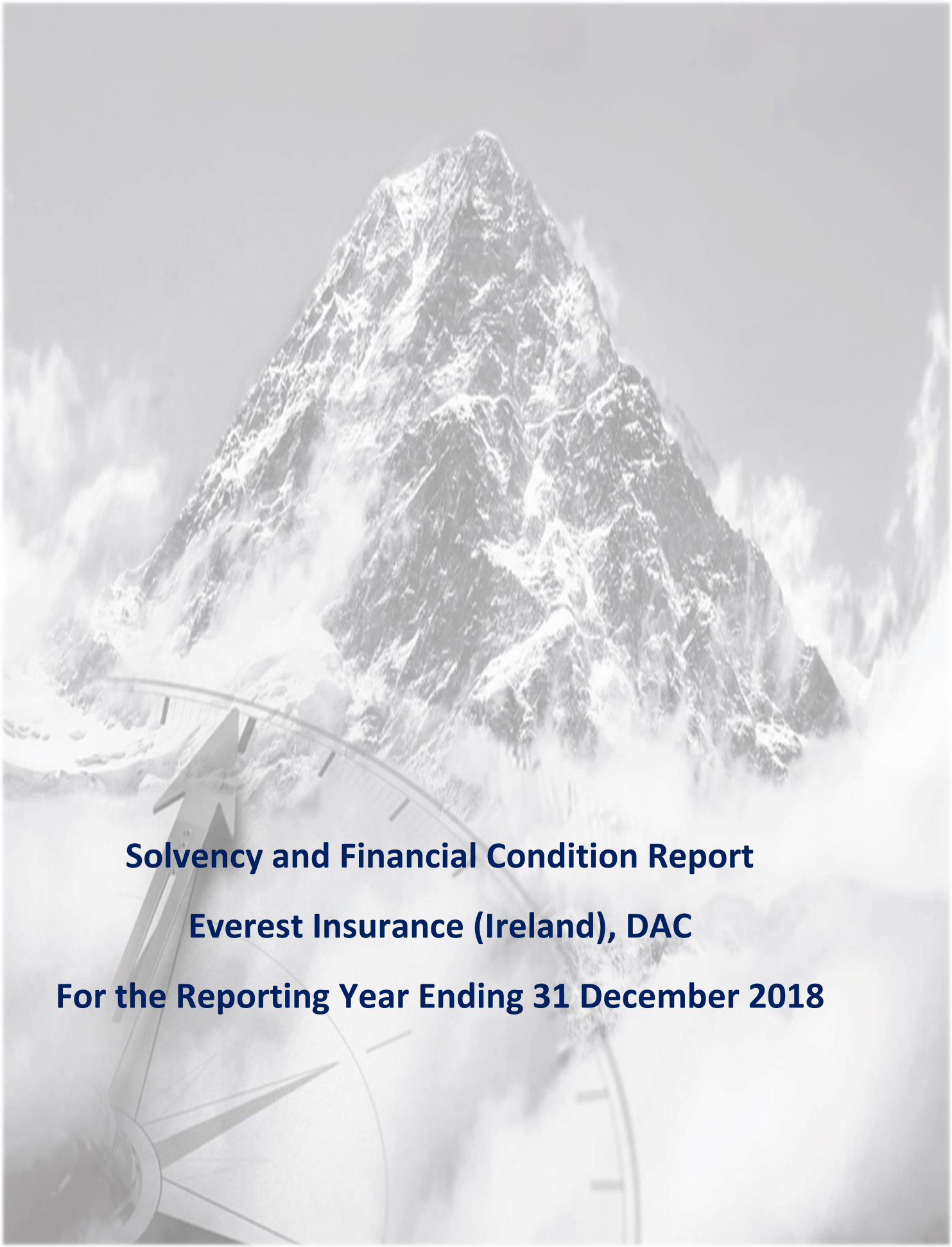


Solvency and Financial Condition Report

Everest Insurance (Ireland), DAC

For the Reporting Year Ending 31 December 2018

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Background

This document is the Solvency and Financial Condition Report (SFCR) published by Everest Insurance (Ireland) DAC ("the Company") and is publicly available.

This report has been prepared in accordance with the Solvency II requirements relating to the reporting and public disclosure of information and seeks to provide stakeholders with an insight into the Company's overall financial condition.

The report covers the business and performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

The reporting period covered by this report is 1st January 2018 to 31st December 2018 and the reporting date is 31st December 2018.

Everest Insurance (Ireland), DAC

Everest Insurance (Ireland) DAC is an Irish designated activity Company licensed by the Central Bank of Ireland ("CBI") to write non-life insurance business (further detail provided in A.1 (f)).

The Company is part of the Everest Re Group Ltd ("Everest Re Group", "the Group"), a global insurance and reinsurance company with common shares listed on the New York Stock Exchange.

Everest Insurance® refers to the insurance operations of Everest Re Group which offers property, casualty and specialty lines insurance on both an admitted and non-admitted basis in the United States (US) and internationally and operates within the Lloyd's insurance market through a syndicate. The Company continues the expansion of Everest Insurance franchise and enables Everest Re Group operate throughout the European Union (EU) under a single regulatory framework.

1. Business and performance

The Company's strategic focus is to write insurance business across the EU and elsewhere on a non-admitted basis. Credit insurance and political risk products formed a large component of the portfolio in 2018 with US excess casualty, management lines and surety forming the remainder. The Company can, through outsourced arrangements with Everest Re Group entities, access additional expertise and infrastructure enabling it to provide full service capabilities across its product lines and compete with market leading capabilities. The Company writes direct business and also utilises large corporate and specialist brokers to write its business.

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 and 103 ("FRS").

The Company incurred a pre-tax loss of €4.4m for 2018. Gross Written Premium ("GWP") was €18.8m and Net Earned Premium ("NEP") was €1.0m. There were no claims incurred but a provision for claims was made of €0.6m. The Company uses reinsurance as a key risk mitigation technique to limit risk exposure and reduce volatility. Reinsurance treaties are in place with a panel of external reinsurers and the Company has a whole account and variable account quota share reinsurances with Everest Re Group entities. Net operating expenses of €4.5m relates to costs incurred in establishing and running the Company, including infrastructure and costs relating to the recruitment of staff to key functions.

