Seamair Insurance DAC

Solvency & Financial Condition Report (SFCR)

December 31, 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 6
- A.5 Any Other Information 6

B. System of Governance
- B.1 System of Governance 7
- B.2 Fit & Proper Requirements 8
- B.3 Risk Management System 9
- B.4 Internal Control System 11
- B.5 Internal Audit Function 12
- B.6 Actuarial Function 12
- B.7 Compliance Function 13
- B.8 Outsourcing 14
- B.9 Any Other Information 15

C. Risk Profile
- C.1 Underwriting Risk 16
- C.2 Market Risk 16
- C.3 Credit Risk 16
- C.4 Liquidity Risk 16
- C.5 Operational Risk 17
- C.6 Other Material Risk 17

D. Valuation for Solvency II Purposes
- D.1 Assets 18
- D.2 Solvency II Technical Provisions 18
- D.3 Other Liabilities 23
- D.4 Alternative Methods of Valuation 23
- D.5 Any Other Information 23

E. Capital Management
- E.1 Own Funds 24
- E.2 Solvency Capital Requirement & Minimum Capital Requirement 25
- E.3 Use of duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement 26
- E.4 Differences between the standard formula and any internal model used 27
- E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement 27
- E.6 Any Other Information 27

F. Appendix 1 - Annual Quantitative Reporting Templates (QRTs) 28

INTRODUCTION

Seamair Insurance DAC ("Seamair" 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 various 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 December each year and it reports its results in USD (United States Dollar).

A. BUSINESS & PERFORMANCE

A.1 Business

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

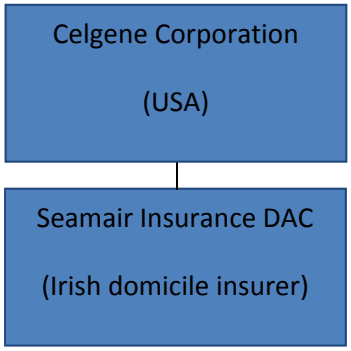
The Company's operating and registered address is:
3rd Floor Metropolitan Building,
James Joyce Street
Dublin 1,
Ireland

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

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

Seamair is wholly owned by Celgene Corporation ("Celgene"), a company incorporated in the United States of America and listed on the NASDAQ. Seamair was incorporated on 22 June 2009, to act as a direct writing insurance company for Celgene and its subsidiaries. The Company is engaged in the underwriting of the following insurance for group risks;

- Property & Business Interruption
- Marine & Transit
- US Auto (physical damage and liability) & Workers Compensation (WC)
- Professional Liability incl. Employed Lawyer & Nurse Professional Liability
- Executive Risk including crime
- Product Recall
- Cyber Liability
- General Liability



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.

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

The Company's external auditor is KPMG Chartered Accountants, located at 1 Harbourmaster Place, IFSC, 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, 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 financial year. Provision is made for notified losses on all underwriting

years. The Company does not purchase reinsurance cover. Profit after tax for the year ended 31 December 2017 amounted to US$9.8m (2016: US$8m).

The table below shows the Company's premiums, claims and expenses split by SII lines of business for the year ended 31 December 2017, all expressed in US$:

Year ended 31/12/2017	Medical expense insurance	Workers' comp insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Total
Gross premiums written (Direct)	100,000	400,000	600,000	1,000,000	200,000	550,000	7,225,467	10,075,467
Gross premiums written (Proportional Reinsurance)	-	-	-	-	-	-	10,671,345	10,671,345
Gross premiums earned (Direct)	100,097	382,580	529,350	1,000,973	82,075	551,186	6,930,344	9,576,605
Gross premiums earned (Proportional Reinsurance)	-	-	-	-	-	-	4,081,537	4,081,537
Gross claims incurred	(1,554)	(68,755)	(905,531)	(908,345)	(165,636)	544,500	(1,066,441)	(2,571,762)
Expenses	(3,595)	(13,741)	(19,013)	(35,952)	(2,948)	(18,701)	(880,373)	(974,323)

Gross premiums written relate to related party accident & health, fire & other damage to property, marine, motor vehicle and liability risks located in the European Union and the United States of America. All premiums resulted from contracts of insurance concluded in the Republic of Ireland. Gross premium written for year ended 31 December 2017 amounted to US$20.7m (2016: US$9.1m).

