Solvency & Financial Condition Report

Yara Insurance DAC

Report Dated 31 December 2017

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A. Business Performance: Year Ended 31 December 2017

This Solvency & Financial Condition Report (SFCR) has been prepared to allow Yara Insurance DAC ('YIDAC' or 'the Company') to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ('the Solvency II Directive')

The Company has set a minimum target Solvency Capital Requirement (SCR) cover ratio of 110%.

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland and is a wholly owned subsidiary of Yara International ASA. It is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

Yara International ASA which is the ultimate parent of Yara Insurance DAC, a Norwegian registered group.

Supervisory Authority

The Central Bank of Ireland

Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 381560

Auditor

Mazars, Dublin

Risk Profile

Yara Insurance DAC is licenced to write the following classes of business

- Class 7: Goods In Transit
- Class 8: Fire and Natural Forces
- Class 9: Other Damage to Property
- Class 12: Liability for Ships
- Class 13: General Liability
- Class 16: Miscellaneous Financial Loss

Material Geographical Areas

- EU/EEA (Norway, Netherland, Belgium and Finland)
- Non EU/EEA (Australia, Singapore, Canada and USA)

Significant events in the reporting period

There were no significant events within the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

2017 (all in EUR)					
Gross Premium Written:	**PDBI**	**General Liability**	**Charters Liability**	**Cargo**	**Total**
Risks located in Ireland	-	-	-	-	-
Risks located in other EU countries	13,918,248	622,452	327,807	1,725,970	16,594,477
Risks Located outside EU	3,099,216	278,548	(6,900)	1,558,739	4,929,603
Total	**17,017,464**	**901,000**	**320,907**	**3,284,709**	**21,524,080**

2016 (all in EUR)					
Gross Premium Written:	**PDBI**	**General Liability**	**Charters Liability**	**Cargo**	**Total**
Risks located in Ireland	-	-	-	-	-
Risks located in other EU countries	14,415,513	573,063	372,491	2,259,214	17,620,281
Risks Located outside EU	3,352,791	285,282	84,215	2,283,115	6,005,403
Total	17,768,304	858,345	456,706	4,542,329	23,625,684

2017 (all in EUR)					
Technical Result:	**PDBI**	**General Liability**	**Charters Liability**	**Cargo**	**Total**
Gross Earned Premium	17,017,464	901,000	325,648	3,284,710	21,528,822
Gross incurred claims	(12,790,929)	(652)	(44,822)	(404,436)	(13,240,839)
Change in the gross claims provision	(18,422,001)	(1)	(63,294)	(19,165,936)	(37,651,232)
Gross operating expenses	(751,189)	(152,310)	(68,859)	(168,914)	(1,141,272)
Reinsurance premiums paid	(11,420,194)	26,250	(236,331)	(160,606)	(11,790,881)
Change in the reinsurance unearned premiums	-	-	(5,144)	-	(5,144)
Reinsurance balance	21,101,835	(2,937)	-	18,252,897	39,351,795
Allocated investment return	16,070	3,102	851	307	20,330
Net technical result	**(5,248,944)**	**774,452**	**(91,951)**	**1,638,022**	**(2,928,421)**

2016 (all in EUR)					
Technical Result:	**PDBI**	**General Liability**	**Charters Liability**	**Cargo**	**Total**
Gross Earned Premium	17,768,305	858,345	452,651	4,542,328	23,621,629
Gross incurred claims	(13,740,480)	(6,719,522)	1,535	(445,417)	(20,903,884)
Change in the gross claims provision	5,991,978	7,892,824	-	304,714	14,189,516
Gross operating expenses	(828,986)	(40,046)	(21,119)	(211,924)	(1,102,075)
Reinsurance premiums paid	(15,003,184)	(26,250)	(343,598)	(157,335)	(15,530,367)
Change in the reinsurance unearned premiums	-	-	7,065	-	7,065
Reinsurance balance	(620,086)	(873,304)	-	-	(1,493,390)
Allocated investment return	(767)	(37)	(20)	(196)	(1,020)
Net technical result	**(6,433,220)**	**1,092,010**	**96,514**	**4,032,170**	**(1,212,526)**

A.3 Financial Performance

	2017 EUR	2016 EUR
Gross premiums written	21,524,080	23,625,684
Outward reinsurance premiums	(11,790,881)	(15,530,366)
Net premiums written	**9,733,199**	**8,095,318**
Change in the gross provision for unearned premiums	4,742	(4,055)
Change in the provision for unearned premiums, reinsurer's share	(5,144)	7,065
Change in the provision for unearned premiums, net of reinsurance		
Earned premiums, net of reinsurance	**9,732,797**	**8,098,328**
Allocated investment return transferred from the non-technical accoun0t	20,330	(1,020)
Claims paid, gross and net	(13,240,838)	(13,507,863)
Change in the provision for claims, gross and net	1,700,563	5,300,104
Claims incurred, net of reinsurance	**(11,540,275)**	**(8,207,759)**
Net operating expenses	(1,141,272)	(1,102,075)
Balance on the technical account for general business	**(1,538,071)**	**1,052,978**
Investment Income	20,330	(1,020)
Less: Investment Income Allocated to technical account	(20,330)	1,020
Foreign Exchange (Loss) / Gain	859,280	255,184
(Loss)/Profit on ordinary activities before taxation	**(678,791)**	**1,308,162**
Taxation charge	84,843	(163,520)
(Loss)/Profit on ordinary activities after taxation	**(593,948)**	**1,144,642**