Following set up of the Company in 2017, and as a short term measure, investments were held in cash. In early 2018 the company started to invest in fixed income securities. The Company maintains a low risk, well diversified portfolio consisting of highly rated and liquid government and corporate bonds.

As the Company was only authorised to trade in late 2017 there is limited data to provide a year on year comparative analysis on business performance.

An application was submitted to the CBI to establish an EEA Branch in the UK to allow the Company to continue to operate, using existing resources in the UK, in the event of a hard Brexit.

Further detail is provided in Section A.

2. System of governance

The Company's governance structure reflects the nature, scale and complexity of its business and complies with the Central Bank's Corporate Governance Requirements for Insurance Undertakings 2015 and the System of Governance requirements of the Solvency II regulations.

The Board is ultimately responsible for the System of Governance and for effective, prudent and ethical oversight. The Company is governed by its Board of Directors (the "Board") and three sub-committees: the Risk, Underwriting and Audit Committees. There were changes in Board membership during the year primarily due to the resignation of the Chief Executive Officer ("CEO") / Chief Underwriting Officer ("CUO"). This also resulted in changes to the management team with internal appointments to the position of CEO and CUO, the Chief Financial Officer ("CFO") appointed CEO and a senior underwriter appointed CUO. Further detail is provided in Section 1.a (g) and Section B.1 (a).

The Company established additional critical and important functions in 2018 including the Risk, Actuarial and Internal Audit functions. A number of individuals were recruited to these functions and appointed to Pre-approved Controlled Function ("PCF") roles, details of which are provided in Section A.1 (g) and Section B.1 (a).

During 2018 a "three lines of defence" approach to managing risk across the business incorporating defined roles, responsibilities and accountabilities for the management of risk and control was established.

The Own Risk Solvency Assessment (ORSA) process links the risk and capital assessment processes with the Company's strategy. The ORSA together with Risk Appetite and the Risk Register facilitates a better understanding of the risk profile to enable more informed decision making. The Board and management were fully engaged in the ORSA process in 2018.

The Company outsources certain activities and functions to Everest Re Group entities including pre-underwriting, claims, IT infrastructure / support, investment services, legal and finance support. Investment services, payroll, company secretarial activity and the Internal Audit Function are outsourced to external service providers. Further detail is set out in Section B. The Company remains fully responsible for meeting all of its obligations where an activity or function has been outsourced.

An application was submitted to the CBI to establish an EEA Branch in the UK to allow the Company to continue to operate, using existing resources in the UK, in the event of a hard Brexit.

As the Company is at an early stage of its growth, it continues to develop its business and operational processes and systems to support a growing business. Further detail is provided in Section B.

3. Risk profile

The Company has a disciplined approach to the management of risk through five key processes as an integral part of the day to day running of its business.

The Company is exposed to risk from several sources. These risks are referred to as material risks and include underwriting, market, credit, liquidity, operational risk and other material risks. Further detail on each of these risk categories is provided in Section C.

The primary business of the Company is to underwrite insurance risk and, as such, it represents the principal risk to which the Company is exposed. As 2018 was the Company's first full year of underwriting, risk exposure increased during the year and we expect this to grow as the Company develops.

The Company has a prudent investment strategy and maintains a low risk, well diversified investment portfolio consisting of fixed income securities and given the credit quality of its financial assets it can quickly liquidate its investments to meet its liquidity requirements. The Company uses a diversified panel of strongly rated reinsurers to mitigate credit risk exposure.

The key operational risk to which the Company is exposed is outsourcing risk given its reliance on Everest Re Group entities to undertake certain activities relating to underwriting, claims and IT support. The Company has contracts and SLAs in place for all outsourced services.

Further detail is provided in Section C.

4. Valuation for Solvency Purposes

The Valuation for Solvency Purposes outlines the difference between the Solvency II valuation and the Financial Statements of the Company.

The Company's approach to valuing assets and liabilities under Solvency II is set out in Section D and includes the reconciliation of the valuation of assets and liabilities made under FRS and Solvency II. Differences include the valuation of gross and reinsurance technical provisions, insurance receivables and payables and other liabilities.

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

Further detail is provided in Section D.

5. Capital management

The Company aims to maintain a strong capital base to support its business model and to ensure there is a sufficient level of own funds to meet its Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR").

The Company uses the Standard Formula specified by EIOPA to estimate the SCR. This models insurance, market, credit and operational risk and takes account of the Company's outwards reinsurance programmes. The MCR is designed to correspond to a solvency level below which

policyholders and beneficiaries would be exposed to an unacceptable level of risk if the Company were allowed to continue its operations.

The Company was in a strong capital position at the reporting date with own funds, classified as Tier 1 unrestricted, of €55.0m, SCR of €10.6m and a solvency ratio of 521%, MCR of €3.7m and an MCR ratio of 1485%.

Further detail is provided in Section E.

Outlook

As the Company has only been established for one year and it is part of a global insurance and reinsurance company with plans to expand its franchise the Company's strategy and plans are subject to change.

Approval of this Report

This report was reviewed and approved by the Board on 16th April 2019.

A. Business and performance

A.1 Business

(a) Name and legal form of the undertaking

Everest Insurance (Ireland), DAC
Incorporated in the Republic of Ireland.

Registered Address:
2nd Floor,
5 Harbourmaster Place,
IFSC,
Dublin 1,Ireland.

(b) Name of the supervisory Authority responsible for the financial supervision of the undertaking

The Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
Dublin 1, Ireland.

Name of the supervisory Authority responsible for the financial supervision of Everest Re Group, Ltd.

Delaware Department of Insurance,
841 Silver Lake Boulevard.
Dover, DE 19904,
United States of America.

