Electric Insurance Ireland DAC

Solvency and Financial Condition Report

Reporting period ended 31 December 2018

Table of Contents

Introduction 3

A. Business & Performance 4
- A.1. Position Within the Group 4
- A.2. Underwriting Information 6
- A.3. Investment Performance 8
- A.4. Performance of Other Activity 9
- A.5. Any Other Information 9

B. System of Governance 10
- B.1. General Information on the system of governance 10
- B.2. Fit and Proper Requirements 12
- B.3. Risk Management System including own risk and solvency assessment 13
- B.4. Internal Control System 15
- B.5. Internal Audit Function 16
- B.6. Actuarial Function 17
- B.7. Outsourcing 18
- B.8. Any Other Information 19

C. Risk Profile 20
- C.1. Underwriting Risk 20
- C.2. Market Risk 21
- C.3. Credit Risk 22
- C.4. Liquidity Risk 22
- C.5. Operational Risk 23
- C.6. Other Material Risks 23
- C.7. Any Other Information 24

D. Valuation for Solvency Purposes 25
- D.1. Assets 25
- D.2. Technical Provisions 26
- D.3. Other Liabilities 29
- D.4. Alternative Methods of Valuation 29
- D.5. Any Other Information 29

E. Capital Management 30
- E.1. Own Funds 30
- E.2. Solvency Capital Requirement and Minimum Capital Requirement 31
- E.3. Use of the duration-based equity risk sub-module in the calculation of the SCR 32
- E.4. Differences between the Standard Model and any Internal Model 32
- E.5. Non-compliance with the MCR and SCR 32
- E.6. Any other information 32

ANNEX 1 – QUANTITATIVE REPORTING TEMPLATES 33

INTRODUCTION

This Report refers to the business of Electric Insurance Ireland DAC ('Electric' or 'EIIDAC' or 'the Company'), a captive insurer, authorised and supervised by the Central Bank of Ireland. It provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 December 2018.

Electric has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

The Company is engaged exclusively in the underwriting of General Liability insurance risks, providing coverage to General Electric Company ("GE") entities which are primarily domiciled in Europe. Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

The Board has identified the key risks to which Electric is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Electric can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals

Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required over a forward looking three-year business planning period. The results of this exercise are used to better inform decision making within the Company.

There were no material changes to Electric's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period except for the issuance of an additional Eur 1,000,000 of ordinary share capital in December 2018.

As at 31 December 2018, the Company had eligible own funds of Eur 6,182,813 available to meet its Solvency Capital Requirement (SCR) of Eur 5,063,473; resulting is a Solvency Ratio of 122% which is in compliance with the regulatory solvency requirements per the Solvency II regulations. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business operations. The Minimum Capital Requirement (MCR) was also satisfactorily met at the period-end. There were no instances of non-compliance with the capital requirements during the period.

A. Business & Performance

This Report refers to the business of Electric Insurance Ireland DAC ('Electric' or 'EIIDAC' or 'the Company'), a captive insurer, authorised and supervised by the Central Bank of Ireland.

The Company is the wholly-owned subsidiary of Electric Insurance Company ("EIC"), which is incorporated in the United States of America and which provides reinsurance protection to the Company.

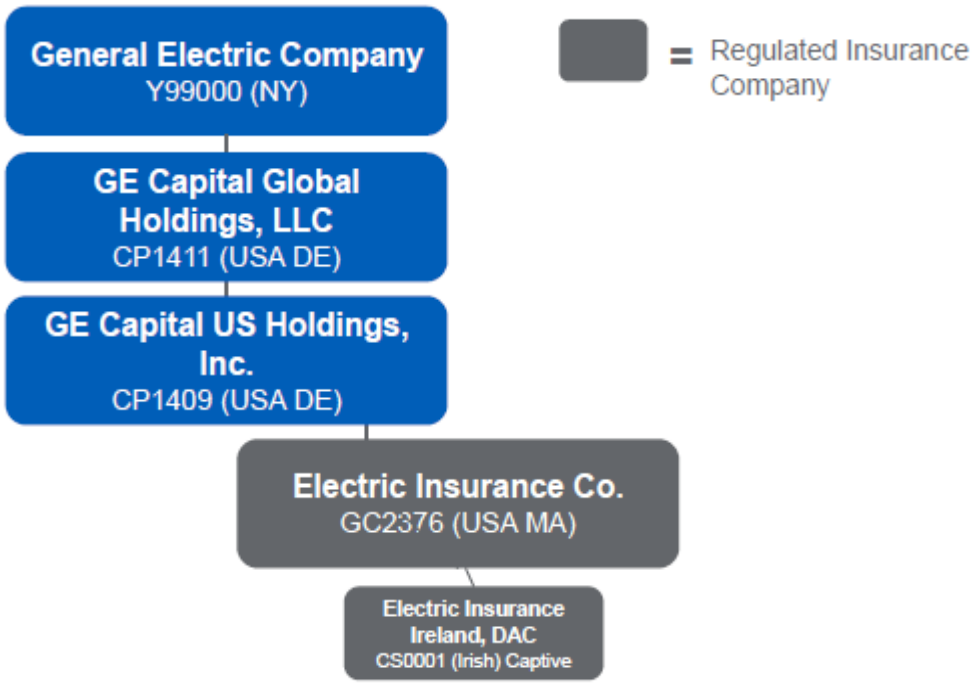
The Company's business address and registered office is 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

Electric is authorised by the Central Bank of Ireland ('CBI'), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life insurance. Authorisation is in respect of Class 13 - General Liability risks and Class 10 – Motor Vehicle Liability. The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

Mazars is the appointed external auditor of the Company and is located at Block 3, Harcourt Centre, Harcourt Road, Dublin 2, Ireland.