Gross and net claims paid during the financial year ended 31 December 2017 totalled US$1.3m (2016: US$1.9m). As at 31 December 2017, the Company held gross and net claims provisions of US$9.1m (2016: US$7.8m).

A.3 Investment Performance

The Company's investment policy is in line with that of the Celgene Group. The Company invests its funds with highly rated financial institutions which include at present, Credit Agricole, Deutsche Bank, Citibank and Barclays. The majority of the Company's funds are invested in fixed term deposits with maturities ranging from 3 months to a maximum of 9 months. The range of maturities aides liquidity and ensures that funds do not need to be withdrawn prior to maturity.

The investment income for the year amounted to US$985k compared to income of US$484k in 2016, the increase as a result of a larger investment base and more favourable interest rates being offered by the financial institutions.

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.

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

A.5 Any Other Information

There is no other information to report.

B. SYSTEM OF GOVERNANCE

B.1 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 this 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. Seamair 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' requirements are the standards required by the CBI when appointing pre-approved controlled function holders. Seamair is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

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

Roles and Responsibilities Detail

Key Roles	Outsourcing	Responsible
Board of Directors	No	Catherine Elflein (Chairman) Jürg Oehen Angus Grant Paul Gallen
Risk Management Function	Yes (External)	Aon Insurance Manager's (Dublin) Limited
Compliance Function	Yes (External)	Aon Insurance Managers (Dublin) Limited
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
Actuarial Function	Yes (External)	Aon Actuarial & Analytics

The Company has a remuneration policy in place that outlines the terms and conditions of Non-Executive Directors of the Company. A management fee is paid by the Company to the appointed management Company, Aon Insurance Managers (Dublin) Limited (AIMD) for services provided. All Directors of the Company are employed by Celgene and do not receive a fee from the Company.

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 minimizing the impact of unexpected events, in order to increase the likelihood of achieving the Company's strategic and business objectives.

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

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

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

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, Seamair 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 summarized as follows:

Define the Stress Scenarios

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

As part of ORSA process the Board selected the appropriate stress and scenario tests that they deemed were 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 scenarios occur.

Produce the ORSA Report

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

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

The ORSA process described above ensures that ORSA is integrated in the decision-making and business planning process. Furthermore monitoring procedures as set out in the risk management

policies ensures that risk exposures are measured on a regular basis triggering exception reports for the Board.

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

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

The capital risk appetite for Seamair is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. It is not the intent to maintain a significant capital buffer in the Seamair balance sheet.

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

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 present 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 but at least once a year.

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

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 Aon Actuarial & Analytics 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 include:
    i. Deficiencies and giving recommendations as to how such deficiencies could be remedied.
    ii. Technical Provisions Coordination of calculation
    iii. Methodologies & assumptions
    iv. Data sufficiency & quality
    v. Experience analysis
    vi. Report to the Board on reliability & adequacy
    vii. Opinion on Underwriting policy
    viii. Opinion on Reinsurance arrangements

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; and
    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 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 CBI.
- The Compliance Function considers possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function presents an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function promotes a culture of compliance throughout the Company

The Company has a Compliance Charter and Compliance Plan in place for the year 2017/18 which was reviewed and approved during the year (2 May 2017).

B.8 Outsourcing

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

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

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

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

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

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

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

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 which is closed to new business.

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.

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

The Company has an exposure to credit risk in relation to its deposits with credit institutions. To manage these risks; deposits are made, in accordance with established policy, with credit institutions with a strong rating. Additionally maximum counterparty exposure limits are set.

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 high level of liquid assets to meet its liabilities. The Company is also exposed to liquidity risk on the expected profit

included in future premiums ("EPIFP") that amounts to nil (2016: US1.9m) as at 31 December 2017 as a result of no Bound But Not Incepted contracts and nil unpaid premium on the balance sheet.

