

Canterbury Insurance Designated Activity Company

Undertaking Identification Code: LEI/549300MJZ4EHFH61YM19

Solvency and Financial Condition Report

For the year ended 31 December 2018

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Section A Business and Performance

A.1 Business and Performance Summary

Introduction

Solvency II, the harmonised EU-wide regulatory regime for Insurance Companies, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by insurers. This document is the Solvency and Financial Condition Report (“SFCR”) that is required to be published by Canterbury Insurance Designated Activity Company (“the Company”).

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. Ultimate responsibility for all of these matters lies with 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 United States Dollars (US\$). There have been no material changes to Canterbury’s business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

Legal Name, Legal Form & Related Companies

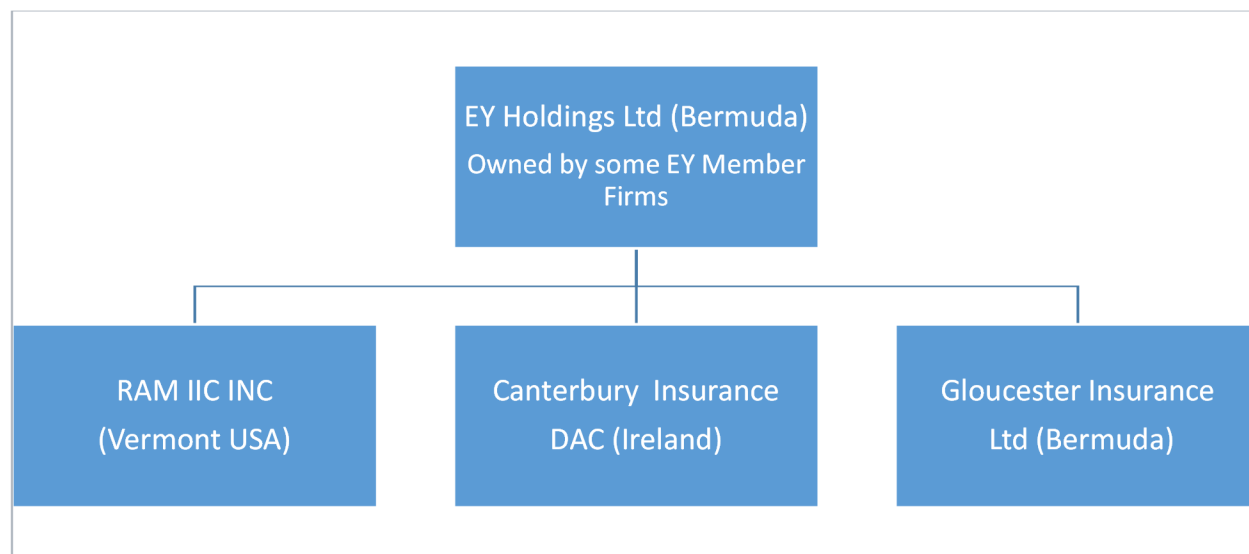
Canterbury Insurance Designated Activity Company was incorporated under the laws of Ireland on 30 April 1996. All shares are held by the Company’s parent EY Holdings, Ltd. (the “Parent”), a Bermuda entity owned by several members of Ernst & Young Global Limited. The Company is affiliated with RAM IIC, Inc. (“RAM”) and Gloucester Insurance Ltd. (“Gloucester”), both of which are captive insurers with all shares fully held by EY Holdings, Ltd. RAM is in the process of being liquidated.

Principal Activity & Geographical Area

The principal activity of the Company is to provide Professional Indemnity Insurance and Property and Casualty (P&C) to members of Ernst & Young Global Limited (EY member firms). The Company writes

direct business primarily to firms within member nations of the European Union. The Company cedes a portion of risk to Gloucester and to a number of commercial reinsurers.

Organizational structure (note that RAM is in process of being liquidated)



Significant Events within the reporting period

None.

Business Strategy, Competitive Position, and Significant Regulatory & Legal Issues

The business strategy of the Company is to provide EY member firms with insurance protection that leverages the insurance expertise and capital of the EY organisation to provide such cover on better terms than the member firms could obtain on a local basis from commercial carriers.

The Company operates in a regulated industry but does not face extraordinary significant regulatory and legal challenges.

Location of Business

The Company's registered office and main place of business is situated at:

Block 1
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Regulator

The Central Bank of Ireland ("CBI") is responsible for the financial supervision of the Company and of the Group.

The address of the CBI is:

Central Bank of Ireland
PO Box 559
New Wapping Street
North Wall Quay
Dublin 1
Ireland

General insurance queries for the CBI should be addressed to insurance@centralbank.ie

External Auditor

The address of the independent auditor of the Company is:

EisnerAmper Audit Limited
Chartered Accountants and Statutory Audit Firm
6 The Courtyard Building
Carmanhall Road, Sandyford
Dublin 18
Ireland

A.2 Financial Performance

The financial performance of the Company for the year ended 31 December 2018 and 2017 (as determined using IFRS accounting principles) was as follows:

	2018	2017
	US\$ 000	US\$ 000
Profit for the year, after taxation	734	17,738
Retained profit at the beginning of the year	56,126	38,388
<u>Retained profit at the end of the year</u>	56,860	56,126

The Company has an expected loss plus cost underwriting pricing model. While some volatility in underwriting results is anticipated (constrained by the intra-group and commercial reinsurance programmes), over the medium term premiums are expected to match losses incurred and operating expenses – net income is expected to consist of the return on the conservatively-managed investment portfolio less tax.