A.1 Position Within the Group

Subsequent to a change in the organisation structure, which was completed on 13 March 2018, the current organisation structure of the Company is as follows;



As part of the change in structure, General Electric Company removed the atypical trust structure and instead converted Electric Insurance Company, and its subsidiaries, into a wholly owned subsidiary of General Electric Company, sitting in GE Capital US.

The change in ownership changed the ultimate owner of Electric Insurance Ireland DAC which was a wholly owned subsidiary of Electric Insurance Company, a Massachusetts domiciled insurance company. Electric Insurance Company, and its subsidiaries, were acquired by General Electric Company and its subsidiaries, GE Capital U.S. Holdings, Inc. and GE Capital Global Holdings, LLC. The transaction was completed pursuant to termination of the trust previously holding Electric Insurance Company common shares of stock and distribution of those shares to GE Capital U.S. Holdings Inc. which is a direct, wholly owned subsidiary of GE Capital Global Holdings, LLC, which is a direct, wholly owned subsidiary of General Electric Company.

Following the change, Electric Insurance Ireland DAC remains 100% owned by Electric Insurance Company which in turn is 100% owned by GE Capital US Holdings Inc. which is 100% owned by GE Capital Global Holdings, LLC which in turn is 100% owned by General Electric Company.

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

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

EIIDAC has identified the following laws and regulations that apply to EIIDAC in the normal course of its business. Operation of the Company is subject to the local regulatory requirements in Ireland within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

Irish Companies Act 2014
EIIDAC is incorporated under the Companies Act 2014 and therefore is subject to the provisions of that legislation. The Companies Act is a comprehensive code concerning the corporate actions of companies to which they apply.

Irish Insurance Acts 1909 - 2000 and Related Regulations (the "Insurance Acts")
EIIDAC is licensed as a Captive insurance Undertaking by the Central Bank of Ireland (CBI) and is licensed to insure general liability, employer's liability and motor liability insurance pursuant to the Insurance Acts 1909 - 2000 and as such must comply with the applicable provisions of the Acts and the related regulations.

Anti-Money Laundering and Terrorist Financing
Ireland has various statutes aimed at the prevention, discouragement, detection and prosecution of money-laundering and terrorist financing related offences carried on, in or from Ireland. The supporting legislation imposes a regulatory anti-money laundering ("AML") and counter-terrorist financing ("CTF") regime on "Financial Institutions" acting in the course of business carried on by them in or from Ireland.

Bribery and Corrupt Practices
Irish anti-bribery legislation is encompassed in the Prevention of Corruption Acts 1889 to 2010. EIIDAC is conscious of this Irish legislation and also international anti-bribery legislation e.g. US Foreign Corrupt Practices Act and the UK Bribery Act. The two main provisions of the U.S. FPCA address (i) accounting transparency requirements under the Securities Exchange Act of 1934 and (ii) bribery of foreign officials.

Data Protection Legislation

The Data Protection Act 1988 and the Data Protection (Amendment) Act 2003 govern the controlling and processing of personal data in Ireland. The Data Protection (Amendment) Act 2003 extended the definition of personal data to include "manual" data.

Restrictions on Trading with Certain Countries and Individuals
EIIDAC is committed to complying with the laws administered and enforced that impose economic sanctions against certain individuals, entities and sanctioned countries deemed prohibited from entering into transactions involving any individual, entity or country appearing on the EU Trade Restriction Lists and must freeze any assets related to such transactions.

Corporate Governance Code for Captive Insurance and Captive Reinsurance Undertakings
The Central Bank of Ireland issued the Corporate Governance Code for Captive Insurance and Captive Reinsurance Undertakings which has imposed minimum core standards upon all captive undertakings with effect from 31 May 2012

Fitness & Probity Regime
The Central Bank of Ireland has published the final version of its Guidance on Fitness and probity Standards, in respect of the new regime which came into effect on 1 December 2011. EIIDAC has put processes in place in conjunction with AIMD as the Manger to ensure that EIIDAC is in compliance with the Regime.

Solvency II
Solvency II came into effect on the 1st of January 2016.

The Solvency II Directive requires the company to maintain adequate capital at all times to minimize any chance of insolvency. Companies are required to create and maintain a risk management and governance framework capable that adequately addresses the risks faced by the Company.

EIIDAC is required to report quantitative information to the Central Bank of Ireland on a quarterly and annual basis, in line with the guidance set out in the directive.

A.2 Underwriting Performance

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

EIIDAC's strategic objectives are formulated in conjunction with GE as part of its global liability insurance arrangements. The Group strategy is to maintain minimal risk within EIIDAC. It is therefore accepted that for the foreseeable future, in accordance with its business plan, EIIDAC will maintain a stop-loss reinsurance arrangement with EIC which is considered to be the best strategic operating option available to the Company.

EIC provides reinsurance to EIIDAC and covers all claim payments up to a stop loss of $60,000,000 on each policy year, increasing to $70,000,000 for 2019. The impact of the reinsurance structure limits Electric's liability to USD 1,500,000 for the first layer of any one underwriting year followed by an

additional ventilation layer of USD 1,000,000. The structure of the reinsurance layers for 2018 is as follows:

Reinsurance Structure 2018

Employers' Liability UK and Ireland
General Liability Policy
Excess Liability Policy including Auto Liability

		Limit	Excess	Up to	
Fourth Layer	Ceded to EIC	$ 43,000,000	$ 17,000,000	$ 60,000,000	**Combined Annual Maximum Aggregate Limit**
Third Layer	Retained by EIIDAC	$ 1,000,000	$ 16,000,000	$ 17,000,000	
Second Layer	Ceded to EIC	$ 14,500,000	$ 1,500,000	$ 16,000,000	
Primary Layer	Retained by EIIDAC	$ 1,500,000	$ -	$ 1,500,000	

Analysis of gross premiums written

Resulting from contracts concluded in the Republic of Ireland with clients in;

	2018 €	2017 €
EU Member states other than the Republic of Ireland	9,801,245	12,746,952
Republic of Ireland	377,424	513,795
Non-EU member states	265,596	281,834
	10,444,225	13,542,581

Premiums written relate to business incepted during the financial year.