(c) External Auditor of the undertaking

PricewaterhouseCoopers,
One Spencer Dock,
Northwall Quay,
Dublin 1, Ireland.

(d) Holders of qualifying holdings in the undertaking

Everest Dublin Insurance Holdings Limited,
3rd Floor, Huguenot House,
35 – 38 St Stephen's Green,
Dublin 2, Ireland.

(e) Legal structure of the Company and Group

The Company is a designated activity Company and is part of the Everest Re Group, Ltd (Bermuda):



(f) Material lines of business and material geographical areas in which business is carried out

The Company is licenced to write certain classes of Non-Life Insurance business as follows:

7 Goods in transit (including merchandise, baggage, and all other goods)
8 Fire and natural forces
9 Other damage to property
13 General liability
14 Credit
15 Suretyship
16 Miscellaneous financial loss

The Company's strategic focus is to write insurance business across the EU and elsewhere on a non-admitted basis. Credit insurance and political risk ("CPR") products form a large component of our business to date with the remainder of the portfolio including US excess casualty, management lines and surety business. Most of our business is with banking institutions and medium to large corporates.

(g) Significant business or other events over the reporting period that have had a material impact on the undertaking

The following significant events occurred during the reporting period:

Capitalisation	An additional capital contribution of €5.0m was received from its parent and was approved as Tier 1 own funds
Board Changes	Stephen Cross resigned from the Board as CEO and Executive Director Daryl Bradley resigned from the Board as Non-Executive Director The following appointments were made to the Board: • Linda Ryan (CEO and Executive Director) • Michael Mulray (Non-Executive Director)
PCF Changes	Michael Mulray was approved for the role of Non-Executive Director (PCF-2) Stephen Cross resigned from the role of Executive Director (PCF-1) Stephen Cross resigned from the role of Office of Chief Executive (PCF-8) Stephen Cross resigned from the role of Head of Underwriting (PCF-18) Damien McKenna resigned from the role of Head of Compliance (PCF-15) Tim Carter resigned from the role of Head of Claims (PCF-43) Linda Ryan was approved for the role of Executive Director (PCF-1) Linda Ryan was approved for role of the Office of Chief Executive (PCF-8) Mark Kealy was approved for the role of Head of Underwriting (PCF-18) Patricia Waldron was approved for the role of Head of Compliance (PCF-15) Ashley Lawrence was approved for the role of Head of Claims (PCF-43) Sinead Kiernan was approved for the roles of Chief Risk Officer (PCF-14) and Head of Actuarial Function (PCF-48)
UK Branch Operations	An application was submitted to the CBI to establish an EEA Branch in the UK to allow the Company to continue to operate, using existing resources in the UK, in the event of a hard Brexit.

A.2 Underwriting performance

The Company is pursuing a strategy that emphasises profitability over premium volume and maintaining pricing and underwriting discipline.

The following tables outline the Company's underwriting performance by line of business at the report date:

	General Liability	Credit and Suretyship	Casualty	Total
	€'000s	**€'000s**	**€'000s**	**€'000s**
Net Earned Premium	555	410	36	1,001
Net Incurred Claims	442	137	24	603
Expenses Incurred	1,873	2,542	44	4,459
Underwriting (Loss)	**(1,760)**	**(2,269)**	**(32)**	**(4,061)**

	EEA	North America	Asia	Rest of World	Total
	€'000s	**€'000s**	**€'000s**	**€'000s**	**€'000s**
Net Earned Premium	575	244	17	165	1,001
Net Incurred Claims	367	177	6	53	603
Expenses Incurred	3,056	605	75	723	4,459
Underwriting (Loss)	**(2,848)**	**(538)**	**(64)**	**(611)**	**(4,061)**

Following establishment of the Company in late 2017 the Company focused on growing its portfolio of business in 2018. There is little prior year data to compare the underwriting performance as it had only bound and incepted one policy and bound two others in 2017.

The Company incurred expenses in setting up and developing the Company.

A.3 Investment Performance

The Company maintains a low risk, well diversified portfolio consisting of highly rated and liquid government and corporate bonds.

(a) At the report date the investment income for 2018 was €0.2m. The Company's investment holdings of €46.2m were held exclusively in Government and Corporate Bonds.

(b) There are no gains or losses directly recognised in equity.

(c) The Company has no investments in securitisation.

A.4 Performance of other activities

Other material income and expenses

The Company does not carry out any activities which are not directly connected to the provision of insurance.

Net operating expenses incurred in the day to day operation of the Company and disclosed in the reports and financial statements for the period ended 31 December 2018 were €4.5m.

Other than the income and expenses disclosed above the Company does not have any other material income and expenses.

The Company has not entered into any leasing arrangements.

A.5 Any other material information

The Company does not have any other material information to disclose in regard to business and performance.

B. System of Governance

B.1 General Information on the System of Governance

The Company's governance structure reflects the nature, scale and complexity of its business and complies with the Central Bank's Corporate Governance Requirements for Insurance Undertakings 2015 and the System of Governance requirements of the Solvency II regulations.

B.1 (a) The role and responsibility of the administrative, management or supervisory body and key functions

The Board is ultimately responsible for the System of Governance and for effective, prudent and ethical oversight. The Board sets the strategy and oversees its implementation by the Company. The CEO is responsible for implementing the strategy and for the effective running of the business in accordance with the strategy and plan ensuring compliance with laws and regulations.

The Board is comprised of a mix of Independent Non-Executive directors ("INEDs"), Non-Executive directors ("NEDs") and management. The governance structure incorporates well defined roles and responsibilities, key functions and a "three lines of defence" approach to managing risk.