The Company made a small profit in 2018. Net premiums increased in 2018, but there was a -decrease in investment income and an increase in net claims compared to 2017.

The directors are satisfied with the performance of the Company during the year. The directors do not envisage any change in the principal activity of the Company.

Underwriting Performance

Key Performance Indicator

The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time. Underwriting performance for the year ended 31 December 2018 and 2017 was as follows:

	2018	2017
	US\$ 000	US\$ 000
Net earned premium for the year	10,767	10,513
Net losses incurred for the year	3,922	(2,349)
<u>Loss ratio expressed as a percentage</u>	36%	(22%)

The claims experience in the 2018 financial year has been better than expected due to lower anticipated losses on older claims years.

Underwriting performance for the year ended 31 December 2018 by line of business was as follows:

	Professional Indemnity Insurance	Property & Casualty
	US\$ 000	US\$000
Net earned premium for the year	10,525	242
Net losses incurred for the year	3,923	(1)
<u>Loss ratio expressed as a percentage</u>	37%	(0.4%)

The underwriting performance for the year ended 31 December 2017 by line of business was as follows:

	Professional Indemnity Insurance	Property & Casualty
	US\$ 000	US\$000
Net earned premium for the year	10,362	115
Net losses incurred for the year	(2,357)	8
<u>Loss ratio expressed as a percentage</u>	(23%)	5%

The Directors are satisfied with the underwriting performance of the Company during the year which was within expected parameters. The underwriting results have been stress tested as part of the ORSA process.

A.3 Investment Performance

Key Performance Indicator

The Company follows a capital preservation investment strategy.

Investment (loss)/income for the year ended 31 December 2018 and 2017 shows that there have been losses during the year which are a result of increasing market yields leading to a reduction in the market value of the bonds held by Canterbury):

	2018	2017
	US\$ 000	US\$ 000
Net realized gains (losses)	3,222	(3,217)
Fair value gains and foreign exchange	(7,787)	12,433
Interest income	1,508	1,219
<u>Investment (loss)/income for the year</u>	(3,057)	10,435

Investment (loss)/income for the year ended 31 December 2018 and 2017 by asset class was as follows:

	2018	2017
	US\$ 000	US\$ 000
Sovereign Debt	2,265	1,115
Emerging Market Debt	(1,756)	3,276
Equities	(1,038)	2,149
Corporate Debt	(1,377)	3,609
Other	(1,151)	286
<u>Investment (loss)/income for the year</u>	(3,057)	10,435

No unrealized gains or losses were recognized directly in equity.

The Directors are accepting of the investment performance of the Company during the year recognizing that occasional losses will result over a longer performance cycle. The current year performance is within expected parameters, benchmarks and investment risk tolerances established by the Board.

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval.

Canterbury invests in some commingled fund vehicles that can hold securitised assets, but this is not the core strategy for these funds. It is expected that Canterbury's total exposure to securitised assets via fund ownership would be low.

Transactions with the Sole Shareholder

There were no material transactions with the sole shareholder (EY Holdings, Ltd.) during the period under review.

A.4 Other Activities

There were no other material sources of income during the year.

Section B System of Governance

B.1 General Information on the System of Governance

The Canterbury Board retains primary responsibility for corporate governance within the Company at all times. The Company has robust governance arrangements and processes to identify manage, monitor and report on risk to which it might be exposed. The systems of governance are subject to regular review.

Board of Directors

The Board is responsible for the effective, prudent and ethical oversight of the Company, setting the business strategy and ensuring that risk and compliance are properly managed in the Company. The Board has established risk and investment sub-committees and the Board is responsible for the oversight of these sub-committees. The Board believes the current the system of governance is adequate to manage the risks inherent to the Company's business.

The members of the Board of Directors receive no remuneration for their services as directors to the Company.

Board of Directors

Dargan FitzGerald	Chairperson & non-executive director
Lisa Cameron	Non-executive director
Alisdair Mann	Non-executive director (appointed 1 July 2017)
Gareth Harman	Non-executive director
Rob Scullion	Executive director
Aidan Walsh	Non-executive director

Officers

Rob Scullion	Chief Executive Officer and Head of Risk
Fionnuala Fahy	Chief Operating Officer
Fionnuala Fahy	Company Secretary

Control Function Positions

Captive Manager	Aon Insurance Managers Limited (Ireland)
Claims Manager	Lucy Myres
Head of Compliance	Aon Insurance Managers Limited (Ireland) Employee

Head of Internal Audit	Gareth Harman
Head of Actuarial Function	Alex Lee

Investment Committee

Rob Scullion
Alisdair Mann (appointed 1 July 2017)
Gregory Davies

Risk Committee

Lisa Cameron
Fionnuala Fahy
Pamela Roye
Lucy Myres
Rob Scullion

Roles & Responsibilities of the Risk Committee

The Risk Committee assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems
- The implementation of the Company's risk strategy and maintenance thereof
- The oversight of Solvency II developments
- The timely reporting of material deviations from defined risk appetite
- Monitoring the effectiveness, independence and objectivity of the ERM framework

Roles & Responsibilities of the Audit Committee

The Canterbury Board performs the Audit Committee role and ensures:

- The integrity of the Company's financial statements
- The effectiveness of the Company's internal controls
- The effectiveness of the Company's Internal Audit function
- Monitoring the effectiveness, independence and objectivity of the external auditor.