Gross premiums written relate to general liability within the European Economic Area. All premiums resulted from contracts of insurance concluded in the Republic of Ireland. Gross premium written for the year ended 31 December 2018 amounted to €10.4m (2017: €13.5m).

Analysis of gross premiums written, gross premiums earned, gross claims incurred, gross operating expenses and the reinsurer's balance

2018 Gross Premiums Written €	2018 Gross Claims Incurred €	2018 Gross Operating Expenses €	2018 Reinsurer's Balance €

Direct Insurance:				
Motor Liability	562,660	(125,843)	(52,218)	(125,150)
General Liability	7,250,559	(17,920,030)	(672,888)	(15,816,809)
Employer's Liability	2,631,015	(988,716)	(266,291)	(903,901)
	10,444,225	(19,150,636)	(991,397)	(16,844,242)

	2017 Gross Premiums Written €	**2017 Gross Claims Incurred €**	**2017 Gross Operating Expenses €**	**2017 Reinsurer's Balance €**
Direct Insurance:				
Motor Liability	590,307	549,221	(43,060)	(596,290)
General Liability	8,139,937	(4,591,354)	(593,772)	(3,018,142)
Employer's Liability	4,812,336	352,206	(351,039)	(4,090,403)
	13,542,581	(3,689,927)	(987,871)	(7,704,835)

Gross claims paid during the financial year ended 31 December 2018 totalled €6.5m (2017: €4.2m). This compares to net claims paid of €1.9m (2017: €1.9m). For the year ended 31 December 2018, the movement in gross claims provisions was (€0.9m) (2016: €0.5m) with the movement in the net claims provision (€0.9m) (2017: (€1.2m).) Net operating expenses for the year amounted to €0.9m (2017: €1.0m).

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

Profit after tax for the year ended 31 December 2018 amounted to (€0.59m) (2017: €0.93m).

A.3 Investment Performance

The Company allocates its investment portfolio in two distinct portfolios, as described below;

Deposits with credit institutions and Cash and Cash Equivalents: The Company holds the majority of its cash in a Euro Call account with Bank of Ireland. The total amount at 31 December 2018 in this bank was €2.8m (2017: €1.0M)

Fixed Income Bonds: A mixture of Foreign Corporate Bonds and Foreign Government Bonds are held by State Street Global Advisors who are the Custodian. The Market Value at 31 December 2018 was €8.8m (2017: €9.4m).

The investment income from Deposit Interest Income and Bond income for the year to 31 December 2018 amounted to €69k (2017: €111k).

The Unrealised Gains/(losses) on Investments for the year to 31 December 2018 amounted to €385k (2017: €473k).

The Company has no investments in securitised asset classes and all investment income is recognised in the Company's income statement.

A.4 Performance of other activities

Electric does not engage in any activities other than those associated with captive insurance and has not entered into any leasing agreements.

A.5 Any other information

There is nothing further to report with respect to the Company's business and performance.

B. System of Governance

B.1 General information on the system of governance

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

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

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

1. Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2. Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.
3. A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
4. A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

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

In order to achieve the Company’s objectives, the Board has established a system of governance with the following core components:

- the Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ('AIMD') for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board of Directors.

(i) Risk Management

The Risk Management Function, as lead by the Chief Risk Officer ("CRO"), reports to the Board, with oversight from the Risk Committee. The CRO is supported by a team that possesses skills ranging from risk management, actuarial, claims, legal, information technology and the Irish regulatory environment. Responsibilities of the Risk Management Function are set out under section B.3.

(ii) Actuarial

The Actuarial Function, as lead by the Head of the Actuarial Function, reports to the Board, with oversight from the Risk Committee. The Head of the Actuarial Function is supported by a team of actuarial specialists. Details of the Actuarial Function duties and responsibilities are outlined under Section B.6.

(iii) Internal Audit

The Internal Audit Function, as lead by the Head of Internal Audit, reports to the Board with oversight from the Audit Committee. The Head of Internal Audit is supported by various Board approved external service providers that have the requisite skills and experience to perform the audit work. This approach ensures that there is a strong level of independence from operational activities. Details of the Internal Audit Function duties and responsibilities are outlined under Section B.5.

(iv) Compliance

The Compliance Function, as lead by the Head of Compliance Function, reports to the Board. The Head of the Compliance Function is supported by a team with skills that include the Irish regulatory environment, financial crime, data protection, monitoring and compliance etc. Responsibilities of the Compliance Function are set out in Section B.4.2, "Compliance Function". Details of the Compliance Function duties and responsibilities are outlined under Section B.4.

Remuneration and material transactions

The members of the Board of Directors receive no remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid. As a captive insurer, all Electric's inward premium flows and outward claims payments relate to insured risks of the shareholder group. In addition, the Company purchases reinsurance from the parent company, EIC. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group or Board of Directors.

Material related party transactions

Electric entered into the following related party transactions with EIC, the parent company during the year ended 31 December 2018.

a. The purchase of stop loss reinsurance resulting in the following:
    - Premiums ceded to EIC for the year of Eur 7,967,040 (2017: Eur 10,660,147)
    - Actual claims costs recovered during the year of Eur 6,617,796 (2017: Eur 2,929,272)
    - Reinsurer's share of technical provisions at 31 December 2018 of Eur 50,126921 (2016: 38,374,329)

b. Issuance of Share Capital of Eur 1,000,000 (2017: Nil)

No other material transactions took place with Directors, shareholders or persons who exercise significant influence over the Company.