A.4 Investment Performance

Total Investment Income for the financial year ended 31 December 2017 was €20,330.

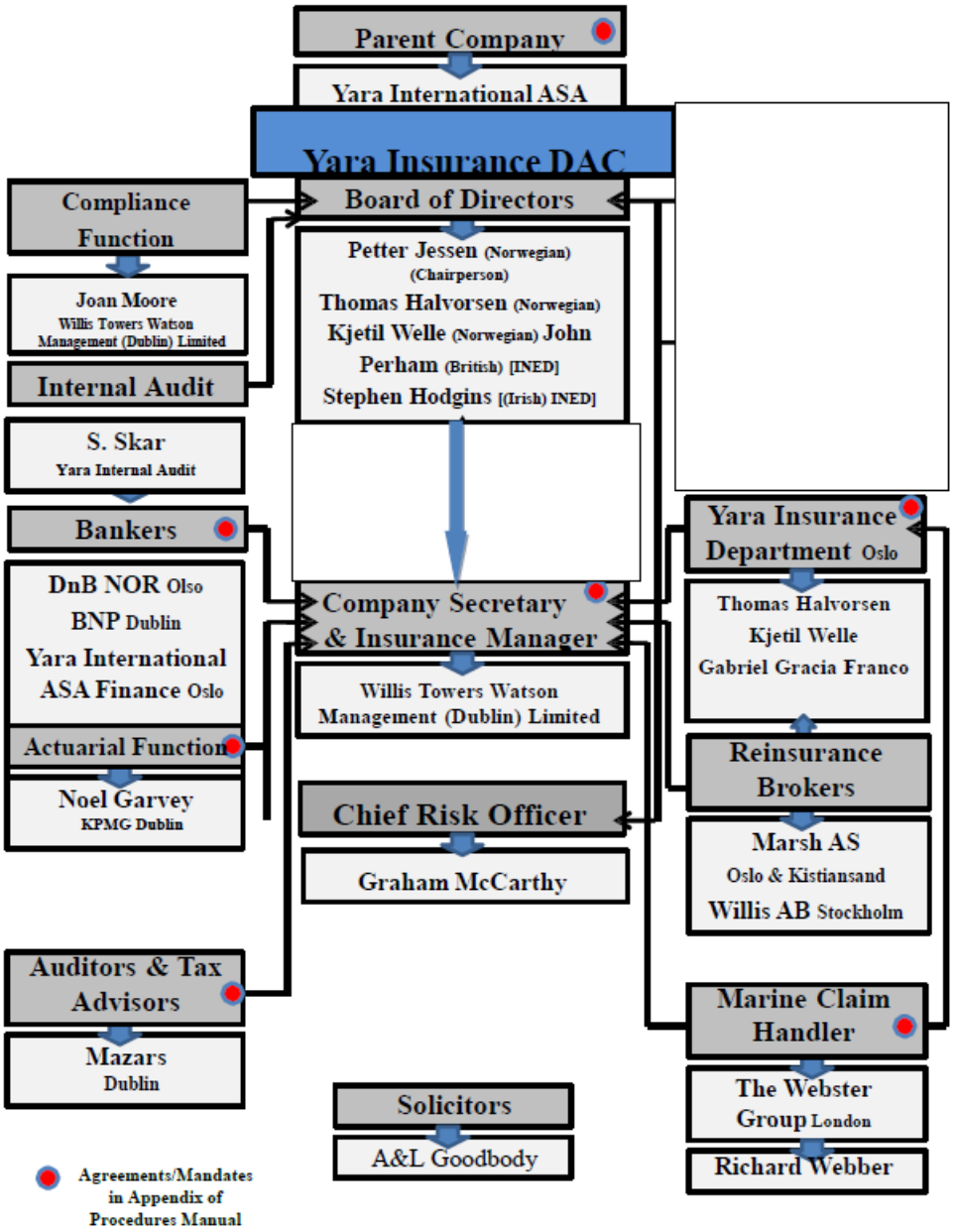
B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:

3. ORGANISATION AND RESPONSIBILITIES

3.1. Organisation and Responsibilities Plan



Board of Directors

The Board of Yara Insurance DAC as at 31st December 2017 comprised as follows:

Name	PCF	Date Appointed by the Board
Petter Jessen	Non-Executive Director and Chairman of Board	1. 06/02/2006 (re-appointed Chairman on 24/11/2016)
Kjetil Welle	Non-Executive Director	1. 29/12/2011
John Perham	Independent Non-Executive Director	1. 04/02/2005
Stephen Hodgins	Independent Non-Executive Director	1. 31/03/2015
Thomas Halvorsen	Non-Executive Director	1. 14/09/2016

None of the above directors have resigned as of year-end date.

