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.

The Company takes a three-year forward looking view on the risks to which they are exposed and the assessment of the overall solvency needs. The three-year Financial Plan forms the basis for the projected eligible capital necessary to cover the Solvency Capital Requirements.

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

The Company's own funds are primarily invested in investment funds and government bonds. There is no intention to change the disposition of own fund items.

The eligible amount of own funds to cover the Solvency Capital Requirement is GBP34.2m. This is comprised of ordinary share capital of GBP0.6m, a reconciliation reserve of GBP33.5m, and net deferred taxes (Tier 3 capital) of GBP0.1m.

The eligible amount of own funds to cover the Minimum Capital Requirement is GBP34.1m, comprising the ordinary share capital and reconciliation reserve.

The reconciliation reserve is made up the total excess of assets and liabilities reduced by the ordinary share capital held as basic own fund items included in Tier 1, adjusted for net deferred taxes.

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing nor does it have any plans to raise debt or issue new shares in the short or medium term.

The following table reconciles the differences (reconciliation reserve) between the equity in the financial statements and the excess of the assets over liabilities as calculated for solvency purposes, reported per the Annual QRT forms.

Balance Sheet (figures shown in GBP 000's)	Solvency II value	Statutory accounts value	Adjustments
	C0010	C0020	EC0021
Assets			
Deferred tax assets	292		292
Investments (other than assets held for index-linked and unit-linked contracts)	41,967	41,724	242
Bonds	13,607	13,583	24
Government Bonds	13,607	13,583	24
Collective Investments Undertakings	27,541	27,541	0
Deposits other than cash equivalents	600	600	0
Other investments	218		218
Reinsurance recoverables from:	826	688	138
Non-life and health similar to non-life	826	688	138
Non-life excluding health	826	688	138
Insurance and intermediaries receivables	3,107	6,274	-3,166
Cash and cash equivalents	184	184	0
Any other assets, not elsewhere shown		24	-24
Total assets	46,377	48,894	-2,518
Liabilities			
Technical provisions – non-life	10,894	8,912	1,982
Technical provisions – non-life (excluding health)	10,894	8,912	1,982
Best Estimate	9,839		
Risk margin	1,054		
Deferred tax liabilities	182	182	0
Insurance & intermediaries payables	36	2,491	-2,455
Payables (trade, not insurance)	207	207	0
Any other liabilities, not elsewhere shown	821	821	0
Total liabilities	12,139	12,613	-474
Excess of assets over liabilities	34,238	36,282	-2,044

The Company's own funds are not subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

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 for those assets matching insured liabilities. These assets are invested in a mixture of 3 UCITS funds and Government bonds.

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.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

NGICI's Solvency Capital Requirement ("SCR") as at March 31, 2017 totals GBP6.75m. NGICI's Solvency II recognized own funds totalling GBP34.2m is sufficient to meet its SCR and results in a Solvency Ratio of 507%. NGICI's Minimum Capital Requirement ("MCR") as at March 31, 2017 totals GBP3.332m.

Key components of the SCR at 31 March 2017 are:

Market risk – GBP4.7m (GBP3.6m diversified); and
Non-life underwriting risk – GBP3.1m (GBP2.4m diversified)

The Non-life risk module consists of the Premium/Reserve risk, which represents a significant portion of the Non-life risk module, and the Catastrophe risk. Premium/Reserve risk has a capital requirement of GBP2.6m resulting from the best estimate of claims reserves and net premium volume. The Catastrophe risk has a capital requirement of GBP1.1m.

Primary drivers of the Market risk module include Interest rate risk of GBP2.8m, equity risk of GBP2.4m and spread risk of GBP1.3m.

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 with the exception of the simplification set out in Article 107 of the Solvency II Delegated Acts, used in the Counterparty Default Risk module calculation.

The primary drivers of the overall increase in NGICI's SCR compared with the SCR of GBP6.3m at 31 March 2016 arise from an increase of GBP1m in Market Risk and an increase of GBP0.4m in Counterparty Default Risk, netted off against a decrease of GBP 0.9m in the Non-Life Underwriting risk capital charge.