B.2 Fit & Proper requirements

Electric has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered.

For those roles which are prescribed by the CBI as Controlled Functions (CFs) and Pre-approval Controlled Functions (PCFs), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator's fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs. Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

B.3 Risk Management System including the own risk and solvency assessment

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;
- ensures the risk management framework is implemented in day-to-day business processes; and
- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

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

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

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

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

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ('ORSA') process annually in order to provide its Board of Directors with a forward looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in both expected and stressed situations. Business projections, stresses and scenarios are compiled by the Operations Functions with input and agreement from the Board of Directors to ensure that these are appropriate for the Company.

Capital and solvency projections are conducted by the Actuarial Function and validated by the Risk Management Function. Where applicable, any future additional capital needs will be identified and aligned to the Company's capital management plan i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

In line with CBI requirements, the Head of Actuarial Function ('HoAF') provides an actuarial opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board for review and challenge. Following feedback and approval from the Board, the Company's ORSA report is finalised and results submitted to the CBI within 2 weeks.

The ORSA report provides clarity over projected risk assessments and solvency needs to three different stakeholders:

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

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

The capital risk appetite for Electric is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Board of Directors maintains a prudent approach to capital to ensure that the Company is in a comfortable position to meet this obligation.

Committees

A Risk Committee has been appointed to assist the Board in performing its duties with respect to the underwriting and claims management process. The Committee's role, responsibilities, constitution, membership, reporting requirements, etc. are set out in detail in its separate Terms of Reference as approved by the Board. The main responsibilities include reviewing the underwriting and claims performance of the Company, reviewing risk appetite and how the company performs against risk metrics, reviewing large claims, reviewing regulatory and taxation updates and reviewing the annual renewal premium proposals.

An Audit Committee has been appointed to assist the Board in performing its duties with respect to the oversight responsibilities relating to the integrity of the Company's financial statements, reporting process, and systems of internal accounting and financial controls. The Committee's role, responsibilities, constitution, membership, reporting requirements, etc. are set out in detail in its separate Terms of

Reference as approved by the Board. The main responsibilities include reviewing financial statements and discussing the results of the annual audit.

An Investment Committee has been appointed to assist the Board in reviewing investment policies, strategies and transactions and review for compliance and performance relative to objectives. The Committee's role, responsibilities, constitution, membership, reporting requirements, etc. are set out in detail in its separate Terms of Reference as approved by the Board. The main responsibilities include compliance with necessary investment guidelines, establishing investment policies and providing high level input on investment strategies.

B.4 Internal Control System

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

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

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

Detailed Processes and Embedded Control Activities

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

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Compliance Function

The Compliance Function is an integral component of the Company's governance system. The Company has a dedicated Head of Compliance reporting directly into the Board of Directors, supported by by a Compliance Officer who coordinates the activities of the Compliance Function.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- identification and communication throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function seeks to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- consideration of possible future changes in the legal environment and their potential effect on the Company, as well as providing regular compliance and regulatory updates to the Board of Directors.
- presentation of an annual Compliance Plan to the Board, outlining specific areas which it will focus on during a particular year.
- promotion of a culture of compliance throughout the Company.

B.5 Internal Audit Function

Purpose & Objectives

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

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

Responsibilities of the Internal Audit Function include:

- Establishing, implementing and maintaining a rolling multi-year audit plan setting out the audit work to be undertaken, taking into account the Company's activities and its system of governance and risk management
- Presenting the audit plan to the Board on an annual basis
- Provide a written report to the Board upon the completion of the annual internal audit including findings, recommendations and timelines for any remediation of work

The Internal Audit Function and the appointed Head of Internal Audit report directly to the Board of Directors.

Independence and Impartiality

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

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

B.6 Actuarial Function

The Head of Actuarial Function, a PCF, is the actuarial key function holder and part of the second line of defence in relation to reporting, oversight and controlling activities.

The Actuarial Function is carried out by Deloitte since 24 September 2018. Prior to this, the role was outsourced to Milliman.

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

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

Responsibility

The HoAF reports to the Board of Directors and issues a report in writing at least annually documenting all of the material tasks that have been undertaken by the Actuarial Function during the reporting period.

In establishing the Company's Actuarial Function, the Board of Directors has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

B.7 Outsourcing

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

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

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

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

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

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

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

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

Critical or important function	Outsourced Service Provider	Jurisdiction
Underwriting administration	Aon Insurance Managers (Dublin) Limited ("AIMD")	Ireland
Claims administration	AIMD	Ireland
Finance and accounting	AIMD	Ireland
Compliance Officer	AIMD	Ireland
Compliance Function	Electric Insurance Company ('EIC')	US

Risk Management Function	EIC	US
Investment Management Function	EIC	US
Actuarial reserving	Deloitte	Ireland
Actuarial Function	Deloitte	Ireland
Internal Audit Function	EIC	US
Statutory Audit (External)	Mazars	Ireland
Claims handling	Crawford	United Kingdom

Assessment of adequacy of system of governance

The Board, with input and expertise from the captive insurance manager and the Risk Management and Compliance Functions performs an annual assessment of the adequacy of EIIDAC's system of governance, with due regards to Solvency II laws, regulations, and related guidance as well as the CBI Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

The Board's assessment is supplemented by periodic internal audit work.

Based on the most recent assessment, the Board has concluded that the system of governance is appropriate for the nature, scale and complexity of the Company.

B.8 Any other information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

C. Risk Profile

The Risk Appetite Framework adopted by the Board sets out the level of risk that the Company is prepared to accept in the pursuit of its strategic objectives. It sets out:

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1 Underwriting Risk

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

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

As the Company is a captive insurer, it is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the varying geographical locations of the underlying risks.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates, especially taking account of the longer-term nature of the risks which the Company underwrites.