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the Company
- Setting the business strategy for the Company
- Establishing Banking Mandate(s)
- Determining Investment Policy (to be reviewed by the Board annually)
- Setting Insurance and Reinsurance Parameters
- Setting Premium Rates

- Loss Reserve Strategy
- Booking the Margin for Uncertainty of the Company
- Security Guidelines for Reinsurers
- Capital and calling-up of capital
- Appointment of Reinsurers
- Appointment of Auditors
- Appointment of Company Secretary
- Appointment of Directors/General Manager/Compliance Officer/Chief Risk Officer
- Appointment of Insurance Managers
- Appointment of Head of Actuarial Function
- Appointment of Investment Manager(s)
- Appointment of Bankers
- Appointment of Lawyers
- Removal of the head of a control function and consequent notification of such decision to CBI within 5 working days
- Dividend Recommendations
- Setting the Risk Appetite of the Company
- Overall Responsibility for the Company's Risk (including material risk and liquidity risk)
- Establishing and maintaining the Company's Internal Control Framework
- Identification and appointment of the Key Functions within the Company
- Own Risk Self-Assessment ("ORSA") approval procedures

- Review of the Company's Policies and Procedures (annually)
- Establishment of various Committees and related delegation of duties
- Sign-off various Committees' Terms of Reference
- Fit and Proper Procedures and approval process
- Review and sign off of Financial Statements and annual regulatory reporting as required by Solvency II – annual Quantitative Reporting Templates, Regular Supervisory Report and Solvency and Financial Condition Report.

Information on Remuneration Policies and Practices

As the Company is a Captive Insurance Company, executive Director positions are held by Group employees and the Company also two independent non-executive Directors. The Company had one employee, a general manager who resigned during the year on 3rd of August 2017.

Overview of Year Ended 31st December 2017

Two Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 4th May 2017
- 13th November 2017

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Kjetil Welle as the designated person, with the overall responsibility for the outsourced functions. Mr. Welle has sufficient knowledge and experience with regard the outsourced key functions and has the ability to challenge the performance and results of the respective service providers. The following key functions are outsourced by the Company:

Risk Management Function.

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited ('WTWMDL'), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board will review the composition of its Risk Management Function at least annually.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Compliance Function.

The Company's Compliance Function is responsible for implementing an appropriate compliance framework within the Company and monitoring the Company's adherence to legal and regulatory requirements on an ongoing basis.

The Compliance Function reports to the Board periodically on all key compliance matters, such as implementation of the annual Compliance Plan, regulatory engagement and correspondence, upstream regulatory developments and any compliance breaches that may have occurred in the period and corrective actions undertaken.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Compliance (PCF12). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Actuarial Function.

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to KPMG.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness & Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48).

The Actuarial Function's role can be summarised as providing the Company with the following:

- Coordinate the calculation of technical provisions

- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions
- Assess the sufficiency and quality of the data used in the calculation of technical provisions
- Compare best estimates against experience
- Inform the Board of the reliability and adequacy of the calculation of technical provisions
- Express an opinion on the overall underwriting policy
- Express an opinion on the adequacy of reinsurance arrangements
- Contribute to the effective implementation of the Risk Management System, in particular with respect to the risk modeling underlying the calculation of the capital requirements

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is a service provided by an employee of Yara Group with the Board of Directors acting as oversight. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function provides a formal report to the Board of Directors at least annually. The findings of Internal Audit reviews conducted are discussed with and challenged by the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13).

B.2 Fit and Proper Requirements

Yara Insurance DAC deems the following personnel to hold Pre Approval Controlled Functions and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards:

- The Board of Directors
- The Chief Risk Officer
- The Head of Internal Audit

- The Head of Actuarial Function
- The Head of Compliance

Fitness:

The members of the Board of the Company collectively possess the required qualification, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company;
- Of the business strategy and business model of the Company;
- Of the Company's system of governance;
- To perform required financial and actuarial analysis in respect of the Company;
- Of the regulatory framework and requirements applicable to the Company; and
- Generally to be able to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must hold the appropriate qualifications, knowledge and sufficient experience in their relevant disciplines, in compliance with the Fitness and Probity Standards ("The Standards").

Probity:

The honesty, financial soundness and reputation of every Relevant Person must be assessed by the Company in order to determine that they are of good repute and integrity, based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location but taking account of any applicable period of limitation in respect of any committed offence.