The Board delegates its authority, within agreed Terms of Reference, to relevant committees. These committees act in an advisory capacity and this delegation does not remove or absolve the Board members of their responsibilities. The Board has delegated authority to three committees, shown below:



Committee	Composition	Key Responsibilities
Board	2 INEDs 3 NEDs (Chairman) CEO	• Direct and set the strategy and risk appetite • Set and oversee the system of internal control • Oversee the risk management system • Monitor capital adequacy • Monitor compliance with relevant laws and regulations
Risk	2 INEDs (Chairman) 1 NED CEO	• Review the risk management system • Review the risk appetite framework • Monitor and assess compliance with laws and regulations • Advise the Board on risk strategy, exposure, solvency targets
Underwriting	1 INED 2 NEDs CUO (Chairman) CEO	• Review underwriting guidelines and policy • Oversee compliance with underwriting principles • Review certain underwriting transactions
Audit	2 INEDs (Chairman) 1 NED	• Approve the appointment of Internal and External Auditors • Review the performance of Internal and External Auditors • Review and approve audit plans • Review the effectiveness of internal control

Key Functions

The key functions within the System of Governance include the Risk Management, Compliance, Actuarial and Internal Audit functions. The functions operate independently from management and each function reports to and has access to the Board, Risk Committee and / or Audit Committee. The functions have open access to management, the Board and the books and records of the Company. The functions may draw upon support from Everest Re Group where appropriate and also may engage external resources (whether systems, tools or people) as required. As the business grows the Company will recruit additional staff as appropriate to support these functions. Further information on the key functions is included in Sections B.3 to B.6.

Risk Management Function

The Risk Management Function, led by the Chief Risk Officer ("CRO"), is responsible for facilitating the implementation and operation of the Risk Management System, reporting on risk exposure and making recommendations on risk appetite and other risk matters to the Board as appropriate.

Compliance function

The Compliance Function, led by the Head of Compliance, is responsible for the management of compliance risk, assessing the impact of changes in the regulatory environment and the mitigation of financial crime and data protection risks.

Actuarial function

The Actuarial Function, led by the Head of Actuarial Function, is responsible for the oversight and calculation of technical provisions and the provision of opinions on technical provisions, the ORSA, underwriting and reinsurance to the Board. The roles of CRO and Head of Actuarial are held by the same person.

Internal Audit function

The Internal Audit function, which is outsourced to Eisner Amper Ireland, provides independent and objective assurance to the Board on the adequacy and effectiveness of the governance, risk management and internal control processes. An appropriate contract and service level agreement is in place to ensure sufficient resources, capability and independence to carry out this function. Oversight and support is provided by the Everest Re Group as appropriate. The Board believes that this arrangement provides independent oversight both from a local and global perspective.

B.1.b Material changes in the system of governance in the reporting period

There have been a number of organisational changes during the reporting period, including changes to the management team and Board, as set out above in A.1 (g).

B.1.c Remuneration policy

Overview of the Company's compensation objectives

In the reporting period the Company implemented a Compensation policy, approved by the Board, to ensure there is clear, transparent and effective governance with regard to remuneration. The policy is designed to attract, retain and reward employees who contribute to the Company's success, whilst ensuring the principles of prudent risk management are reflected and that excessive risk taking is not encouraged or rewarded. The Company adopts compensation practices which follow the Everest Re Group approach to compensation. The performance management process supports the Compensation policy.

Components of the Company's compensation program

Annual compensation for the Company's employees consists principally of a base salary and a merit based discretionary cash bonus. In addition, the Company's senior management is eligible to receive

equity-based awards representing shares in the Company's ultimate parent, Everest Re Group. Apart from salary, bonus and equity award components, all employees receive other forms of compensation including:

- Company funded pension plan;
- Company paid life insurance/ death in service;
- Medical insurance;
- Disability insurance.

Base salary is set to reflect the level of the role, experience and competencies of employees and to ensure that staff are fairly remunerated in line with market practice. Compensation awards and levels are generally intended to be reasonably competitive with compensation paid by organisations of similar stature so as to minimise the potential for disruptive turnover amongst important contributors.

INEDs and external NEDs are paid an annual fee. They do not participate in any other incentive arrangement or pension scheme.

The Company awards annual merit based discretionary cash bonuses in accordance with the Everest Re Group approach, under which, the Company may make cash payments each year to employees who hold positions of significant responsibility and/or whose performance or potential contribution, in the judgment of management and the Everest Re Group Board, will contribute materially to the success of the Company. The actual cash bonus amounts recommended for individual employees will be determined by the Company's management based on a variety of factors including individual responsibilities, experience, contributions and performance as well as position relative to internal peers. All bonus determinations are in the subjective judgment and discretion of the Company's management for all Company employees other than the CEO. The bonus for the CEO is agreed by the Everest Re Group Board.

Equity based awards

The Company's compensation plan is premised on a strategic view of compensation which is achieved through the Everest Re Group 2010 Stock Incentive Plan, as adopted by the Everest Re Group's shareholders in May 2010 (the "2010 Stock Incentive Plan"). Awards under the 2010 Stock Incentive Plan are intended to reinforce management's long-term perspective on corporate performance, provide an incentive for key executives to remain with the Company for the long-term and provide a strong incentive for employees to work to increase shareholder value by aligning key executives' interests with the Everest Re Group's shareholders.

Awards under the 2010 Stock Incentive Plan to senior management of the Company have been in the form of restricted shares. Restricted share awards encourage employee retention because they vest over a five year period at the rate of 20% per year and the unvested shares are generally forfeited if the recipient leaves the Company before vesting. All restricted share award determinations for the Company's senior management are at the subjective judgment and discretion of recommendations made by Everest Re Group's executive management to the Everest Re Group's Board of Directors. Except for the Named Executive Officers and some additional key members of Everest Re Group's executive management, the Everest Re Group Board has not identified any specific factors or particular criteria that must be met by other members of the Company's senior management and does not assign any relative weighting to any factors or criteria it considers. Rather it relies on recommendations from Everest Re Group's executive management. Examples of factors that Everest Re Group's executive management has considered include the recipient's demonstrated past and expected future performance, the recipient's level of responsibility within the Company, his/her ability to affect shareholder value, and past awards of restricted shares.

The Company does not operate any supplementary pension or early retirement schemes for board members or other key function holders.