The Company manages these risks through its underwriting strategy of arranging for an external qualified actuary to review pricing and reserve adequacy of the Company on an annual basis, the settling of appropriate policy limits and having adequate reinsurance arrangements in place. The Company also monitors emerging issues and factors in their potential impact on the Company's pricing and claims reserving.

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

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification is provided by the Company's Actuarial Function.

As part of the Company's ORSA process, stress and scenario tests incorporating differing claims experience are considered.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in the ultimate loss ratios ('ULRs') used in the estimation of claims reserves for financial statements purposes and holding all other assumptions constant. The resultant impact on Gross and Net claims reserves and Profit before Tax (PBT) for the financial period is shown below:

	Gross Claims Reserve	Net Claims Reserve	Impact on PBT for the year	Impact on Equity for the year
2018	**€**	**€**	**€**	**€**
Increase in loss reserves by 10%	57,786,606	399,875	(399,875)	(399,875)
Decrease in loss reserves by 10%	47,279,951	-	-	-
2017				
Increase in loss reserves by 10%	43,893,493	1,553,730	(24,884)	(21,773)
Decrease in loss reserves by 10%	35,912,858	1,503,962	24,884	21,773

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification is provided by an Actuarial Function.

C.2 Market Risk

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

Electric has an investment strategy in place in line with its Risk Appetite Framework and the related 'Prudent Person' regulatory requirements. The Company endeavours to:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and

- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

Interest rate risk arises on the Company's fixed income portfolio. The fair value of the fixed income portfolio is generally inversely correlated to movements in market interest rates. If market interest rates fall, the fair value of the Company's fixed income investments would tend to rise and vice versa. The sensitivity of the price of fixed income securities is impacted by its duration. The greater a security's duration, the greater its percentage price volatility.

Given the short-term cash nature of the assets and the fixed interest on debt securities, the impact of interest rate risk is limited. The exposure is kept under review, however, the Company did not carry out any stress testing or sensitivity analysis relating to the market risk during the reporting period.

Foreign currency risk can be described as the risk that the Company might be affected due to an adverse movement in foreign exchange rates. The Company is a Euro regulated company that operates in Ireland.

The Company's principal transactions are carried out in Euro and its exposure to foreign exchange risk arises primarily with respect to Euro. Premium is paid in USD and claims incurred in countries denominated in other currencies, including EUR, GBP, HUF, NOK PLN and SEK. Due to the reinsurance purchased, which limits losses on the first layer to USD1,500,000, the impact on FX movements on gross reserves is not considered to have a material impact on a net basis. Due to the limited exposure to currency risk, management considers that it is unnecessary to attempt to mitigate foreign exchange rate fluctuations.

C.3 Credit Risk

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

- Cash and cash equivalents
- Investments and deposits with credit institutions
- Reinsurers' share of insurance liabilities
- Amounts due from reinsurers

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

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

The Company cedes a portion of risk to Electric Insurance Company, its parent company. The purchase of reinsurance does not relieve the Company of its obligation to its reinsured and accordingly a credit risk exists to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance agreements. The Company monitors the status of the reinsurer's financial rating on an on-going basis and as the reinsurer is an A rated company and also Electric's parent company, the management considers the credit risk to be acceptable. The exposure is kept under review by monitoring the credit rating of EIC on a quarterly basis. The impact of EIC experiencing a two-notch

downgrade in their rating was stressed as part of the 2018 ORSA.

C.4 Liquidity Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations. The Company manages liquidity risk by investing all of its investments in banks or within fixed income bonds held with State Street, both of which are of high credit quality. Investments in the fund are in compliance with the Company's investment guidelines. As such, the Company has determined that liquidity risk does not represent a significant exposure to its business. The exposure is kept under review, and although they have stressed this in prior years, the Company did not carry out any stress testing or sensitivity analysis relating to the liquidity risk during this reporting period.

The expected profit included in future premiums is calculated as the difference between the technical provisions without a risk margin and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to existing reinsurance contracts that are expected to be received in the future are not received for any reason other than the insured event having occurred, regardless of the legal or contractual rights of the policyholder to discontinue to policy.

At 31 December 2018, the expected profit in future premiums is Eur 0.65m.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

There is no expected profit included in future premiums calculations.

C.5 Operational Risk

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

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

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

The Company included a stress test regarding the impact that a “hard” Brexit deal would have on the Company as part of the 2018 ORSA noting that the Company would no longer have passporting rights into the UK if this occurred.

There have been no other changes in the operational risk environment during the reporting period.

C.6 Other Material Risks

Strategic Risk

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

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

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period. The exposure is kept under review, however, the Company did not carry out any stress testing or sensitivity analysis relating to the above risk(s) during the reporting period.

C.7 Any other information

There are no other material items to report in this section.

D. Valuation for Solvency Purposes

D.1 Assets

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

EIIDAC uses the historical cost convention. It has 4 classes of assets.

- **Cash and cash equivalents - €2.82m (2017: €1.01m)**

Cash and cash equivalents comprise cash at banks and in hand and short term deposits with an original maturity of six months or less. Carrying amounts approximate fair value due to the short term nature and high liquidity of the instruments.

The only material difference in the valuation of these assets between the financial statements and the Solvency II Annual Quantitative Reporting Templates ('QRT's') relate to accrued interest on the cash and cash equivalents and the investments and deposits, which is shown separately in the Financial Statements.

- **Investments and deposits with credit institutions - €8.75m (2017: €9.37m)**

Debt securities, other fixed income securities and equities are included in the balance sheet at carrying value, with realised and unrealised gains being included in Other Comprehensive Income. Amounts due from reinsurers are held at the lower of cost or market value/realizable value

- **Reinsurers share of insurance liabilities - €50.13m (2017: €38.37m)**

Amounts due from reinsurers are held at the lower of cost or market value/realizable value.