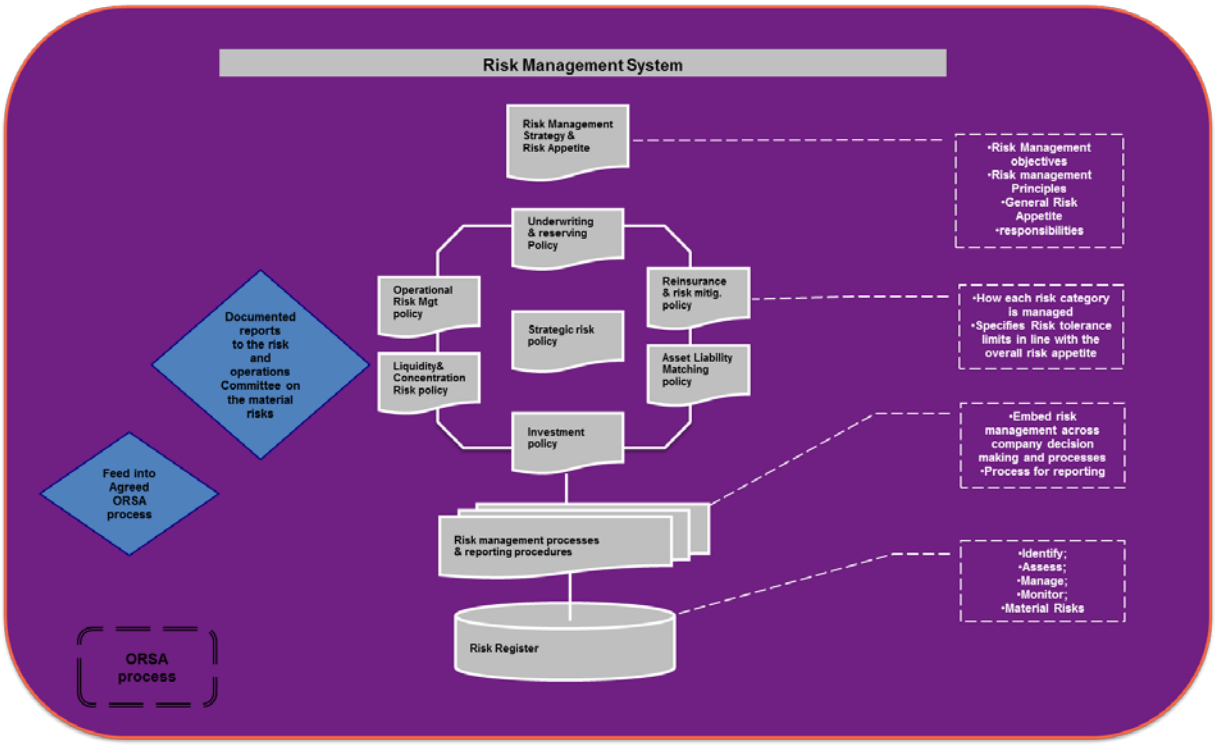
The appointment and continuing engagement of any Relevant Person must comply with the probity elements of the National F&P Standards.

In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

The Company's Risk Management System is comprised of the following elements;

- Risk Appetite Statement (RAS)
- Risk Register
- Formal Policy Documents for all key risks
- Own Risk and Solvency Assessment (ORSA)
- Formalised Risk Reporting



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered in both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risk which the Company faces in the course of its business are appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision making process.

Risk Profile

The Company, in considering its risk profile, has regard to the following factors;

Nature:

The nature of the Company's risk is confined primarily to Group and therefore represents limited systemic risk.

Scale:

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure.

Complexity:

Yara Insurance DAC assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilizes reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

Risk Function

The Risk Function of the Company is responsible for the operational coordination and application of all Risk Management activities throughout the Company on an ongoing basis.

The Risk Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Function is responsible for coordination of all risk management activities throughout the Company.

The function is also responsible for providing the Board with assistance and support in development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Function to Willis Towers Watson Management (Dublin) Limited in accordance with the Company's Outsourcing Policy.

Risk Categories & Key Risks

Key risks are considered to be the six risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board of Directors.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the Risk Appetite Statement.

All key risks are documented in the Risk Appetite Statement and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are;

- Underwriting Risk
- Reinsurance and Other Risk Mitigation Techniques
- Operational Risk
- Investment Risk
- Asset-Liability Management Risk
- Liquidity Risk
- Outsourcing Risk
- Compliance Risk

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least;

- Quarterly
- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business
- At the discretion or order of the Board

Risk Appetite Statement

The Company has in place a Risk Appetite Statement (RAS). The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for setting the Company's RAS. The Board shall periodically review the appropriateness and effectiveness of the RAS and will perform a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS shall be included in the decision making processes of the Company. The Board shall, before finalizing any material decision which could impact the risk profile of the Company, refer to the RAS for guidance as to the likely effect of the decision on the tolerance levels of the Company.