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, Seamair has established an Audit Committee and is subject to Internal Audit and External Audit review.

Seamair maintains a regulatory dialogue with 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 help avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible; Seamair 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

Seamair 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).

Seamair uses the historical cost convention. It has 6 classes of assets.

1. Cash and cash equivalents of US$570k (2016: US$321k);
2. Investments and deposits with credit institutions of US$69.8m (2016: US$52.8m);
3. Debtors arising out of insurance operations of US$41k (2016: US$13k);
4. Other debtors including taxation and prepayments of US$38k (2016: US$235k)
5. Deferred acquisition costs of US$1.1m (2016: US$158k)
6. Accrued Interest of US$278k (2016:US$136k)

Cash and cash equivalents comprise cash held at banks. The investment and deposits with credit institutions are short term in nature with an original maturity of nine months or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

The only differences in the valuation of the above assets between the financial statements and the Solvency II annual Quantitative Reporting Templates ("QRT's") relate to the following:

- Accrued interest on the cash and equivalents and the investments and deposits, which is shown separately in the Financial Statements;
- Deferred fronting costs of US$1.1m are excluded from the valuation of assets for solvency purposes;
- There is an allowance for historical reinsurance in the technical provisions with no recoverable held in the Financial Statements.

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 currently does not purchase reinsurance protection. 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 December 2017, the technical provisions were:

Year ended 31/12/2017	Medical expense insurance	Workers' comp insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Total
Gross BEL	77,614	499,997	1,478,362	409,180	397,009	356,688	11,793,133	15,011,983
Risk Margin	14,500	104,784	310,866	32,963	62,347	51,898	1,367,667	1,945,025
Technical Provisions	92,114	604,781	1,789,228	442,143	459,356	408,586	13,160,800	16,957,008
Recoverables	-	-	-	-	-	-	(175,279)	(175,279)
Technical Provisions allowing for Recoverables	92,114	604,781	1,789,228	442,143	459,356	408,586	12,985,521	16,781,729

Main Assumptions

Loss Ratios

In order to derive the best estimate cash flows for claims arising from unearned business (both incepted and unincepted), a gross loss ratio has been applied to the corresponding premium exposure per line of business.

For many lines of business there have been very few claims historically, and for some no claims have ever been incurred. For the lines where this is the case (Products Recall, Marine, Cyber, Executive Risk, and Professional Liability), a loss ratio of 100% has been used. This is consistent with the prior loss ratios used in the statutory reserving. It has been assumed that a loading for ENID and expenses is already included in this value.

For PDBI and Medical Liability the ultimate loss ratio has been taken from the statutory reserving for the most recent year as the best estimate loss ratio.

For Auto Liability, and Workers' Compensation, the prior ultimate in dollar terms has been used from the statutory reserving, uplifted slightly to allow for six months of inflation at 3% and changes in exposure (vehicle numbers or employee numbers). For Auto Physical Damage an average of ultimate claims cost in historical policy years has been used and inflation has been applied on exposure adjustments.

For General Liability, consistent with last year, a market loss ratio based on how the premium has increased historically when the limit has increased has been utilised.

Expenses

The level of expenses incurred annually by Seamair was calculated as per the statutory accounts. The same percentage adjustment was made for Solvency II expenses as for ULAE. The mean payment term of the claims provision has been calculated as 4.3 years the cost of this annual expense has been considered for the duration of the mean payment term. An annual inflation rate of 3% has been factored into an expense estimate of US$334k.

Events Not in Data ("ENIDs")

A reasonable benchmark for ENID was considered to be 1% to 5%. A 2.5% allowance for ENID has therefore been added to the gross claim provisions across all lines of business. This has led to an increase of US$380k in the net claim provisions.

Currencies

For Seamair, all claims are paid in USD.