B.1.d Material transactions with shareholders

The Company received a capital contribution of €5.0m during 2018 from Everest Dublin Insurance Holdings Limited, which was approved as Tier 1 own funds.

B.2 Fit and proper requirements

B.2.a Requirements with regard to skills, knowledge and expertise of key persons, positions and functions

The Company is required to fulfil the minimum requirements as set out by the CBI in the *Fitness and Probity Standards 2014 and supporting guidance ("Fitness and Probity Standards").* A Fitness and Probity Policy, approved by the Board, sets out the process to conduct assessments to determine an individual's fitness, probity and financial soundness to fulfil the requirements as prescribed in the *Fitness and Probity Standards*.

The Company is required to nominate employees in specific control function ("CF") roles and obtain the pre-approval of the CBI, by completing online individual questionnaires, before appointing individuals to PCF roles.

The Company requires that a person who holds a PCF or CF role can demonstrate that they have the necessary competence and proficiency to undertake the relevant function, have a sound knowledge of the business and their specific responsibilities together with a clear and comprehensive understanding of the legal and regulatory obligations to undertake that function.

B.2b Description of processes for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

When the Company has determined that an individual is appropriate for a PCF role an application, including the completion of an individual questionnaire via the CBI Online System, is completed. The process involves:

- Completion of the individual questionnaire by the proposed holder of the PCF and proposal by the Company;
- Documenting the experience and relevant qualifications of the proposed holder of the PCF;
- Declaration by the proposed holder of the PCF of the accuracy and veracity of information provided;
- Declaration by the Company confirming the checks undertaken on the individual (e.g. appropriate due diligence on qualifications, experience, previous employer reference checks etc.) and that the Company is satisfied that the proposed holder of the PCF is fit and proper.

The individual can only commence in the PCF role following approval of their appointment from the CBI.

The Head of Compliance is responsible for the ongoing monitoring and the completion of annual due diligence and declarations. Persons undertaking CF roles are notified in writing by the Head of Compliance of their obligations under the *Fitness and Probity Standards*.

In circumstances where employees are not required to be nominated into CF roles the Company ensures that the employees can fulfil the requirements of their roles by holding such professional qualifications, knowledge and experience that would be reasonably expected by a knowledgeable third party and that they are of good repute and integrity.

The Company has processes in place to enable it confirm, annually, to the CBI that the Company is compliant with the regulatory requirements under the CBI's *Fitness and Probity Standards*. These

processes ensure that all relevant persons meet, and continue to meet, the *Fitness and Probity Standards* and fulfil any training obligations.

The Company's Fitness and Probity policy addresses the following:

- Recruitment of persons undertaking PCF and CF roles;
- Individuals performing PCFs and CFs on a temporary basis;
- Outsourcing of PCFs and CFs;
- On-going due diligence of those performing PCFs and CFs. Each PCF and CF holder must complete an annual declaration on conflicts of interests, reputation, character, civil and criminal record;
- The consequences where a person's circumstances change and can no longer meet the *Fitness and Probity Standards*.

B.3 Risk Management System including the Own Risk and Solvency Assessment (ORSA)

B.3.a Risk Management System and ORSA

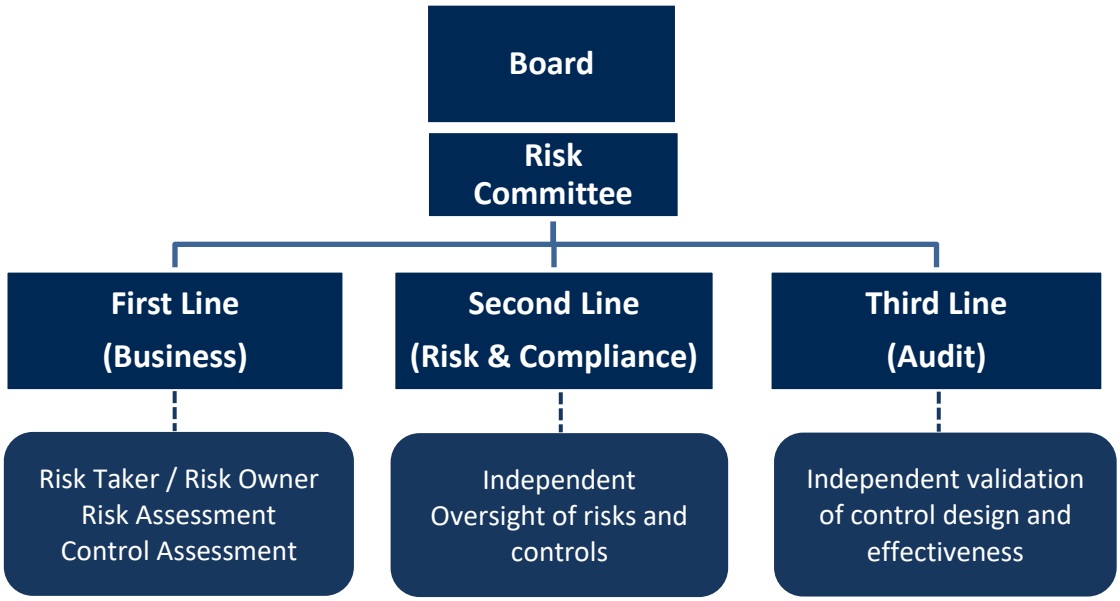
Risk Management System

The Risk Management System aims to ensure that risk is appropriately considered in strategic and operational decisions and the material risks the Company is or could be exposed to are understood and addressed. The Risk Committee provides oversight of the implementation and embedding of the Risk Management System and reports on it to the Board.

The Risk Management System comprises a number of components, as described below. As the Company is at an early stage of its growth, the risk processes and procedures will evolve and become more detailed as the business develops and grows. Where appropriate, the Company draws upon aspects of the Everest Re Group Risk Management System.

Three Lines of Defence

Roles, responsibilities and accountabilities for the management of risk and controls are defined in a "three lines of defence" approach, shown below:



Risk Strategy and Risk Appetite

The Risk Strategy and Risk Appetite, as set by the Board, details the parameters and capacity to assume risk and ensures that the approach to managing the risks to which the company is exposed is aligned to the business strategy and balances risk and return with sufficient capital to support the business strategy.