- Capital: The available capital of GBP34.2m at 31 March 2017 has increased considerably since the prior year (GBP28.9m) primarily due to an increase in retained profits.

The MCR for NGICI is calculated in accordance with the standard formula. Setting the MCR involves three steps:

- Firstly, a factor based calculation is applied using premiums and reserves as the drivers.

- The value of this calculation is either capped or floored such that the value of the MCR is between 25% and 45% of the value of the SCR.

- Finally, the Absolute Minimum Capital Requirement ("AMCR") is applied. This is a monetary floor on the value of the MCR. For non-life insurance captives that write classes 10 and 15 this is currently set at EUR3.7m (equivalent to GBP3.3m, converted using 31 October 2016 exchange rate published by the EU).

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

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

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

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

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

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

E.6 Any Other Information

There is no other information to report.

B. APPENDICES

Appendix 1 - The following audited quantitative data has been added to Appendix 1.

S.02.01.02 – Balance sheet

S.05.01.02 – Premium, Claims and Expenses

S.17.01.02 – Non Life technical provisions

S.19.01.21 – Claims Developments

S23.01.01 – Own Funds

S25.01.21 - Solvency Capital Requirement using standard formula

S28.01.01 - Minimum Capital Requirement - Only Life or only non-life insurance or reinsurance activity

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	292
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	41,967
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	13,607
Government Bonds	**R0140**	13,607
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	27,541
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	600
Other investments	**R0210**	218
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**	826
Non-life and health similar to non-life	**R0280**	826
Non-life excluding health	**R0290**	826
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**	3,107
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	184
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	**46,377**

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	10,894
Technical provisions – non-life (excluding health)	**R0520**	10,894
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	9,839
Risk margin	**R0550**	1,054
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	182
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	36
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	207
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	821
Total liabilities	**R0900**	**12,139**
Excess of assets over liabilities	**R1000**	**34,238**

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		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
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**				3,058				1,216	
Gross - Proportional reinsurance accepted	**R0120**									
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**				632				90	
Net	**R0200**				2,425				1,126	
Premiums earned										
Gross - Direct Business	**R0210**				3,058				1,216	
Gross - Proportional reinsurance accepted	**R0220**									
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**				632				90	
Net	**R0300**				2,425				1,126	
Claims incurred										
Gross - Direct Business	**R0310**				1,757				- 4,978	
Gross - Proportional reinsurance accepted	**R0320**									
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**				- 40				0	
Net	**R0400**				1,798				- 4,978	
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**				633				252	
Other expenses	**R1200**									
Total expenses	**R1300**									

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**								4,274
Gross - Proportional reinsurance accepted	**R0120**								
Gross - Non-proportional reinsurance accepted	**R0130**								
Reinsurers' share	**R0140**								722
Net	**R0200**								3,551
Premiums earned									
Gross - Direct Business	**R0210**								4,274
Gross - Proportional reinsurance accepted	**R0220**								
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**								722
Net	**R0300**								3,551
Claims incurred									
Gross - Direct Business	**R0310**								- 3,221
Gross - Proportional reinsurance accepted	**R0320**								
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**								- 40
Net	**R0400**								- 3,181
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**								885
Other expenses	**R1200**								
Total expenses	**R1300**								885

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

		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 insurance obligations	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
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		AU	SE	NL	GB	CH	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**					4,274		4,274
Gross - Proportional reinsurance accepted	**R0120**							
Gross - Non-proportional reinsurance accepted	**R0130**							
Reinsurers' share	**R0140**					722		722
Net	**R0200**					3,551		3,551
Premiums earned								
Gross - Direct Business	**R0210**					4,274		4,274
Gross - Proportional reinsurance accepted	**R0220**							
Gross - Non-proportional reinsurance accepted	**R0230**							
Reinsurers' share	**R0240**					722		722
Net	**R0300**					3,551		3,551
Claims incurred								
Gross - Direct Business	**R0310**					- 3,221		- 3,221
Gross - Proportional reinsurance accepted	**R0320**							
Gross - Non-proportional reinsurance accepted	**R0330**							
Reinsurers' share	**R0340**					- 40		- 40
Net	**R0400**					- 3,181		- 3,181
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**					885		885
Other expenses	**R1200**							
Total expenses	**R1300**							885