Roles & Responsibilities of the Investment Committee

The Company's Investment Committee assists the Board in discharging responsibility for the prudent management of the Company's investment portfolio.

Control Functions

Roles & Responsibilities of the Chief Operations Officer (CEO)

The CEO is the top executive responsible for the Company, with ultimate responsibility for the Company's operations, compliance and performance.

Roles & Responsibilities of the Chief Operations Officer (COO)

The Chief Operations Officer is the sole employee of Canterbury and oversees the day to day activities of the Company.

Roles & Responsibilities of the Head of the Actuarial Function (HoAF)

The Head of Actuarial Function is responsible for the oversight of the Company's Actuarial Function in line with guidance from the CBI and professional actuarial standards.

The responsibilities of the Head of Actuarial Function include:

- Coordinating the calculation of the Company's technical provisions
- Assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- Reporting on the solvency position of the Company
- The provision of advice and support to the Company on the ORSA (Own Risk and Solvency Assessment) process, including the financial consequences of stresses and scenarios and the impact of management actions

Roles & Responsibilities of the Head of Internal Audit

The Head of Internal Audit assesses the adequacy of the governance, risk management and internal control framework. Internal Audits are conducted within a Board approved audit plan. The Head of Internal Audit reports to the Board.

Internal Audit Reports highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them. In addition to its regular reporting, the Internal Audit Department reports to the Audit Committee.

Roles & Responsibilities of the Head of Risk

The Head of Risk is responsible for the implementation of the Company's Risk Management Policy, reporting to the Board's Risk Committee and the Board.

The responsibilities of the Head of Risk include:

- Oversight the Company's Enterprise Risk Management framework
- Identify risk events and identification of new and emerging risks

- To ensure that the annual 'Own Risk and Solvency Assessment' (ORSA) is prepared and submitted to the Board Risk Committee and Board

Roles & Responsibilities of the Head of Compliance

The Head of Compliance was appointed, via a formal outsourcing arrangement with Aon Insurance Managers Limited (Ireland), with responsibility for the implementation of the Company's Compliance Policy and effective processes. The Head of Compliance reports to the Board. The responsibilities of the Head of Compliance include:

- To report on significant instances of non-compliance to the Board
- To monitor Compliance within the Company and its service providers, making recommendations where change is required, and to maintain the Company's Breach Register
- To monitor regulatory change and to inform the Company and its service providers where such changes have implications for the Company's processes

B.2 Fit & Proper Requirements

The Company has adopted a Fitness and Probity Policy, which sets out the due diligence checks that must be performed and which aligns with the Central Bank of Ireland's Guidance on Fitness and Probity Standards.

The following criteria must be satisfied:

- possesses the necessary skills, knowledge, expertise, diligence, relevant qualification and soundness of judgment to undertake and fulfill the particular duties and responsibilities of the particular position
- has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously in their professional career
- possesses the competence, character, diligence, honesty, integrity and judgment to perform properly their duties
- the person does not have a conflict of interest in performing the duties or recuses themselves if a conflict arises
- has not been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding the person's honesty, integrity, or business conduct
- has not been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management
- has sufficient time to devote to the role and associated responsibilities
- financially sound

B.3 Risk Management System & ORSA

The Company has established a Risk Committee which reports to the Board. The Company's principal risk management tools are the ORSA, Risk Register and Risk Appetite Statement. The ORSA is updated and approved annually (or more frequently if an ORSA is required due to significant changes in the Company's risk environment) by the Board. Through the processes undertaken to prepare the ORSA, management is able to confirm that the Company's risk profile is understood and appropriate for the nature of its business and within the risk appetite established by the Board. The Company's regulatory capital requirements and technical provisions during the historical period covered by the ORSA have continuously been met, and its capital and solvency positions as of 31 December 2018 were appropriate.

The main objectives of the ORSA are as follows:

- Assessment of the Company's risk profile in the short and medium term
- Review the overall solvency position of the Company, in compliance with regulatory capital requirements and technical provisions
- Enable the integration of risk strategy into the operating business and into the decision making process
- Enhance a common risk understanding within the company's system of governance
- Facilitate a comprehensive ORSA process that is flexible, reactive and able to detect and evaluate changes to the Company's risk profile and the system of governance on an on-going process.
- Enable own risk and solvency assessment
- Support the Company making appropriate forward looking assessments and analysis
- Enhance understanding of industry wide risks
- Ensure adequate documentation is in place to record these processes in an effective and efficient manner

Updating the ORSA involves an iterative process involving:

- Management and Board input
- A discussion of insurance industry risk with EY insurance partners
- A discussion of both organisational and captive risk by the Risk Committee
- A review and updating of the Risk Register
- A review by Internal Audit
- A review of the ORSA by the Board
- A review of the Company's risk tolerance by the Board

In addition, capital scenarios created through various modeling and benchmarking exercises were reviewed and discussed at the Company's Summer Strategy Meeting.

The principal risks and uncertainties that the Company face 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 judgement is involved, the directors adopt a prudent approach to the provision and valuation of adequate insurance provisions, with annual support and certification being provided by an external actuary.