As per Solvency II, non-life reinsurance recoverable as at 31 December 2018 is €45.66m, this difference in the valuation of Non-life reinsurance recoverable is dealt with in the section covering Solvency II Technical Provisions below.

- **Other Assets: Debtors arising out of direct insurance operations - €0.72m (2017: €0.95m) & Prepayments and Accrued Income - €0.38m (2017: €0.21m)**

Debtors arising out of direct insurance operations comprise; Crawford's Escrow (€0.18m), IPT receivable (€3.1k) and a reinsurance recovery due from EIC as at 31 December 2018 (€0.54m). This amount is calculated at the end of each month and agreed by both parties. EIC settles these balances within one month of agreeing the amount on presentation of an invoice by the Company. The valuation of each of these amounts is the same under Solvency II.

Prepayment and accrued Income comprise of; Corporation Tax prepayment (€0.21m), Accrued Interest on investments (€0.08m), IPT prepayment for the 2019 (€0.06m) and tax recoverable (0.03m)

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

D.2 Technical Provisions

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

Estimates are "best estimates" in the sense that they are intended to be a probability-weighted average of all possible outcomes. Electric has employed techniques and assumptions that are appropriate for the purpose of calculating its Solvency II technical provisions. The actual amounts required to meet future claim payments may differ from estimates for a number of reasons, such as model specification error, parameter error and random error due to the inherent uncertainty in insurance. External environment risk factors may cause material deviations in estimates of technical provisions, including persistent negative interest rates, inflation and currency exchange rate fluctuations.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of the Head of Actuarial Function. The reserves include estimates for both case reserves (and future claims handling expense) and losses incurred but not reported ("IBNR"). Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

In determining the technical provisions, Electric's actuaries use the following deterministic methodologies;

- Link Ratio Method
- Credibility methods
- Initial Estimated Loss Ratio
- Estimated Loss Ratio Method

Further details of the methodologies used are located below:

As the company changed actuary during the reporting period there was a change in the methodology used compared to the previous actuaries: The methodology used by the actuaries in the previous reporting period were as follows:

- Expected Loss Ratio Method;
- Basic Chain Ladder Method;
- Bornhuetter-Ferguson Method; and
- Generalised Cape Cod Method

Link Ratio Method

A "link ratio" is the name given to the ratios formed for each underwriting year by taking: $Cumulative\ claims\ to\ period\ of\ development\ TCumulative\ claims\ to\ period\ of\ development\ (T-1)$

The method involves using the crude link ratios in two stages:

 Selection of smoothed link ratios for those periods where sufficient development data is available

 Estimation of link ratios for periods where the development data available is sparse or non-existent.

The first stage involves examining various weighted averages of past development and the selection of representative estimates to be applied to future years. The second stage involves fitting curves to the ratios selected in the first stage and using these curves to project ratios for the tail of the development.

These ratios are then applied to the latest cumulative claim figures, separately for each year of account, to project future claims to ultimate.

Credibility Methods

Credibility Methods are mainly used to estimate claims for the most recent accident years, where it is considered that the Link Ratio Method gives unreliable answers due to the immaturity of the development.

The Bornheutter-Ferguson ("BF") method produces a weighted average of an ultimate claim estimate derived by the link ratio method and another "a priori" estimate using an ultimate loss ratio.

The "Cape Cod" method uses weights proportional to exposure and inversely proportional to development to deduce the overall developed loss ratio, and hence the IBNR reserves. It increases the credibility weights given to actual experience over projected experience.

Initial Estimated Loss Ratio ("IELR")

The IELR is the "a priori" estimate of the ultimate loss ratio used in the Bornhuetter-Ferguson method. The IELR could be based on prior claims experience, expert judgement, external benchmarks or a combination of these factors.

Estimated Loss Ratio Method

This method is mainly used to estimate claims for the most recent accident years or for years where there is limited historic claims experience. For these years, it is considered that the Link Ratio Method gives unreliable answers due to the immaturity of the development. An estimated loss ratio is applied to the ultimate premium to calculate the ultimate claims estimate. The estimated loss ratio could be based on prior claims experience, expert judgement, external benchmarks or a combination of these factors.

Solvency II Technical Provisions

The technical provisions of Electric relate solely to the liability business, gross and net of reinsurance amounts are set out below in EUR:

Solvency II technical provision (EUR)	31/12/2018
Gross best estimate	50,034,000
Reinsurance recoverable	45,655,000
Net best estimate	4,380,000
Risk Margin	814,000
Total net technical provision	5,194,000

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM"). The Solvency II BEL is comprised of a provision for claims outstanding ("PCO") and a premium

provision ("PP"). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ("BBNI"). The PCO is derived from actuarial estimate of EIIDAC's IFRS unpaid claim liabilities. The adjustment of FRS 102 / FRS 103 estimate of unpaid claim liabilities to a Solvency II basis requires that FRS 102 / FRS 103 unpaid claim liabilities are discounted to a present value basis. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 December 2018 as published by EIOPA to discount the cash flows underlying the PCO. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II TPs. A provision for expenses related to the runoff of these liabilities is then added, as required by Solvency II, as the FRS 102 / FRS 103 estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

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

Risk Margin

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

The Company is satisfied that it has access to sufficient historical claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company's needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, Electric has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

€000	Gross of Reinsurance				Net of Reinsurance			
	Claims Provision BEL	Premium Provision BEL	Risk Margin	Solvency II TPs	Claims Provision BEL	Premium Provision BEL	Risk Margin	Solvency II TPs
Motor Vehicle Liability	513	-811	14	-284	48	-198	14	-136
General Liability	49,507	825	801	51,132	4,981	-452	801	5,330
Total	**50,020**	**14**	**814**	**50,849**	**5,030**	**-650**	**814**	**5,194**

The General Liability claims provision increased from €35.8m in 2017 to €49.5m in 2018, primarily due to a large loss which incurred during 2018.