Discounting

Claims payments in the claims and premium provisions have been projected at annual intervals using benchmark payment patterns. It has been assumed that expenses are paid consistently with claims. These cash flows have subsequently been discounted to the valuation date assuming future payments are made mid-year.

Allocation of Technical Provisions to Region

In quantitative reporting template ("QRT") S.17.02.01, the gross best estimate, i.e. claim provision and premium provision, must be reported for each country and Solvency II business if any one of those combinations is above the materiality threshold. The specific requirements are that the information reported by country shall at least represent 90% of the gross best estimate of any line of business. If a country is above the materiality threshold of 90% in one line of business, then it must be reported for all other lines of business.

For the Fire and other damage to property Solvency II line of business, the gross best estimate must be reported by country where the risk is situated.

For all other lines of business, the gross best estimate should be reported based on where the contract was entered into, whether sold directly through Seamair or via a branch or other intermediary.

For Seamair a proportionate approach has been used to allocate the technical provisions to country. For Property, the gross best estimate has been allocated to country based on the sum insured in each country. For the other lines of business, all contracts were entered into in the reporting country of Ireland.

Counterparty Default

Default probability rates were determined for Seamair's sole reinsurer (Chubb) using the S&P study, "Global Corporate Average Cumulative Default Rates By Rating Modifier (1981-2015). This gives cumulative default rates over a time horizon of 15 years by credit rating of the counterparty. As no best estimate loss-given-default ("LGD") is publicly available per counterparty, a LGD of 50% has been assumed for all counterparties, which is consistent with L2 Article 42. Seamair has relatively small reinsurance recoveries in the technical provisions and the reinsurer is A rated so the calculation is not overly sensitive to the LGD assumption given the low default rates. The impact of this adjustment is to reduce the reinsurance claim provisions by US$0.2k.

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 Seamair'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 December 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 Seamair 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 Seamair 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

<u>Low claim volumes</u>

A key source of uncertainty for Seamair is the low claim volumes. The majority of classes have not experienced any claims on which to base reserve estimates, and are characterised by infrequent but potentially severe claims. The nature of the products and turnover of Celgene Corporation, and the inwards limits accepted by Seamair, particularly on the General Liability programme, contribute to the volatility of claims.

<u>Prior year expected losses</u>

Due to the lack of data on which to base reserve estimates we are relying on the appropriateness of the premiums for many of the classes. The premiums are set based on market rates and therefore

include sufficient allowances for claims deterioration. The Actuarial Function is reliant on the initial expected loss ratios for classes where the ultimates are estimated using the Bornhuetter-Ferguson method.

Specific uncertainty by class

General Liability:

General Liability covers Products, Clinical Trials and Environmental. These exposures are a source of high uncertainty given the nature of the products and the level of turnover of Celgene. Losses are also likely to be infrequent but potentially severe making reserve estimates particularly uncertain. The high limit of $100m contributes to this uncertainty. The premium for this policy represents 10% of the full loss limit of $100m.

Workers' Compensation:

Workers' Compensation is a long tailed risk class and therefore the estimates are subject to a greater degree of uncertainty. Legal changes and judicial rulings can affect the frequency and severity of the claims being submitted.

Auto Liability:

Auto Liability can be a shorter tailed class. However, bodily injury claims, while fewer in number, can be larger and subject to considerable settlement delays. In general, lengthy delays between occurrence and reporting, and reporting and settlement can expose Seamair to greater levels of claims inflation and the potential for higher levels of legal costs.

Auto Physical Damage:

Auto Physical Damage tends to be a shorter tailed class than Auto Liability. Damage to vehicles tends to be reported and repaired relatively quickly. The main sources of uncertainty will be around the frequency of claims.

Product Recall:

As with GL, Product Recall is a source of a high level of uncertainty. The potential for large losses is significant given the nature of the products. There can be considerable delay in the full reporting and settlement of all associated claims following a product recall. This is likely to make the loss experience infrequent but severe with exposure to legal and other costs.

Cyber Liability:

There is some uncertainty as this is an emerging risk, making it difficult to set appropriate premium levels. There is also a reasonably high limit of $15m.