The RAS shall also be used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred.

Monitoring of the actual performance against the metrics identified in the RAS shall be performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the Risk Appetite Matrix.

Risk Policies

The Company shall hold a formal policy for each key risk included in the RAS. The policies for each specific risk should be consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk should be appropriately reflected in the policy for the risk.

The policies for each key risk currently in force and acting as part of the Risk Management system are as outlined in Section 10.

Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register shall initially assess the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company and as detailed in the individual risk policies which act on the risk allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital to accommodate the risk, this risk should be considered a key risk in line with Section 10. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a policy developed.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register. The Risk Register will be updated on at least a quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review shall be distributed to the Board upon completion of the each review as soon as is practicable and form part of the Risk Management Function's periodic Risk Reporting as outlined in Section 15.

As part of each update, the Risk Register shall be reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Function will advise the Board of the nature and context of the risk. The Board then shall determine whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an Own Risk and Solvency Assessment ('ORSA') at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

ORSA - Approach taken:

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following approach provides a summary of the approach to be taken in 2017:

- A Board Meeting was be carried out in on 13th November 2017 to review the Risk Register and Risk Appetite Statement and to approve the new ORSA framework and related items including Stressed scenarios

- Following amendments, the Board approved the ORSA Report at the Board Meeting on the 13th November 2017.

The Board of Directors provided substantial input and detailed discussion in deciding the various aspects of the ORSA.

Own Risk Assessment

The first element of the ORSA process was to ascertain the Company's Own Risk Assessment (ORA). ORA is a method of identifying its material risks in the context of its Risk Profile, Risk Register and Risk Appetite Statement. The following areas for assessment were identified in respect of the Company's material risks:

- The Maximum Value at Risk (VAR) for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.
- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

Risk Reporting

The Risk Management Function will formally report to the Board on a quarterly basis. The report will contain details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report shall contain qualitative and quantitative aspects and shall cover all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are detonated.

The Risk Management Function shall comment on the quality of the data used in the Risk Management System and advise the Board where data quality issues may distort or mislead results.

B.4 Internal Control System

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of Internal Controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal
- policies, procedures and guidelines for each of the critical functions and activities of the Company;

- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;

- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;

- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and

- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The contracted Management Company has procedures manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting

- Claims reserving

- Claims settlement

- Management accounts preparation

- General bank payments

- Bank reconciliations

- Compliance

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

Regular

- Four eye review approach on all renewal activities

- Dual signatories on all payments in line with approved bank mandates

- Reconciliations of all bank accounts on a monthly basis
- Quarterly Financial reporting to Group
- Detailed bi-annual reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board
- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients
- The Company's accounts are audited annually by the external Auditor. No material control issues have been raised to date on the operations of the Company.

B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise achieve on a standalone basis, or where appropriate due to the nature, scale and complexity of the operations of the Company. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage, monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ('SLA'). The SLA's include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers are formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service providers acting in an outsourced capacity, no material deficiencies noted.

C. Risk Profile

The Company operates a low-risk business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows Management, the Risk Function and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable

As its primary insurance activity the company assumes risks relating to Property Damage and Business Interruption (PDBI) coverage relating to the Group's Production Facilities across the world. The company also assumes risks relating to Cargo and Charterers Liability. Additionally the Company accepts inwards reinsurance placements for General Liability. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The insurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of reinsurance.

The Company manages it insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportionate facultative reinsurance to reduce the Company's net exposure.

Ceded reinsurance contains credit risk and reinsurance recoverable that are reported after deductions, if any, for known insolvencies and uncollectible items. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

C.2 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets. The company therefore only invests in line with the Company's Investment Policy which is reviewed on an annual basis by the Board of Directors.

The Company seeks to spread investments across a number of institutions to reduce concentration risk.

The Company and the Board will annually review the amount of funds invested with any one institution and will maintain a minimum of two credit institutions.

The Company has little appetite for counterparty default risk in relation to investments and seek to invest in institutions of the greatest strength and stability.

All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium, which is achieved in a number of ways such as investing in low risk asset classes such as fixed term deposit accounts.

Counterparty Default Risk

The Group utilises reinsurance to manage insurance risk efficiently. The Group is therefore exposed to the failure of these counterparties. The exposure is reduced as the counterparties are diversified and also the credit default risk is managed by ensuring a general minimum credit rating of A or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

The Company's Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when policyholder obligations will and could fall due given the nature and scale of the Company being a Captive Insurer. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

C.5 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and thus is therefore exposed to the potential failure of these outsourcing partners. The Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

C.6 Other Material Risks

The Company considers that there are no other Material Risk to be considered at this time.

D. Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The main difference is due to the recognition of the Deferred Acquisition Costs and the valuation basis on the reinsurance share of TP. On a Solvency II valuation basis all assets and liabilities are held at a market consistent value for expected future cash flows. Therefore, items such as deferred acquisition costs are not included on the balance sheet. Instead the actual expected future cash flows associated with any future acquisition cost payments are included within the technical provision valuation. For the reinsurance share of TP the adjustments for solvency purposes relates to the application of the Solvency II best estimate valuation. The fair value of these combined technical provisions is calculated by discounting estimated future cash-flows (best estimates) based on estimated duration of each provision (payment pattern), using the risk-free interest rate curve. An adjustment for reinsurer default is then applied.

Material Differences in the above used for valuation in Financial Statements

Yara Insurance DAC Assets (EUR)	Financial Statements	SII Valuation Principles
Reinsurance share of TP - non-life excluding health	39,403,746	39,479,232
Deferred Acquistion Costs	8,757	-
Insurance and Intermediaries Receivable	537,096	537,097
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	79,368,768	79,368,768
Any Other Assets, Not Elsewhere Shown	1,447,640	1,447,640
Total assets	120,766,007	120,832,737

Overview of any assets not regularly traded in Financial Markets

The Company has no assets that are not regularly traded in financial markets.

D.2 Technical Provisions

Valuation of Technical Provisions per Line of business

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the balance sheet is required to be valued on a “best estimate” discounted cash flow basis. This leads to differences in claims provision between financial statements and Solvency II. The main difference is as there is 5.1M moved from payables to the technical provisions on the SII balance sheet as this relates to future claims cash flows.

The table below sets out the results of the Technical provision calculations on the financial statements and Solvency II basis.

Yara Insurance DAC Liabilities (EUR)	Financial Statements	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	46,590,877	54,350,336
TP calculated as a whole (Best estimate + Risk margin)	46,590,877	-
Best Estimate	-	52,254,734
Risk Margin	-	2,095,602
Provisions other than technical provisions	9,183,887	9,183,887
Any other liabilities, not elsewhere shown	5,310,887	5,310,887
Total liabilities	61,085,651	63,790,683

The Solvency II Directive regulation requires the inclusion of “run-off” expenses to be incorporated into the Solvency II calculation. This has been added to the net technical provisions for the Company.

The table below sets out the results of the Technical provision calculation on as Solvency II basis by line of business.

Yara Insurance DAC Gross Technical Provisions (EUR) by Line of Business	Total best estimate – gross	Risk Margin	Total Gross Technical Provisions
Marine, aviation and transport insurance	20,184,239	1,485,730	21,669,969
Fire and other damage to property insurance	31,423,130	554,511	31,977,641
General liability insurance	647,365	55,361	702,726

Claims Provision

As at the reporting date, the Company had included the following known losses with open reserves, provision for Incurred but not Reported (IBNR) provisions within its Technical Provisions:

2017 (EUR) *2016 (EUR)*

Notified outstanding claims	43,759,853	6,108,621
Provision for claims incurred but not reported	2,767,465	2,767,465
	46,527,318	8,876,086
Unearned Premium Provision	63,559	68,301
	46,590,877	8,944,387

Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation. The material difference is due to the movement of 5.1M payables to the technical provisions on the SII balance sheet as this relates to future claims cash flows.

Simplification

The Company utilises the standard formula for the calculation of its Solvency Capital Requirement ('SCR'). Simplification method two is used for the standard formula.

Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Settlement period:** Most of the risks being underwritten are short-tailed. We have assumed that risk would run off within 5 years.
- **Discount rate:** Current yields are very low, which means that almost no discounting is applied to the Technical Provisions given the risks underwritten by the Company are short-tailed.
- **Expenses:** The total expenses involved in the operation of the Company are relatively small when compared to other elements in the calculation of the technical provisions.
- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

The above assumptions are consistent with the previous Actuarial Function Report therefore there have been no material changes in technical provisions due to underlying changes in the assumptions.

In relation to the standard formula, the following should also be considered;

1. The Company has not made any volatility adjustment
2. The Company has not used the transitional risk free rate
3. The Company has not made any transitional deductions

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by EUR 39,479,232.

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, dated 19 December 2015, refers to the below key principle:

- That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and risk appetite statement.

It is noted that: "The use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels. The Board were satisfied with the effectiveness of the reinsurance arrangements in place.

It is also noted that, the Yara Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance services is a conscious decision made in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

Matching Adjustments, Volatility Adjustments and Transitional Measures

The Company has no matching adjustments, volatility adjustments or transitional measures as at the reporting period.

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Initial measurement

All financial liabilities are initially measured at transaction price.

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under FRS financial statements and Solvency II valuation.