B.4 Internal Control System

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board or Committee.

Governance Process and Control Framework Review

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board, or Committee.

Risk Committee

The Risk Committee supports the Head of Risk in performing his responsibilities of identifying risks to the Board and ensuring that mitigation strategies and techniques are created with respect to those risks and previously-identified mitigation techniques and strategies are examined for their effectiveness.

Tax review

An annual tax review is conducted and a transfer pricing report is prepared periodically.

Compliance Function

The Compliance function identifies, assesses, monitors, and reports on the fulfillment by the Company of its legal and regulatory performance as well as such other obligations or responsibilities as requested by the regulator and other relevant parties. The Compliance function maintains a Compliance Plan that identifies its annual compliance activities and which is updated annually.

B.5 Internal Audit Function

The nature of the work of Internal Audit is to support the Board in their assessment of whether the risk management, control, and governance processes are adequate and functioning in an appropriate manner. The Internal Audit function is outsourced to EY Bermuda and is independent of the management of the

Company. A three year rolling Internal Audit plan is based upon the risks outlined in the risk register and input from Internal Audit and the Boards.

B.6 The Actuarial Function

The Actuarial services to support the Company are outsourced to Aon. In addition, EY Bermuda provides support with the preparation of Solvency II calculations, while the role of Head of Actuarial Function is held by Alex Lee, an employee of Ernst & Young LLP (UK). Collectively, they provide assistance to management as follows:

- The calculation of expected losses (used for premium setting), losses reserves, and the technical provisions including assessing the uncertainty in the estimates and justifying the differences between successive periods
- Review of the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience
- The Actuarial function must produce an annual report for the Board. The report should cover all of the information necessary for the Board to form its own opinion on the adequacy of technical provisions and on the underwriting and reinsurance arrangements
- In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the Head of Actuarial contributes to the effective implementation of the risk management system of the Company. In particular:
 - In relation to the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR), the Head of Actuarial reviews the output of the model used by the Company to calculate the SCR and MCR. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised.
 - The preparation of the ORSA including the stress testing of the capital model

B.7 Outsourcing

The Company outsources various functions when there is a sound commercial basis for doing so. As detailed in the Outsourcing Policy, various due diligence reviews are conducted to ensure that outsourced functions are performed appropriately.

The Company defines Outsourcing as an arrangement of any form between itself and a third party service provider, whether a supervised entity or not and whether related or not, by which that service provider performs a process, a service, or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

The Company's outsourcing policy establishes the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important functions and activities. A function or activity is considered to be critical or important if the Company would be unable to deliver its services to policyholders without the function or activity.

The Board is responsible for the approval of all outsourcing arrangements of critical or important functions or activities, and any early termination of such agreements where termination of the arrangement is due to performance issues or breach of contract. The Board is also responsible for assessing the risks

associated with the outsourcing of critical or important functions or activities. The Board is responsible for ensuring appropriate notification is made to the supervisory authorities with respect to the outsourcing of critical or important functions or activities, and thereafter where there are material developments or changes with respect to those outsourced functions or activities, including in relation to the service provider.

Management provides an annual report to the Board of its review of the performance of the outsource provider and compare against the required performance as prescribed in the agreed service agreement.

Critical or Important Functions or Activities (“CIFA”)

Actuarial Function	Aon (US) & EY (UK)
Claims Management	EY Professional Services Limited (Canada)
Compliance	Aon Insurance Managers Limited (Ireland) and EY PII Services Limited (Canada)
Financial Accounting	Gloucester Insurance Limited (Bermuda)
Independence	Gloucester Insurance Limited (Bermuda)
Internal Audit	EY (Bermuda)
IT Services	EY Global Services (UK)

B.8 Any Other Information & Adequacy of the System of Governance

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.

Material Internal Audit Findings & Recommendations

There were no material internal audit findings and recommendations in the year.

Prudent Person Principle

The Company and Directors comply with the Prudent Person Principal in all aspects of management of the business.

Use of External Credit Assessment

The Company utilizes external credit assessments (rating agency financial strength ratings) of its reinsurance counterparties augmented with guidance from its Risk Committee and advisors. The Company requires its commercial reinsurers to have a minimum of an A- rating and the Directors are satisfied with the appropriateness of such assessments.

C. Risk Profile

C.1 Underwriting Risk – including Claims Management

The Company seeks to mitigate underwriting risk by only writing cover to EY member firms, maintaining a stop loss program with Gloucester, buying commercial reinsurance, and Gloucester's obligation to protect the Company against failures by its reinsurers.

With respect to the premium charged for the risk it underwrites, the Board operates on a prudent basis. In terms of premium, the Board monitors the process for the determination of the premium for the PII program to be charged to member firms. Changes to that program cannot take place without the approval of the Board. The Board satisfies itself that the determination of premium is based upon a determination by an independent actuary of the expected losses of the member firms and that the allocation of that amount amongst member firms is based upon a prudent risk based methodology overseen, again, by an independent third party. The Board reviews and approves the pricing of the P&C program generally by reference to similar cover offered in the commercial markets which is more readily comparable.