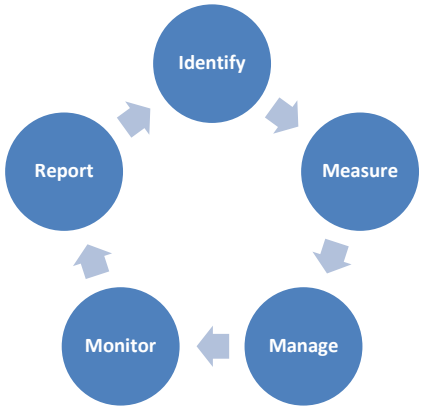
Risk Appetite Statements establish our appetite for material risks and these are developed with input from all functions following which they are submitted to the Board for review and approval. They set out limits and thresholds for risk taking. The approved Risk Appetite Statement is cascaded to staff as appropriate. The Risk Function monitors risk on an ongoing basis, reporting quarterly to the Board.

Policies

The approved Risk Strategy and Risk Appetite are reflected in policies, with specific requirements to be met for each type of risk, including the related roles, responsibilities and reporting requirements. Policies are owned by the Board and are reviewed and approved by the Board at least annually. Policies are available to staff as appropriate.

Risk Register

The Risk Register captures the risk universe and details the risks, controls and ownership. This forms the basis upon which the five key processes, as detailed below, are conducted.



Identify, Measure, Manage

1. The Risk Function oversees the identification of risks within the Company, engaging with Everest Re Group on emerging risks. All staff are responsible for identifying risks to the business over the short, medium and longer term, including risks to the Company's financial and solvency position, its ability to execute strategy, its reputation and its ability to comply with applicable laws and regulations. Internal and external information together with expert judgement are used to identify risks.
2. Risks are measured on the impact and likelihood of the risk occurring with the residual risk determined by identifying mitigating controls.
3. Risks may be managed in various ways including avoidance, limitation or mitigating controls. Reinsurance, a Keep Well Agreement (with EIR) and a Guaranty (from Everest Reinsurance (Bermuda) Ltd.) are key mitigants in managing solvency and liquidity risks.

Monitor

4. Risks are monitored by the business at least quarterly through the risk assessment process where risks, controls and mitigating actions are reviewed. The Risk Function monitors the risk profile through a review and challenge of quarterly risk assessments, a quarterly review of compliance with risk appetite limits and tolerances and on-going engagement with the business.

Report

5. Reports are prepared quarterly on risk appetite and risk register and the CRO's report prepared for the Risk Committee, which includes potentially material risks, other areas of risk identified by the CRO and on specific risk matters as requested by the Board or Risk Committee.

ORSA

The ORSA process, described further below, links the risk and capital assessment processes with the Company's strategy. The ORSA together with risk appetite and the risk register facilitates a better understanding of the risk profile to enable more informed decision making.

Decision Making

The decision-making framework sets out how risk management, compliance, governance and capital considerations are integrated into the Company's decision-making processes.

Assurance and Reporting

The Risk Function conducts independent review and challenge on elements of the Risk Management System to ensure they are operating effectively. The outcome of these reviews is documented and a suite of reports is provided to the Board, including reports on risk appetite, risk register, assurance testing, stress and scenario testing and the ORSA.

Solvency

The Risk Function determines the Company's SCR each quarter using EIOPA's Standard Formula. Details of the SCR and SCR coverage are reported quarterly to the Board. The Company's solvency needs over the plan period are assessed in the ORSA process, described below.

ORSA Process

The ORSA is an integral part of the Risk Management System and provides the Board and management with an understanding of the risks it is or may be exposed to over the medium term and the capital requirements for such risk. It enables the Company develop its strategy, business plan and risk appetite by considering its risk and capital profile and its sensitivity to stressed conditions.

The ORSA policy, approved by the Board, sets out the methodology, processes, governance and reporting requirements for the completion of the ORSA Report. The ORSA process assists in identifying the risks the company is or could be exposed to and how its risk profile translates into regulatory capital requirements and overall solvency needs.

Key components of the ORSA process include:

1. Setting the Company's strategy and business plan;
2. Reviewing the risk to and resulting from the strategy;
3. Alignment of risk appetite with strategy;
4. Conducting risk and control assessments to identify, assess, monitor, manage and report on the short and long term risks the Company faces or may face;
5. Conducting stress and scenario testing;
6. Assessing capital and solvency requirements to determine the level of own funds necessary to meet solvency requirements over the plan period;
7. Production of the ORSA Report to document the outcome of the ORSA process.

Own solvency needs are determined by projecting SCR for each year over the plan period using the EIOPA Standard Formula. A set of stress and scenario tests, informed by the Company's risk profile and risk assessments, is conducted to assess capital needs under a range of outcomes with management actions identified where appropriate. The Company also assesses the appropriateness of the Standard Formula for use in determining the SCR.

The ORSA process is a continuous process comprising key annual and recurring activities integrating risk management with business planning and capital management. It can be conducted more frequently following a significant change in the risk profile.

The Board owns and directs the ORSA process and reviews and approves the ORSA Report annually. The Risk Committee reviews the ORSA Report and recommends it to the Board for approval. Management consider risks to the business strategy, scenarios to assess its ability to operate effectively under stress conditions and the assessment of capital requirements to meet its strategy. The CRO conducts the ORSA process, reviewing and challenging the risk and capital assessments and drafts the ORSA report.