LIABILITIES	EUR
Provisions other than technical provisions	9,183,887
Creditors arising out of insurance operations	5,310,887
Other creditors including taxation and social security	-
Total	**14,494,774**

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

E. Capital Management

E.1 Own Funds

The Company has the following components of own funds: Tier 1 basic own funds; ordinary share capital, and retained earnings and Tier 3, deferred tax asset.

The Company's ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The difference between the Company's equity as shown in its audited financial statements and the excess of assets over liabilities as calculated for solvency purposes is:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements
- deferred tax adjustment in relation to the above differences

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability. The Minimum Capital Requirement ('MCR') and SCR were calculated using the standard formula.

Please see below Own Funds Tiering Table

	Tier 1 €'000	Tier 2 €'000	Tier 3 €'000	Total €'000
January 1, 2017	57,027	-	330	57,357
Movement during the year	15	-	(330)	-
December 31, 2017	**57,042**	**-**	**-**	**57,042**
Eligible amount to cover SCR	57,042			
Eligible amount to cover MCR	57,042			

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 110% of the Pillar 1 solvency capital requirement. On an annual basis, and having regard to the results of stress tests applied to projections over the three year planning period, the Board will consider whether a dividend should be paid to remit any surplus capital above this target or if an intercompany loan should be incepted.

At the reporting date, no dividends have been declared or paid to Group and no intercompany Loans have been effected.

Solvency Capital Position

The table below sets out the Company's pillar 1 capital position as at 31 December 2017:

Assets (EUR)	Financial Statements	SII Valuation Principles
Total	119,932,836	120,832,736

Liabilities (EUR)	Financial Statements	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	50,812,133	54,350,336
TP calculated as a whole (Best estimate + Risk margin)	46,590,877	
Best Estimate		52,254,733
Risk Margin		2,095,602
Provisions other than technical provisions	9,183,889	9,183,889
Deferred Tax Liabilities	-	-
Other Liabilities	5,310,887	256,458
Total liabilities	61,085,651	63,790,683
Assets less Liabilities	59,680,356	57,042,053

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	38,727,801	57,042,053	147%	25.0%
MCR	9,681,950	57,042,053	589%	

E.2 SCR & MCR

The Company has achieved SCR coverage of 147.3% and MCR coverage of 589.2% as at 31 December 2017. Summary of the SCR split by risk modules below;

	December 31,2017 €'000
Market Risk	1,643
Counterparty Risk	17,787
Health Underwriting Risk	-
Non-Life Underwriting Risk	26,819
Diversification Benefit	(6,854)
Basic SCR	39,395
Operational Risk	1,568
LACDT Adjustment	(2,235)
SCR	38,728

The following table provides the information on the inputs used to calculate the MCR;

	December 31, 2017 €'000
Linear MCR	2,300
SCR	38,728
Combined MCR	9,682
Minimum Capital Requirement	9,682

The Board regularly meet and review the capital position of the Company and considered the optimum use of the capital in line with the Risk Appetite Statement, Investment Policy and regulations.

A planning period of three years was considered appropriate.

The Company has the following components of own funds: Tier 1 basic own funds; ordinary share capital, and retained earnings and Tier 3, deferred tax asset. The composition of tiers at year end is outlined below;

Composition	Available capital	Eligible capital for SCR
Tier 1 unrestricted	57,042,053	57,042,053
Tier 1 restricted	0	0
Tier 2 basic	0	0
Tier 2 ancillary	0	0
Tier 3	0	0
Tier 3 ancillary	0	0

There have been no significant changes in each of the tiers over the reporting period.

E.3 Use of duration based equity risk Sub module in SCR calculation

The Company does not hold any liabilities that require this approach, therefore this is not applicable for the Company.

E.4 Non Compliance with MCR and SCR during the period

The Company was compliant at all times with the MCR and SCR requirements during the reporting period.

Yara Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 December

2017

(Monetary amounts in EUR thousands)

General information

Undertaking name	Yara Insurance DAC
Undertaking identification code	635400MTCFVFYZVZBA56
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2017
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

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

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

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

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

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	39,479
R0280	*Non-life and health similar to non-life*	39,479
R0290	*Non-life excluding health*	39,479
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	537
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	79,369
R0420	Any other assets, not elsewhere shown	1,448
R0500	**Total assets**	120,833

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	54,350
R0520	*Technical provisions - non-life (excluding health)*	54,350
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	52,255
R0550	*Risk margin*	2,096
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	9,184
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	256
R0900	**Total liabilities**	63,791
R1000	**Excess of assets over liabilities**	57,042