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

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

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

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

D.3 Other Liabilities

Aside from Technical provisions, the valuation of which is detailed above, EIIDAC has 2 other principal classes of liabilities;

- Other creditors including taxation (€1.53m) (2017: €59K)
- Accrued Expenses (€114k) (2017: €163K)

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

There is no difference between the accrued expense figures in the financial statements and under solvency II.

There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.4 Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Information

There is no other information to report

E. Capital Management

The total capital of the Company as at 31 December 2018 consists of shareholder's equity of €8.6m (2017: €9.8m).

Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant statement of financial position risks and regulatory requirements. As at 31 December 2018 the Company has adequate capital to meet these objectives.

E.1 Own Funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

As part of the annual review of the medium-term capital plan, the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). A 3 year forward looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over this business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's insurance business. Should additional funds be required outside of that, they will be advanced by the shareholder.

The Company's own funds consist of the following items:

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted on a quarterly basis to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period.

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

Own fund items at the end of reporting period and the prior year (unaudited) comparative period are as follows:

	2018 EUR	2017 EUR
Ordinary paid up share capital	2,000,000	1,000,000
Reconciliation reserve	4,182,813	6,025,119
Total Tier 1 capital	6,182,813	7,025,119

The movement in basic own funds during the reporting period reflects the additional Eur 1,000,000 share capital that was issued by the Company during 2018 to meet its solvency requirements. The movement in reconciliation reserve is large due to a dividend payment of Eur 1,500,000 that was made during the reporting period. There are no further plans to issue any further share capital or pay any dividends in the foreseeable future. The reconciliation reserve represents the Company's retained profits as adjusted for Solvency II valuation principals. The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

At the end of the current reporting period eligible own funds available to meet the Company's SCR and MCR are EUR 5,882,424 of Tier 1 capital and Eur 300,389 of Tier 3 capital. Tier 3 capital is not eligible in respect of the MCR ratio.

The equity position as shown in the Company's 2018 period-end financial statements can be reconciled to the basic own funds balance under Solvency II as follows:

	2018 EUR
Equity per the Company's financial statements	**8,621,996**
Adjustments to reinsurance recoverable	(4,472,315)
Adjustments to technical provisions	1,684,677
Net deferred tax asset	348,455
Own funds (excess of assets over liabilities for solvency purposes)	**6,182,813**

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. In addition, Electric's debtor/creditor items relating to unpaid claims and reinsurance balances are included within the technical provision calculation, given that they are all within credit terms. These adjustments are reflected in the Company's reconciliation reserve. A deferred tax asset is recognised due to the decrease in available capital between the financial statements and the regulatory own funds. The amount represents 20.7% of the above adjustments.

Electric has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

EIIDAC's Solvency Capital Requirement ("SCR") as of 31 December 2018 totals €5.06M. EIIDAC's Solvency II recognized own funds totalling €6.18M were sufficient to meet its SCR and resulted in a Solvency Ratio of 122%. EIIDAC's Minimum Capital Requirement ("MCR") as of 31 December 2018 totals €3.7M. The final amount of the SCR is subject to supervisory assessment.

The table below lists out the Solvency Capital Requirements of EIIDAC based on the most recent results of the Company as at 31 December 2018 compared to the prior year's results.

Solvency results

€'000	31-Dec-18	31-Dec-17
BSCR	3,895	3,273
SCR	5,063	4,256
Eligible Capital	6,183	7,025
Surplus (+) / Deficit (-)	1,120	2,769
SCR Ratio	122%	165%
MCR	3,700	3,700

As at 31 December 2018, EIIDAC's SCR has increased by €0.87m relative to its SCR as of 31 December 2017 with own funds decreasing by €0.84m. The increase in the SCR is primarily due to the following;

- Counterparty default risk has increased due to a large increase in gross claims estimates which also increases the amount ceded to the reinsurer. An increase in the cash at bank has also increased the SCR.
- Operational risk charge has increased. The operational risk charge is capped at a maximum of 30% of the BSCR which has also increased.

The MCR cover at 31 December 2018 was 159%. The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives.

EIIDAC's Solvency II balance sheet equity as of 31 December 2018 totals €6.18m (2017: €7.03m).

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

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

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

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

E.5 Non-Compliance with MCR and SCR

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

E.6 Any Other Information

There is no other information to report

ANNEX I - QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.05.01.02 - Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non Life technical provisions

S.19.01.21 - Claim development triangles

S.23.01.01 - Own funds

S.25.01.21 - SCR using standard formula

S.28.01.01 - MCR

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	300
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	8,752
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	8,752
R0140	Government Bonds	5,160
R0150	Corporate Bonds	3,592
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	45,655
R0280	Non-life and health similar to non-life	45,655
R0290	Non-life excluding health	45,655
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and 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	
R0360	Insurance and intermediaries receivables	180
R0370	Reinsurance receivables	539
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	2,821
R0420	Any other assets, not elsewhere shown	383
R0500	**Total assets**	58,630

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010
		Solvency II value
Liabilities		
R0510	Technical provisions – non-life	50,849
R0520	Technical provisions – non-life (excluding health)	50,849
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	50,034
R0550	Risk margin	814
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	1,485
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	114
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	52,447
R1000	**Excess of assets over liabilities**	6,183