B.4 Internal Control System

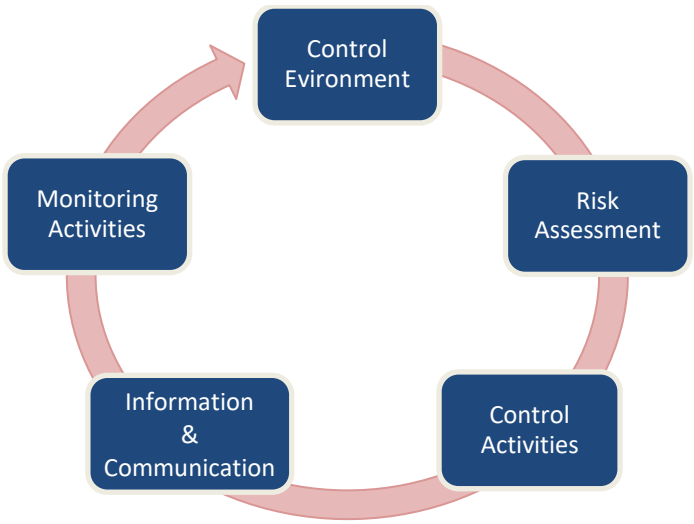
B4.a Description of the internal control system

The Company has an internal control system that encompasses policies, procedures, processes and reporting, which collectively seek to ensure:

- the effectiveness and efficiency of operations;
- the accuracy, reliability and timely reporting of financial and non-financial information;
- the business complies with laws and regulations.

The Internal Control policy, approved by the Board, sets out the approach to establishing and maintaining an effective system of internal control. The Board, through the operation of the Underwriting, Audit, and Risk Committees, is responsible for establishing and monitoring the effectiveness of the system of internal control.

The system of internal control incorporates the following components:



Control environment - controls span processes across the business including, but not limited to, financial reporting, underwriting and claims management. Management are accountable for the design and operating effectiveness of the controls and may delegate responsibility for performing the controls to others, including outsourced arrangements, provided they have the relevant knowledge and experience to perform the control.

Risk assessment - controls are identified / reviewed as part of the risk assessment process and their suitability and appropriateness is considered to ensure they prudently manage the associated risk.

Control activities - activities, including those set out in policies, are undertaken to manage risk across business processes including financial reporting, underwriting, claims, actuarial, outsourcing, IT and compliance. Controls include a combination of detective, preventative or predictive controls.

Information & Communication – collection and sharing of information on control weaknesses, deficiencies and lessons learned from control failures which help staff fulfil their responsibilities.

Monitoring Activities - the business monitors risks and controls on an ongoing basis. External Audit assesses the integrity of the financial statements and associated controls on an annual basis. Internal Audit reviews the effectiveness of the internal control system in accordance with the Audit Plan, approved by the Board annually.

B.4.b The Compliance Function

The Compliance Function is a second line function, operating independently from other functions, and providing assurance to the Board on compliance with applicable regulation and laws. The Head of Compliance is not involved in day to day operational activities other than those required to fulfil their duties and to ensure that no conflicts of interest arise. The Head of Compliance has access to all the necessary Company information to discharge its duties in respect of oversight of the Company's internal control system.

The Compliance Function works closely with the Internal and External Audit functions to ensure that any deficiencies are noted, remediation plans are implemented and all material issues are brought to the attention of the Audit and Risk Committees.

The Compliance Function is underpinned by a Compliance policy and Compliance Plan. The Compliance policy, approved by the Board, sets out the principles, implementing measures and framework to promote compliance, embed a compliance culture and reduce compliance risk. The Compliance Plan, approved by the Board, sets out the objectives and planned activities the Compliance Function undertakes each year.

The key responsibilities of the Compliance Function are as follows:

1. Maintaining a sound framework for the oversight and management of regulatory risk;
2. Formulating and executing the Compliance Plan;
3. Assessing the potential impact of changes in the regulatory environment and advising the business on the application of such change to business processes and activities;
4. Carrying out risk based monitoring to assess compliance with regulatory requirements;
5. Maintaining a positive and effective relationship with the Regulator;
6. Reporting to management and the Board on regulatory matters;
7. Providing relevant training to staff.

B.5 Internal Audit function

The Internal Audit Function is a third line function, operating independently from other functions, and providing assurance to the Board on the design and operational effectiveness of the internal control system.

B.5.a Implementation of the Internal Audit Function

The Company outsources the Internal Audit function to Eisner Amper Ireland, a firm of Chartered Accountants based in Dublin who hold the Pre-Approval Controlled role of Head of Internal Audit. The Board believes that outsourcing provides an additional level of independence from the management function. Further oversight and support is provided by Everest re Group as deemed appropriate.

B.5.b Independence of the Internal Audit Function

The Internal Audit Function objectively assesses whether the risk management, governance and control processes are designed and operating effectively. The Internal Audit Function maintains its independence and objectivity by ensuring that it does not engage in any operational or management function relating to the day-to-day activities of the Company. The Head of Internal Audit has a direct reporting line to the Chairman of the Audit Committee who is an INED. The Audit Committee reviews and approves the Internal Audit Plan annually. The Internal Audit Report is reviewed by the Audit Committee and presented to the Board by its Chairman.

B.6 Actuarial Function

The Company established the Actuarial Function and appointed a Head of Actuarial Function ("HoAF") in 2018 to manage this function.

B.6.a Responsibilities of the actuarial function

The actuarial function is responsible for:

- Calculating technical provisions;
- Assessing the quality and sufficiency of data used in the calculation of technical provisions;
- Providing opinions to the Board on underwriting policy and the adequacy of reinsurance arrangements;
- Contributing to the effective implementation of the Company's risk management system;
- Providing a report to the Board, at least annually, documenting the main tasks undertaken by the actuarial function.

The HoAF provides an Annual Opinion on Technical Provisions to the CBI, supported by an Actuarial Report on Technical Provisions which is provided to the Board. In addition, the HoAF provides an annual opinion on the Company's ORSA. The first annual opinions were provided during 2018.

B.7 Outsourcing

The Company outsources certain activities and functions to related entities Everest Advisers (UK) Ltd (EAUK) and Everest Global Services Inc. US (EGS).

Pre-underwriting, claims, and IT support are outsourced to EAUK while IT infrastructure, investment services, legal and finance support are outsourced to EGS. Payroll is outsourced to Grant Thornton and the company secretarial activity is outsourced to Law Debenture. The Internal Audit Function, as referred to in Section B.5 above, is outsourced to an external provider in Ireland.