With respect to claims management, the Company has a low tolerance for claims not being managed in an appropriate fashion. The Company delegates claims management authority to Gloucester who in turn delegates responsibility to EY PII Services Limited. Management of claims as well as strategic decisions is overseen by the Claims Committee (a sub-committee of the Gloucester board). Settlement payments are approved in accordance with a Claims Manual. Significant settlement and payment decisions are also considered by the Board.

C.2 Market Risk

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval. Canterbury's Investment Policy expresses the company's risk appetite as follows "Limit downside or asset declines due to investment losses to 5% of assets in two out of every three years."

C.3 Credit Risk

The Company's risk appetite with respect to counterparty/supplier risk is moderate given that is part of a captive group insuring long-tail business for a multi-billion dollar organization and holds collateral to eliminate credit risk exposure to its principal counterparty. The Company is prepared to accept some risk associated with a supplier providing services which are material or significant to the enterprise; supplier risk in such a case is to be identified and to the extent possible, mitigated. It also has a greater willingness to rely upon one primary reinsurer - Gloucester - than might otherwise be the case, both because of the captive nature of the business, but as well because of the familiarity that the Company's Board has with the operations and management of Gloucester. Having said that, the Company regularly reviews the Gloucester financial statements as well as their critical decisions, to continuously monitor its comfort with Gloucester as counterparty. The Company carries out an annual review of all outsourced services deemed by the Board to be critical and/or important.

With respect to commercial reinsurers, all reinsurers must have at least an A- rating, as described in the Reinsurance Policy.

All reinsurance decisions are approved by the Board.

C.4 Liquidity Risk

In conjunction with its conservative investment strategy, the Company manages its liquidity on a prudent basis.

The Directors will assess on a periodic basis (no less than annually) the desirability of matching assets with liabilities given the then-current economic circumstances, portfolio of risk written, claims portfolio, and the financial circumstances of the Company. This assessment will be made in the context of the Company's general time period associated with the book of liabilities funded with a conservatively-managed investment strategy founded on capital preservation.

The Board, though, has a low risk appetite for not being able to pay claims as they fall due. A liquidity assessment of the Company's portfolio strategy (the balance of short and longer-term assets) is prepared at least annually to ensure that a sufficiently large portion of the portfolio is held in assets that can be readily sold.

C.5 Operational Risk

The Board reviews the Company's operational risk annually to determine the risk appetite of the Company and in addition review whether decisions taken over the previous year were consistent with risk appetite as identified by the Board. A detailed review of the Company's risk register and risk appetite is contained in the ORSA.

The Board takes a broad view in relation to operational risk and considers it to include all risks that could have a material impact on the day to day infrastructural activities undertaken by management including privacy, succession planning and integrity of information platforms.

To manage and monitor risk, the widely known three lines of defence conceptual model is applied: Management is directed to deploy and apply suitable processes and controls; the Head of Risk is charged with a number of monitoring and oversight activities; and internal and external audit provide independent challenge and review.

- The first line of defence uses controls over day-to-day activities embedded in operations
- The second line of defence are committees and functions which provide oversight over the first line controls
- The third line of defence is the oversight provided by internal audit

While the Board is ultimately responsible for ensuring that controls and risk appetite have been followed, it is the responsibility of the Company's management and the individuals involved in the various control area to ensure that controls are being followed and to bring issues relating to the operation of controls to the most appropriate of management, the Board, or internal audit's attention.

C.6 Other Material Risks – Including Concentration Risk

Due to the nature of the business of the Company (i.e. the writing of EY risk) and the number of employees of the Company, the Company has several "concentration" risks. Given the nature of these risks, the

Company identifies concentration concerns within its risk categories rather than as a standalone risk so concentration risk is embedded in the underwriting risk taken on by the Company as it only provides insurance covers to the EY organization. Concentration risk also arises within the counterparty/supplier risk as the Company utilizes suppliers to provide material services to the Company.

Off-Balance Sheet Positions & Special Purpose Vehicles

There are no off-balance sheet positions or special purpose vehicles.

Stress Testing & Scenario Testing

As described in the Company's ORSA, the Company stress tests its underwriting and investment portfolio on an annual basis. The Directors are satisfied that the Company's Own Funds are sufficient to withstand the stresses modelled.

Expected Profits in Future Premiums ("EPIFP")

Future premium expected from earned and unearned exposures is included in technical provisions. This results in a decrease in the technical provision amounts, by the amount of premium expected to be received. This item is allowed for as an asset on the balance sheet under IFRS (i.e., the premium receivables) and so there is no change in the net asset position.

Dependencies between risks covered by Risk Modules and the Basic SCR

The calculation of the SCR is based on the standard formula. This includes consideration of dependency both within each risk type (non-life underwriting risk, market risk, counterparty risk and operational risk) and between each of these risk types. This allows for some potential for adverse events impact different factors to which Canterbury is exposed, but also not assuming that every adverse shock modelled within the standard formula occurs simultaneously.

Other material information regarding the Risk Profile

None.

D. Valuation for Solvency Purposes

The Solvency II Standard Formula is used for calculating the Canterbury's capital requirements. The standard formula under Solvency II attempts to cover the key risks for an insurance company and includes amounts for underwriting risk, reserve risk, exposure to catastrophes (i.e. very large individual claims), counterparty default risk, market risk and operational risk.