Property Damage / Business Interruption:

In the event of large physical losses it can take a considerable time to re-build and re-commence full business activity increasing the uncertainty of the final settlement figure.

Marine:

Marine is a fairly short tailed risk and therefore the associated uncertainty is relatively low.

Professional Liability, Executive Risk:

There have been no claims reported yet for these classes. We expect these classes to have risk characteristics similar to the other liability classes.

Medical Payments:

This is a typically a short tailed class and so uncertainty associated with this risk class is low and little deterioration can be expected.

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

The Solvency II Balance Sheet takes into account a deferred tax liability which occurs as the Company has recognised more Solvency II funds than Own Funds on the FRS Balance Sheet as a result of higher technical provisions. The corporation tax rate of 12.5% is applied to the difference between Solvency II Funds and Shareholders' Equity on the FRS balance sheet.

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 December 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 cash deposits in bank accounts. There is no intention to change the disposition of own fund items.

The eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement is US$53.5m (2016: US$43.3m). This is comprised entirely of ordinary share capital of US$1.1m (2016: US$1.1m), and a reconciliation reserve of US$52.4m (2016: US$42.2m) that meet the requirements of Tier 1 unrestricted Basic Own Funds.

The reconciliation reserve is made up the total excess of assets and liabilities reduced by the ordinary share capital and share premium held as basic own fund items included in Tier 1. There is no adjustment for net deferred taxes given that the Company does not hold a deferred tax asset.

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.

Reconciliation of Basic Own Funds to Equity in the financial statements

	31/12/2017 US$'000	31/12/2016 US$'000
Total Equity in the financial statements	50,678	40,885
Deduct items not recognised in the financial statements:		
Reinsurance BEL	(175)	(249)
Risk Margin	1,945	2,104
Difference between TPs and BEL	(6,018)	(4,752)
Deferred Tax	397	349
Add items not recognised in Solvency II Balance Sheet:		
Deferred acquisition costs	(1,071)	(158)
Prepayments	-	8
SII value of excess of assets over liabilities	53,458	43,283

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 Celgene Group 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 entirely invested in fixed term deposits ranging in maturities to nine months.

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

Seamair's Solvency Capital Requirement ("SCR") as of December 31, 2017 totals US$17.8m (2016: US$15.3m). Seamair's Solvency II recognized own funds totalling US$53.5m (2016: US$43.3m) is sufficient to meet its SCR and results in a Solvency Ratio of 299% (2016: 283%). Seamair's Minimum Capital Requirement ("MCR") as of December 31, 2017 totals US4.5m (2016: US$3.9m).

Risk Charge	31 December 2017	31 December 2016	Movement
Non-Life Underwriting Risk	15,198	14,173	1,024
Counterparty Default Risk	86	47	39
Market Risk	9,567	6,633	2,935
Operational Risk	450	378	73
Tax Adjustments	(2,550)	(2,189)	(361)
Diversification Benefit	(5,086)	(3,933)	(1,154)
SCR	**17,847**	**15,320**	**2,527**
Available Capital	53,448	43,283	10,165
Surplus / (Deficit)	*35,601*	*27,963*	*7,638*
Solvency Ratio	**299%**	**283%**	**17%**

Underwriting risk is the main standard formula SCR risk. The Non-life risk module has a capital requirement of US$15.2m (2016: US$14.2m). The Non-life risk module consists of the Premium/Reserve risk which represents a smaller portion of the Non-life risk module. Premium/Reserve risk has a capital requirement of US$6.2m (2016: US$6.2m) resulting from the best estimate of claims reserves and net premium volume. The Catastrophe risk has a capital requirement of US$12.3m (2016: US$11.2m) and

represents a significant portion of the SCR. The General Liability program (both direct and fronted) represents the largest portion of the catastrophic risk given the large premium.

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.