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		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
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						3,456	16,964										20,420
R0120	Gross - Proportional reinsurance accepted						149	68	901									1,119
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share						397	9,500	-26									9,871
R0200	Net						3,209	7,532	927									11,668
	Premiums earned																	
R0210	Gross - Direct Business						3,461	16,964										20,425
R0220	Gross - Proportional reinsurance accepted						149	68	901									1,119
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share						402	9,500	-26									9,876
R0300	Net						3,208	7,532	927									11,668
	Claims incurred																	
R0310	Gross - Direct Business						19,678	36,267	1									55,946
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share						18,253	26,156	-3									44,406
R0400	Net						1,426	10,111	4									11,540
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net						0	0	0									0
R0550	**Expenses incurred**						191	902	48									1,141
R1200	**Other expenses**																	
R1300	**Total expenses**																	1,141

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			NO	DE	BE	FI	AU	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		8,081	1,545	1,595	1,371	1,307	13,898
R0120	Gross - Proportional reinsurance accepted		336	83			35	454
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share		687	477	473	480	470	2,587
R0200	Net	0	7,730	1,151	1,121	892	872	11,766
	Premiums earned							
R0210	Gross - Direct Business		8,080	1,545	1,595	1,371	1,307	13,898
R0220	Gross - Proportional reinsurance accepted		336	83			35	454
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share		681	477	491	480	470	2,598
R0300	Net	0	7,736	1,151	1,103	892	872	11,754
	Claims incurred							
R0310	Gross - Direct Business		29,062	4,821	-728	-369	-421	32,365
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share		44,409					44,409
R0400	Net	0	-15,347	4,821	-728	-369	-421	-12,044
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	185	33	26	28	25	30	328
R1200	**Other expenses**							
R1300	**Total expenses**							328

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross						52	0	0									52
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						39	0	0									39
R0150	**Net Best Estimate of Premium Provisions**						12	0	0									12
	Claims provisions																	
R0160	Gross						20,132	31,423	647									52,203
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						18,300	21,140	0									39,440
R0250	**Net Best Estimate of Claims Provisions**						1,832	10,283	647									12,763
R0260	**Total best estimate - gross**						20,184	31,423	647									52,255
R0270	**Total best estimate - net**						1,845	10,283	647									12,776
R0280	**Risk margin**						1,486	555	55									2,096
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**						21,670	31,978	703									54,350
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**						18,340	21,140	0									39,479
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**						3,330	10,838	703									14,871

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Underwriting Year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	2008	676	8,188	508	0	0	0	0	0	0	0		0	9,372
R0170	2009	8,359	92,497	10,676	10	0	7	534	0	0			0	112,084
R0180	2010	1,215	1,811	0	0	0	0	0	0				0	3,026
R0190	2011	1,003	6,714	832	-25	0	0	0					0	8,524
R0200	2012	3,258	15,653	1,677	885	69	170						170	21,712
R0210	2013	896	10,268	1,112	6,767	0							0	19,043
R0220	2014	8,717	10,726	91	0								0	19,534
R0230	2015	1,442	11,391	4									4	12,837
R0240	2016	3,253	4,060										4,060	7,313
R0250	2017	9,203											9,203	9,203
R0260												Total	13,437	222,646

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2008	0	0	0	0	0	0	0	0	0	0		0
R0170	2009	0	0	0	0	0	0	0	0	0			0
R0180	2010	0	0	0	0	0	0	0	0				0
R0190	2011	0	0	0	0	0	0	0					0
R0200	2012	0	0	0	0	21	0						0
R0210	2013	0	0	0	19	3							3
R0220	2014	0	0	60	5								5
R0230	2015	0	472	12									12
R0240	2016	8,783	3,212										3,218
R0250	2017	48,925											48,966
R0260												Total	52,203

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Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	1,000	1,000		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	56,042	56,042			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	57,042	57,042	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	57,042	57,042	0	0	0
R0510	Total available own funds to meet the MCR	57,042	57,042	0	0	
R0540	Total eligible own funds to meet the SCR	57,042	57,042	0	0	0
R0550	Total eligible own funds to meet the MCR	57,042	57,042	0	0	
R0580	**SCR**	38,728				
R0600	**MCR**	9,682				
R0620	**Ratio of Eligible own funds to SCR**	147.29%				
R0640	**Ratio of Eligible own funds to MCR**	589.16%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	57,042				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	1,000				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	56,042				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business					
R0790	**Total Expected profits included in future premiums (EPIFP)**	0				

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,643		0
R0020	Counterparty default risk	17,787		
R0030	Life underwriting risk	0		0
R0040	Health underwriting risk	0		0
R0050	Non-life underwriting risk	26,819		0
R0060	Diversification	-6,853		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	39,395		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	1,568
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-2,235
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	38,728
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	38,728
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	2,300

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	1,845	3,042
R0080	Fire and other damage to property insurance and proportional reinsurance	10,283	7,100
R0090	General liability insurance and proportional reinsurance	647	901
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	2,300
R0310	SCR	38,728
R0320	MCR cap	17,428
R0330	MCR floor	9,682
R0340	Combined MCR	9,682
R0350	Absolute floor of the MCR	3,700
R0400	**Minimum Capital Requirement**	9,682