The calibration of the model is intended to cover a variety of different types of insurers but it should be recognized that it is unlikely to be a "perfect fit" for every insurer. Where an insurer anticipates that the

standard formula is not appropriate then they can build their own internal model to determine their capital requirement. Overall the standard formula is seen as appropriate for Canterbury.

D.1 Assets

The following table analyses the Company's financial assets at fair value at 31 December 2018 and 2017.

	2018	2017
	US\$ 000	US\$ 000
Financial Assets at Fair Value	178,849	181,286
Derivatives	-	117
Funds Withheld	11,145	12,138
Reinsurance Balances Receivable	159,322	163,684
Deferred Tax	1,527	1,374
Cash & Cash Equivalents	16,610	14,482
Other Assets	6,054	477
<u>Total Assets</u>	373,507	373,558

Financial Assets

Financial assets at fair value include debt securities and other fixed income securities and are held within collective investment undertakings. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the investment strategy of the Company.

Derivatives

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments. The forward foreign currency exchange contracts are classified as held for trading as the financial risk management objective does not qualify for hedge accounting as outlined in IAS 39. When entering into a forward currency exchange contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily, and the Company's net equity therein, representing unrealised gain or loss on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of financial position. Fair values are determined by using quoted market values. Change in unrealised and realised gains and losses are recognized in the statements of comprehensive income.

Cash and cash equivalents

Cash is comprised of demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For these short term investments, the carrying value approximates the fair value.

Premiums receivable

Premium receivable represents amounts outstanding from individual insured firms. The Company classifies these financial assets as loans and receivables and records them initially at the amount invoiced, being the fair value. Subsequent to initial recognition, the Company reviews individual receivable balances at each statement of financial position date to assess whether any of the balances may be uncollectible and, if so, establishes a provision for doubtful accounts, which is recognized in the statements of comprehensive income. The carrying amount is equal to the outstanding receivable balance, which approximates fair value.

Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

D.2 Technical Provisions

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position dates and for the expected ultimate cost of claims incurred but not yet emerged at the statement of financial position dates. It can take a significant period of time before the ultimate claims cost can be established with certainty. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The Company cedes insurance risk in the normal course of business. Reinsurance recoverable amounts are estimated in a manner consistent with the respective outstanding claims provision and in accordance with the reinsurance contracts. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. Any impairment loss is recorded in the statements of comprehensive income. No impairment losses were recorded for the years under review.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim, and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by loss years, but can also be further analyzed by geographical area, as well as by significant claim types. The assumptions used are those implicit in the historic claims development data on which the projections are based. Additional qualitative judgment is used to assess

the extent to which past trends may not apply in the future (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, changes in foreign currency rates, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as policy conditions and claims handling procedures), in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking into account all of the uncertainties involved.

A risk margin is added under Solvency II to bring the technical provisions up to the amount that an undertaking would require in order to take over and meet the insurance and reinsurance obligations. The risk margin is calculated using a cost of capital approach. The SCR used for the calculation of this risk margin consists of:

- Underwriting risk with respect to existing business
- Counterparty default risk with respect to ceded reinsurance
- Unavoidable market risk, excluding interest rate risk

Technical provisions (gross of reinsurance) at 31 December 2018 and 2017 were as follows:

	2018	2017
	US\$ 000	US\$ 000
Best Estimate	221,925	223,944
Risk Margin	8,836	8,404
<u>Technical Provisions (Non-Life)</u>	230,760	232,348

The Company does not apply matching adjustments, volatility adjustments, or any transitional arrangements to the determination of the risk-free interest rate structure used. The liabilities nearly all relate to the professional indemnity business written.

D.3 Other Liabilities

Contingent liabilities

The Company does not have any such contingent liabilities.

All other liabilities

Other liabilities at 31 December 2018 and 2017 were as follows:

	2018	2017
	US\$ 000	US\$ 000
Derivatives	-	467
Payables	4,976	2,639

Other Liabilities**4,976****3,106****Derivatives**

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments. The forward foreign currency exchange contracts are classified as held for trading as the financial risk management objective does not qualify for hedge accounting as outlined in IAS 39. When entering into a forward currency exchange contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily, and the Company's net equity therein, representing unrealised gain or loss on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of financial position. Fair values are determined by using quoted market values. Change in unrealised and realised gains and losses are recognized in the statements of comprehensive income.

Payables

These comprise of balances payable to related parties, tax, and accrued expenses. No adjustment is required to these valuations for the valuation for solvency purposes as the amounts held under IFRS measurement principles are deemed to be approximations of fair value.

D.4 Alternative Methods for Valuation

The Company does not use any alternative methods for valuation.

Assumptions on future management actions and policy behavior

Management assumes that in the event of unexpected and material financial underperformance, additional capital support from the parent company would be provided. There are no explicit undertakings from the parent in this regard. Management assumes that in the event of unexpected and material financial underperformance, the Company would be able to adjust premiums charged to EY member firms.

Simplifications

The Standard Formula calculation is complex, requiring many items of data. Within the calculation there are some minor items which are approximated but which we believe will not make a significant impact on the overall capital requirement and therefore such methodologies are reasonable to adopt:

- After looking through to the underlying investments within the fund holdings there are large number of investments (over 5,000 individual investments). Information provided on these individual investments does not always include the modified asset duration and this has then been estimated based on the maturity date of the investment.