Annex I
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
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions calculated as a whole	**R0010**									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**				330				- 20	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**				147				2	
Net Best Estimate of Premium Provisions	**R0150**				183				- 22	
Claims provisions										
Gross	**R0160**				3,910				5,620	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**				678				-	
Net Best Estimate of Claims Provisions	**R0250**				3,232				5,620	
Total Best estimate - gross	**R0260**				4,240				5,600	
Total Best estimate - net	**R0270**				3,415				5,598	
Risk margin	**R0280**				155				900	
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**									
Best estimate	**R0300**									
Risk margin	**R0310**									

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions - total										
Technical provisions - total	**R0320**				4,394				6,499	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**				825				2	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**				3,569				6,498	

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**								310
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**								149
Net Best Estimate of Premium Provisions	**R0150**								161
Claims provisions									
Gross	**R0160**								9,530
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**								678
Net Best Estimate of Claims Provisions	**R0250**								8,852
Total Best estimate - gross	**R0260**								9,839
Total Best estimate - net	**R0270**								9,013
Risk margin	**R0280**								1,054
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**								
Best estimate	**R0300**								
Risk margin	**R0310**								

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions - total									
Technical provisions - total	**R0320**								10,894
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**								826
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**								10,067

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	2

Gross Claims Paid (non-cumulative)

		Development year												
	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											360	R0100	360	360
N-9	R0160								-181	10	80		R0160	80	-91
N-8	R0170							-4	10	81			R0170	81	88
N-7	R0180						92	57	87				R0180	87	235
N-6	R0190					217	982	172					R0190	172	1,371
N-5	R0200				158	439	107						R0200	107	703
N-4	R0210			328	252	225							R0210	225	805
N-3	R0220		801	226	169								R0220	169	1,197
N-2	R0230	408	503	234									R0230	234	1,146
N-1	R0240	464	563										R0240	563	1,027
N	R0250	425											R0250	425	425
													Total R0260	2,503	7266

Annex I
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions

		Development year											
	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100										465	3026	1347
N-9	R0160									418	322		286
N-8	R0170								394	300			267
N-7	R0180							378	284				252
N-6	R0190						582	272					242
N-5	R0200					734	538						504
N-4	R0210				607	348							320
N-3	R0220			876	921								844
N-2	R0230		1241	671									640
N-1	R0240	2820	2013										1971
N	R0250	2925											2856
												Total	9530

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	600	600			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	33,528	33,528			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	110				110
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	34,238	34,128	-	-	110
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					

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	34,238	34,128			110
Total available own funds to meet the MCR	**R0510**	34,128	34,128			
Total eligible own funds to meet the SCR	**R0540**	34,238	34,128			110
Total eligible own funds to meet the MCR	**R0550**	34,128	34,128			
SCR	**R0580**	6,749				
MCR	**R0600**	3,332				
Ratio of Eligible own funds to SCR	**R0620**	507%				
Ratio of Eligible own funds to MCR	**R0640**	1024%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	34,238
Own shares (held directly and indirectly)	**R0710**	
Fore**s**eeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	710
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	33,528
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	22
Total Expected profits included in future premiums (EPIFP)	**R0790**	22

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	4,661		
Counterparty default risk	R0020	512		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	3,107		
Diversification	R0060	- 1,825		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	6,454		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	295
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	6,749
Capital add-on already set	R0210	
Solvency capital requirement	R0220	6,749
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	1,242

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	3,415	2,425
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090	5,598	1,126
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	

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

Overall MCR calculation

		C0070
Linear MCR	R0300	1,242
SCR	R0310	6,749
MCR cap	R0320	3,037
MCR floor	R0330	1,687
Combined MCR	R0340	1,687
Absolute floor of the MCR	R0350	3,332
		C0070
Minimum Capital Requirement	R0400	3,332