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110				563				9,882	
Gross - Prop reinsurance accepted	R0120									
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140				429				7,538	
Net	R0200	0	0	0	133	0	0	0	2,344	0
Premiums earned										
Gross - Direct Business	R0210				563				9,882	
Gross - Prop reinsurance accepted	R0220									
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240				429				7,538	
Net	R0300	0	0	0	133	0	0	0	2,344	0
Claims incurred										
Gross - Direct Business	R0310								15,379	
Gross - Prop reinsurance accepted	R0320									
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340								13,341	
Net	R0400	0	0	0	0	0	0	0	2,038	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550				51				1,156	
Other expenses	R1200									
Total expenses	R1300									

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								10,444
Gross - Prop reinsurance accepted	R0120								0
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								7,967
Net	R0200	0	0	0	0	0	0	0	2,477
Premiums earned									
Gross - Direct Business	R0210								10,444
Gross - Prop reinsurance accepted	R0220								0
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								7,967
Net	R0300	0	0	0	0	0	0	0	2,477
Claims incurred									
Gross - Direct Business	R0310								15,379
Gross - Prop reinsurance accepted	R0320								0
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								13,341
Net	R0400	0	0	0	0	0	0	0	2,038
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								1,207
Other expenses	R1200								
Total expenses	R1300								1,207

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: life insurance obligations						Life reinsurance obligations		TOTAL
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	R1700	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900									0
Other expenses	R2500									
Total expenses	R2600									0

S.05.02.01 - Premiums, claims and expenses by country (In thousands of EUR)

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			GB	DE	FR	PT	IT	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	377	3,975	1,359	1,261	589	565	8,127
Gross - Proportional reinsurance accepted	R0120							0
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140	288	3,032	1,036	962	450	431	6,199
Net	R0200	90	943	322	299	140	134	1,927
Premiums earned								
Gross - Direct Business	R0210	377	3,975	1,359	1,261	589	565	8,127
Gross - Proportional reinsurance accepted	R0220							0
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240	288	3,032	1,036	962	450	431	6,199
Net	R0300	90	943	322	299	140	134	1,927
Claims incurred								
Gross - Direct Business	R0310	1,455	3,836	15	1,389	229	18	6,943
Gross - Proportional reinsurance accepted	R0320							0
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340	1,262	3,328	13	1,205	198	16	6,023
Net	R0400	193	508	2	184	30	2	920
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	39	408	124	187	54	51	864
Other expenses	R1200							
Total expenses	R1300							864

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
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 calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060				-811				825				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				-613				1,277				
Net Best Estimate of Premium Provisions	R0150	0	0	0	-198	0	0	0	-452	0	0	0	0
Claims provisions													
Gross	R0160				513				49,507				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				465				44,525				
Net Best Estimate of Claims Provisions	R0250	0	0	0	48	0	0	0	4,981	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	-297	0	0	0	50,331	0	0	0	0
Total Best estimate - net	R0270	0	0	0	-149	0	0	0	4,529	0	0	0	0
Risk margin	R0280				14				801				
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	-284	0	0	0	51,132	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	-148	0	0	0	45,802	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	-136	0	0	0	5,330	0	0	0	0

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
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	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					14
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					664
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	-650
Claims provisions						
Gross	R0160					50,020
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					44,990
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	5,030
Total Best estimate - gross	R0260	0	0	0	0	50,034
Total Best estimate - net	R0270	0	0	0	0	4,380
Risk margin	R0280					814
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	50,849
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	45,655
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	5,194

S.19.01.21 - Claim development triangles (In thousands of EUR)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100											-41	-41	-41
N-9	R0160	52	175	458	198	343	154	106	-52	43	-0		-0	1,476
N-8	R0170	66	272	457	77	234	201	84	-31	13			13	1,373
N-7	R0180	37	1,152	572	551	104	140	1	71				71	2,627
N-6	R0190	29	551	661	140	749	-97	-71					-71	1,962
N-5	R0200	39	350	874	50	482	257						257	2,051
N-4	R0210	215	172	121	74	245							245	828
N-3	R0220	52	432	70	890								890	1,443
N-2	R0230	23	395	2,131									2,131	2,548
N-1	R0240	476	660										660	1,135
N	R0250	21											21	21
	R0260											Total	4,174	15,424

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											654	621
N-9	R0160								264	154	215		208
N-8	R0170							2,504	2,336	1,973			1,956
N-7	R0180						928	603	159				155
N-6	R0190					2,696	1,617	1,039					1,016
N-5	R0200				6,658	3,894	1,363						1,346
N-4	R0210			7,442	5,598	5,323							5,284
N-3	R0220		7,492	5,603	3,093								3,060
N-2	R0230	9,337	9,344	9,461									9,365
N-1	R0240	8,005	9,986										9,860
N	R0250	17,421											17,149
	R0260											Total	50,020

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	2,000	2,000			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	3,882	3,882			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	300				300
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	6,183	5,882	0	0	300
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	6,183	5,882	0	0	300
Total available own funds to meet the MCR	R0510	5,882	5,882	0	0	
Total eligible own funds to meet the SCR	R0540	6,183	5,882	0	0	300
Total eligible own funds to meet the MCR	R0550	5,882	5,882	0	0	
SCR	R0580	5,063				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	1.22106171				
Ratio of Eligible own funds to MCR	R0640	1.589844324				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	6,183
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	2,300
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,882
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	650
Total Expected profits included in future premiums (EPIFP)	R0790	650

S.25.01.21 - SCR using standard formula (In thousands of EUR)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	608		
Counterparty default risk	R0020	2,040		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	2,203		
Diversification	R0060	-956		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	3,895		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	1,168
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	5,063
Capital add-on already set	R0210	
Solvency capital requirement	R0220	5,063
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	786

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		133
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090	4,529	2,344
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

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

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

Overall MCR calculation		C0070
Linear MCR	R0300	786
SCR	R0310	5,063
MCR cap	R0320	2,279
MCR floor	R0330	1,266
Combined MCR	R0340	1,266
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	3,700