The primary drivers of the overall increase of US$2.5m in Seamair's SCR arise from the Market Risk and the Non-Life Underwriting risk capital charges:

- Non-Life Underwriting Risk:
  The premium to be earned over the prospective 12 months has increased and the joint aggregate limit for Workers' Compensation and Auto has been raised, resulting in a larger man-made catastrophe risk charge.

  The new multi-year contracts for the fronted General Liability business have increased the bound unearned exposure, leading to an increased charge for lapse risk.

- Market Risk:
  Seamair has made US$10.2m of profit on a Solvency II basis over the past year. This has increased the asset holding, giving rise to a greater concentration risk charge.

- Capital:
  The available capital has increased considerably due to an increase in retained profits.

The MCR for Seamair 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 €3.7m (equivalent to US$4.5m (2016: US$3.9m), converted using 31 December 2017 exchange rates.)

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

Seamair 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.

F. APPENDICES

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

S.02.01.02 – Balance sheet (audited)

S.05.01.01 – Premium, Claims and Expenses (unaudited)

S.05.02.01 – Premiums, Claims and Expenses by Country (unaudited)

S.17.01.02 – Non Life technical provisions (audited)

S.19.01.21 – Claims Developments (audited)

S23.01.01 – Own Funds (audited)

S25.01.01 - Solvency Capital Requirement using standard formula (audited)

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

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
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**	70,122
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	70,122
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	175
Non-life and health similar to non-life	**R0280**	175
Non-life excluding health	**R0290**	175
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**	41
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	23
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**	570
Any other assets, not elsewhere shown	**R0420**	15
Total assets	**R0500**	70,946

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	16,957
Technical provisions – non-life (excluding health)	**R0520**	16,957
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	15,012
Risk margin	**R0550**	1,945
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**	397
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	134
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	17,488
Excess of assets over liabilities	**R1000**	53,458

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	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	C0200
Premiums written											
Gross - Direct Business	**R0110**	100		400	600	1,000	200	550	7,225		10,075
Gross - Proportional reinsurance accepted	**R0120**								10,671		10,671
Gross - Non-proportional reinsurance accepted	**R0130**										
Reinsurers' share	**R0140**										
Net	**R0200**	100		400	600	1,000	200	550	17,897	-	20,747
Premiums earned											
Gross - Direct Business	**R0210**	100		383	529	1,001	82	551	6,930		9,576
Gross - Proportional reinsurance accepted	**R0220**								4,082		4,082
Gross - Non-proportional reinsurance accepted	**R0230**										
Reinsurers' share	**R0240**										
Net	**R0300**	100		383	529	1,001	82	551	11,012		13,658
Claims incurred											
Gross - Direct Business	**R0310**	2		69	905	908	166	(545)	428		1,933
Gross - Proportional reinsurance accepted	**R0320**								639		639
Gross - Non-proportional reinsurance accepted	**R0330**										
Reinsurers' share	**R0340**										
Net	**R0400**	2		69	905	908	166	(545)	1,067		2,572
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**	3		14	19	36	3	19	880		974
Other expenses	**R1200**										
Total expenses	**R1300**										

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		GB	ES	DE	FR	BE	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	8,703	681	516	407	332	254	10,893
Gross - Proportional reinsurance accepted	R0120	8,163						8,163
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200	16,866	681	516	407	332	254	19,056
Premiums earned								
Gross - Direct Business	R0210	8,196	461	336	161	113	136	9,403
Gross - Proportional reinsurance accepted	R0220	3,274						3,274
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300	11,470	461	336	161	113	136	12,677
Claims incurred								
Gross - Direct Business	R0310	1,963	42	32	25	21	16	2,099
Gross - Proportional reinsurance accepted	R0320	489						489
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400	2,452	42	32	25	21	16	2,588
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	792	32	24	19	16	12	895
Other expenses	R1200							
Total expenses	R1300							