- Within the interest rate risk element of the calculation an approximation has been made to determine the impact of the interest rate shock on the investments based on their duration, rather than explicitly determining the cash flows on all the investments.
- For the man-made catastrophe risk for property there would be a very small exposure from the new property business written since 2016. This has not been separately calculated on the grounds of materiality, it is very small and is net nil to Canterbury so the impact on the capital requirement would be immaterial.

In these cases we believe the adopted approach to be proportional to the nature and scope of the business being modelled and the outcomes would not be materially different should no simplifications be used. These simplifications are monitored by the Actuarial Function for appropriateness on an ongoing basis.

E. Capital Management

E.1 Own Funds

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 Company's own funds are primarily invested in debt securities and other fixed income securities. There is no intention to change the disposition of own fund items.

The Company has a low risk appetite with respect to its financial requirements. The Company maintains capital at levels in excess of its SCR and it has low tolerance for errors in its financial records, or in the financial reporting to regulators. The Company monitors its SCR ratio on a quarterly basis and would increase its level of scrutiny in the event that the ratio fell below 150% - in the event that the ratio were to fall below 125%, the Company would implement measures to either bolster Own Funds or measures to reduce capital needs. A five-year time horizon is used for business planning.

Own funds at 31 December 2018 and 2017 were comprised of the following:

	2018	2017
	US\$ 000	US\$ 000
Ordinary Share Capital	1,600	1,600
Other Own Funds	90,000	90,000
Reconciliation Reserve	44,645	45,130
Net Deferred Tax Assets	1,527	1,374
<u>Total Basic Own Funds</u>	137,772	138,104

For the Company, all basic Own Funds are also eligible own funds. There are no ancillary Own Funds items.

There was no issuance of Own Funds in the years ended 31 December 2018 or 2017.

The small increase in basic own funds during the year has largely arisen from releases in the held reserves due to better than expected claims experience due to lower anticipated losses on older claims years offset by investment return losses.

The table below shows a reconciliation between the IFRS equity and Solvency II own funds.

	2018
	US\$ 000
IFRS Equity	148,460
Move from IFRS to Solvency II valuation of technical provisions	(10,983)
Reinsurance Recoverables	(1,101)
Deferred tax assets / liabilities	1,527
Other	(131)
<u>Solvency II Basic Own Funds</u>	137,772

This shows that the available capital under a Solvency II basis is lower due to the increase in the technical provisions under Solvency II (as a result of the inclusion of the SII risk margin and increased allowance for expenses).

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company's SCR ratio data at 31 December 2018 and 2017 was as follows:

	2018	2017
	US\$ 000	US\$ 000
Eligible SCR Own Funds	137,772	138,104
Solvency Capital Requirement	43,630	45,932
<u>SCR Ratio expressed as a percentage</u>	316%	301%

The Company's MCR ratio data at 31 December 2017 and 2016 was as follows:

	2018	2017
	US\$ 000	US\$ 000
Eligible MCR Own Funds	136,245	136,730
Minimum Capital Requirement	10,908	11,483

<u>MCR Ratio expressed as a percentage</u>	1,249%	1,191%
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The overall SCR has reduced slightly during the year as a result of reduce market risk requirements (mainly as a result of improved recognition of the currency risk exposures).

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:

	2018	2017
	US\$ 000	US\$ 000
Total Shareholder's Equity		
per IFRS statements	148,460	147,726
Deferred Acquisition Costs	(131)	(126)
Deferred Tax Asset	1,527	1,374
Reinsurance Receivables	(1,101)	(896)
Technical Provisions	(10,983)	(11,941)
Other Liabilities	4,071	1,967
<u>Solvency II Basic Own Funds</u>	137,772	138,104

Table of SCR requirements split by risk modules at 31 December 2017 and 2018 (US\$ 000)

	2018	2017
	US\$ 000	US\$ 000
Market Risk	23,444	29,126
Counterparty default Risk	3,037	575
Non-Life Underwriting Risk	21,376	19,597
Diversification	(10,886)	(10,084)
Basic Solvency Capital Requirement	36,972	39,214
Operational Risk	6,658	6,718
<u>Solvency Capital Requirement</u>	43,630	45,932

The overall SCR has reduced slightly during the year as a result of reduce market risk requirements (mainly as a result of improved recognition of the currency risk exposures).

E.3 Any Other Information

The Company applies the Standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

Appendix

In relation to Canterbury's obligations to its policyholders on the basis of confidentiality and sensitivity of certain information and in accordance with Article 53(1) and (2) of Directive 2009/138/EC the Company has been granted a waiver from the Central Bank of Ireland from the public disclosure of Qualitative Reporting Template ("QRT") S.05.02.01 - Premium, claims and expenses by country.