		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**	20		85	248	279	150	151	6,207	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**									
Net Best Estimate of Premium Provisions	**R0150**	20		85	248	279	150	151	6,207	-
Claims provisions										
Gross	**R0160**	57		415	1,230	130	247	206	5,586	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**								175	
Net Best Estimate of Claims Provisions	**R0250**	57		415	1,230	130	247	206	5,411	-
Total Best estimate - gross	**R0260**	77		500	1,478	409	397	357	11,793	-
Total Best estimate - net	**R0270**	77		500	1,478	409	397	357	11,618	-
Risk margin	**R0280**	15		105	311	33	62	52	1,368	
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**									
Best estimate	**R0300**									
Risk margin	**R0310**									

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions - total										
Technical provisions - total	**R0320**	92		605	1,789	442	459	409	13,161	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**								175	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	92	-	605	1,789	442	459	409	12,986	

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								7,141
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								
Net Best Estimate of Premium Provisions	R0150								7,141
Claims provisions									
Gross	R0160								7,871
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								175
Net Best Estimate of Claims Provisions	R0250								7,696
Total Best estimate - gross	R0260								15,012
Total Best estimate - net	R0270								14,837
Risk margin	R0280								1,945
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320								16,957
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								175
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340								16,782

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	Underwriting Year

Gross Claims Paid (non-cumulative)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-	R0100	-	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-	-
N-7	R0180	-	-	-	-	5	85	-	-				R0180	-	90
N-6	R0190	-	-	-	99	339	43	2					R0190	2	483
N-5	R0200	-	-	11	1	3	5						R0200	5	20
N-4	R0210	-	930	659	319	76							R0210	76	1,984
N-3	R0220	113	318	279	13								R0220	13	723
N-2	R0230	90	515	204									R0230	204	809
N-1	R0240	698	726										R0240	726	1,424
N	R0250	251											R0250	251	251
													Total R0260	1,277	5,784

Gross undiscounted Best Estimate Claims Provisions

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											-	R0100	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-
N-7	R0180	-	-	-	-	-	-	48	39				R0180	36
N-6	R0190	-	-	-	-	-	164	127					R0190	119
N-5	R0200	-	-	-	-	45	37						R0200	35
N-4	R0210	-	-	-	643	404							R0210	382
N-3	R0220	-	-	1,021	681								R0220	644
N-2	R0230	-	1,854	1,140									R0230	1,078
N-1	R0240	3,317	2,314										R0240	2,180
N	R0250	3,658											R0250	3,396
													Total R0260	7,871

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	1,050	1,050			
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	52,408	52,408			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	10	10			
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	53,448	53,448			
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**	53,448	53,448			
Total available own funds to meet the MCR	**R0510**	53,448	53,448			
Total eligible own funds to meet the SCR	**R0540**	53,448	53,448			
Total eligible own funds to meet the MCR	**R0550**	53,448	53,448			
SCR	**R0580**	17,847				
MCR	**R0600**	4,462				
Ratio of Eligible own funds to SCR	**R0620**	2.99				
Ratio of Eligible own funds to MCR	**R0640**	11.98				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	53,458
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	1,050
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	52,408
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	
Total Expected profits included in future premiums (EPIFP)	**R0790**	

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	9,567		
Counterparty default risk	R0020	86		
Life underwriting risk	R0030			
Health underwriting risk	R0040	181		
Non-life underwriting risk	R0050	15,198		
Diversification	R0060	(5,086)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	19,946		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	450
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	(2,549)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	17,847
Capital add-on already set	R0210	
Solvency capital requirement	R0220	17,847
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	4,064

		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	77	100
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040	500	400
Motor vehicle liability insurance and proportional reinsurance	R0050	1,478	600
Other motor insurance and proportional reinsurance	R0060	409	1,000
Marine, aviation and transport insurance and proportional reinsurance	R0070	397	200
Fire and other damage to property insurance and proportional reinsurance	R0080	357	550
General liability insurance and proportional reinsurance	R0090	11,618	17,897
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	4,064
SCR	R0310	17,847
MCR cap	R0320	8,031
MCR floor	R0330	4,462
Combined MCR	R0340	4,462
Absolute floor of the MCR	R0350	4,442
		C0070
Minimum Capital Requirement	R0400	4,462