S.02.01.02

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S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets	R0030	
Intangible assets		
Deferred tax assets	R0040	1,527
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	
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	178,849
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
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	159,322
Non-life and health similar to non-life	R0280	159,322
Non-life excluding health	R0290	159,322
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	11,145
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	16,610
Any other assets, not elsewhere shown	R0420	6,054
Total assets	R0500	373,507

Liabilities

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – life (excluding health and index-linked and unit-linked)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

Total liabilities**Excess of assets over liabilities**

	Solvency II value
	C0010
R0510	230,760
R0520	230,760
R0530	
R0540	221,925
R0550	8,836
R0560	
R0570	
R0580	
R0590	
R0600	
R0610	
R0620	
R0630	
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	
R0790	
R0800	
R0810	
R0820	
R0830	
R0840	4,976
R0850	
R0860	
R0870	
R0880	
R0900	235,736
R1000	137,772

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Premiums, claims and expenses by line of business

[illegible]

[illegible]

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Annex I

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Non-life Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

Total Best estimate - gross

Total Best estimate - net

Risk margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

Technical provisions - total

Technical provisions - total

Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total

Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

Direct business and accepted proportional reinsurance	
Fire and other damage to property insurance	General liability insurance
C0080	C0090
R0010	
R0050	
R0060	157.86
R0140	64
R0150	94
R0160	173
R0240	171
R0250	3
R0260	331
R0270	97
R0280	14
R0290	
R0300	
R0310	
Direct business and accepted proportional reinsurance	
Fire and other damage to property insurance	General liability insurance
C0080	C0090
R0320	345
R0330	234
R0340	111

		Total Non-Life obligation
		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	10,192
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	5,379
Net Best Estimate of Premium Provisions	R0150	4,813
Claims provisions		
Gross	R0160	211,733
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	153,943
Net Best Estimate of Claims Provisions	R0250	57,790
Total Best estimate - gross	R0260	221,925
Total Best estimate - net	R0270	62,603
Risk margin	R0280	8,836
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	R0290	
Best estimate	R0300	
Risk margin	R0310	
		Total Non-Life obligation
		C0180
Technical provisions - total		
Technical provisions - total	R0320	230,760.31
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	159,322
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	71,438

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Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	2
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Gross Claims Paid (non-cumulative) (absolute amount)

	Year	Development year										In Current		Sum of years (cumulative)	
		0	1	2	3	4	5	6	7	8	9	10 & +	year		year
Prior	R0100												R0100	416	70,128
	N-9	R0160	-	-	-	-	-	-	-	-	-	-	R0160	-	-
	N-8	R0170	-	-	-	-	-	-	-	-	-	-	R0170	-	-
	N-7	R0180	-	2,034	1,951	4,582	19,983	9,956	396	316			R0180	316	39,218
	N-6	R0190	-	-	-	-	275	611	65				R0190	65	951
	N-5	R0200	-	-	-	-	-	-	-	-	-	-	R0200	-	-
	N-4	R0210	-	-	-	5,178	485						R0210	485	4,692
	N-3	R0220	-	-	-	676							R0220	676	676
	N-2	R0230	-	-	-								R0230	-	-
	N-1	R0240	-	2,394									R0240	2,394	2,394
N	R0250	-										R0250	-	-	
Total												R0260	3,381	118,059	

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

	Year	Development year										Year end (discounted)		
		0	1	2	3	4	5	6	7	8	9		10 & +	
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
Prior	R0100	-	-	-	-	-	-	-	-	153,663	56,298	47,707	R0100	46,792
N-9	R0160	-	-	-	-	-	-	-	10,253	9,974	8,504		R0160	8,371
N-8	R0170	-	-	-	-	-	-	2,606					R0170	185
N-7	R0180	-	-	-	-	-	33,041	17,911	17,552		188		R0180	17,276
N-6	R0190	-	-	-	-	28,878	25,311	36,893					R0190	36,315
N-5	R0200	-	-	-	17,430	11,863	9,162						R0200	9,018
N-4	R0210	-	-	26,112	22,497	14,588							R0210	14,359
N-3	R0220	-	28,278	26,719	12,897								R0220	12,695
N-2	R0230	19,906	24,523	14,465									R0230	14,238
N-1	R0240	20,495	25,324										R0240	24,926
N	R0250	27,997											R0250	27,558
Total													R0260	211,733

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Own funds

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Solvency Capital Requirement - for undertakings on Standard Formula

- Market risk
- Counterparty default risk
- Life underwriting risk
- Health underwriting risk
- Non-life underwriting risk
- Diversification
- Intangible asset risk
- Basic Solvency Capital Requirement**

Calculation of Solvency Capital Requirement

Operational risk
Loss-absorbing capacity of technical provisions
Loss-absorbing capacity of deferred taxes
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
Solvency capital requirement excluding capital add-on
Capital add-on already set

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
Total amount of Notional Solvency Capital Requirement for remaining part
Total amount of Notional Solvency Capital Requirements for ring fenced funds
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0100
R0010	23,444		
R0020	3,037		
R0030	-		
R0040	-		
R0050	21,377		
R0060	10,886		
R0070	-		
R0100	36,972		
	C0100		
R0130	6,658		
R0140	-		
R0150	-		
R0160	-		
R0200	43,630		
R0210	-		
R0220	43,630		
R0400			
R0410			
R0420			
R0430			
R0440			

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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

MCR _{NL} Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	7,932		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050			
Other motor insurance and proportional reinsurance	R0060			
Marine, aviation and transport insurance and proportional reinsurance	R0070			
Fire and other damage to property insurance and proportional reinsurance	R0080	97		235
General liability insurance and proportional reinsurance	R0090	62,506		11,200
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

MCR _L Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200	0		
			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	7,932
SCR	R0310	43,630
MCR cap	R0320	19,634
MCR floor	R0330	10,908
Combined MCR	R0340	10,908
Absolute floor of the MCR	R0350	3,639
	C0070	
Minimum Capital Requirement	R0400	10,908