The Company remains fully responsible for meeting all of its obligations where an activity or function has been outsourced.

The Company undertakes a detailed assessment of service providers to ensure they have the necessary ability to carry out the outsourcing function or activity, taking into account the impact of the proposed outsourcing arrangement on the operations of the Company.

B.7.a Outsourcing policy

The Outsourcing policy is approved by the Board at least annually and covers the following:

- Principles on which the Company outsources material functions;
- Functions eligible for outsourcing by the Company;
- Roles and responsibilities within the Company in relation to outsourcing;
- Procedures to be followed prior to outsourcing;

- Procedures to be followed following commencement of the outsourcing relationship including the level of review, monitoring and reporting required by the Company.

B.7.b Critical or important functions or activities outsourced by the Company

Activity	Service Provider	Jurisdiction
Pre-underwriting Claims handling and adjusting Information Technology Support Underwriting	Everest Advisors (UK) Ltd Third party MGA	UK EEA
Internal Audit	Eisner Amper	Ireland
Information Technology Infrastructure Investment Management	Everest Global Services, Inc. DWS Group BNY Mellon	USA

B.8 Any other material information

There were changes to the Management Team during the reporting period following the resignation of the CEO / CUO. The CFO was appointed CEO and a senior underwriter was appointed CUO.

An application was submitted to the CBI to establish an EEA Branch in the UK to allow the Company to continue to operate, using existing resources in the UK, in the event of a hard Brexit.

C. Risk profile

The Company has identified the material risks it is or may be exposed to over the life-time of its insurance obligations, as set out in the table below.

Risk Category	Risk Description
Underwriting (Insurance) Risk	The risk that total the cost of claims, claims adjustment expenses, internal expenses and premium acquisition expenses exceeds the premiums received.
Market (Asset) Risk	The risk that the fair value of investments fluctuates due to changes in market prices or defaults by bond issuers.
Credit Risk	The risk that counterparties fail to meet their obligations as they fall due through failures of reinsurers, bond defaults or non-payment of insurance receivables.
Liquidity Risk	The risk of failing to meet financial obligations as they fall due, notably from claims arising from its insurance contracts.
Operational Risk	The risk of loss or expense resulting from inadequate systems or processes or from human behaviour.
Other Material Risks	Strategic Risk - the risk of failure to evaluate or prioritise strategic options. Environmental Risk – risks resulting from the environment in which the Company operates and includes macroeconomic, political and legislative risks. Fungibility Risk - the risk of inability to access sufficient capital from Group Regulatory Risk - the risk of non-compliance with legal and regulatory requirements due to failure to identify applicable requirements, inadequate design of controls or inadequate compliance monitoring. Reputational Risk - the risk of loss of trust or damage to the Company's reputation by the actions or behaviour of employees.

This section analyses each of the above risks, providing qualitative and quantitative information on each risk category as at the report date.

The Risk Management System, described in Section B.3, incorporates the ongoing assessment of these risks and the effectiveness of controls in mitigating those risks.

Stress and scenario testing is an important component of our Risk Management System with management and the Board involved in the selection of suitable scenarios to assess the financial and management capability of the Company to continue to operate effectively under extreme but plausible conditions. Uncertainties and vulnerabilities within the business model are assessed using scenarios that incorporate stress and sensitivity testing to determine what these risks might look like under stressed conditions.

C.1 Underwriting risk

Risk Description

Underwriting risk is the risk of loss resulting from an inadequate or inaccurate assessment of the risks associated with writing insurance business or from uncontrollable factors which result in costs exceeding earned premiums.

The Company writes a variety of specialty commercial insurance products, including third party liability, management lines and surety with the initial focus, since establishment, on the underwriting of CPR and excess casualty insurance.

The key components of underwriting risk to which the Company is exposed are:

- Pricing risk - the risk that premium is inadequate to cover the underlying risk arising from incorrect or inappropriate pricing tools, inappropriate use of pricing tools or insufficient pricing monitoring;
- Underwriting risk – the risk of loss to the Company as a result of failure to accurately assess the risk, inappropriate underwriting processes or inappropriate policy terms and conditions;
- Reserving risk - the risk that the claims experience, including actual amount of claims and / or claims management expenses is worse than assumed in setting claims reserves;
- Event risk - the risk that individual losses or catastrophes result in unanticipated claims or large losses arising from an economic or sectoral downturn;
- Lapse risk - the risk of loss of future premiums arising from cancelled policies.

Risk Exposure

As at the report date, the Company's non-life underwriting risk component of the SCR, before diversification benefits, was €10.6m. As 2018 was the Company's first full year of underwriting, risk exposure increased over the year.
The Company did not make use of any special purpose vehicles in the reporting period.

Risk Assessment and Mitigation

The Company mitigates its exposure to unintended risk taking through the following measures:

- Policies, approved by the Board:
  - Underwriting Policy sets out the underwriting strategy and processes to manage underwriting risk
  - Reserving policy sets out the reserving process and the approach to calculating technical provisions
- Underwriting Guidelines and Letters of Authority to ensure a focus on profitability whilst maintaining a prudent approach and discipline in relation to risk assessment, pricing, selection and portfolio management
- Purchase of Reinsurance cover to mitigate claims volatility
- Conducting reserve studies including actual versus expected performance monitoring on a quarterly basis to mitigate the risk of adverse development on growing claims reserves
- Committees to oversee the risks:
  - The Underwriting Committee provides oversight on the underwriting policy, principles and procedures
  - The Reserving Committee provides oversight of the claims reserving process including the level of claim reserves and technical provisions

The nature of the business written to date is long tail with, typically, low frequency / high severity losses. It can take several years for claims to develop with any material deviation of actual experience from initial reserving assumptions not evident for several years. To the extent that reserves prove to be insufficient to cover claims costs and adjustment expenses the Company would recognise such reserve shortfalls and incur a charge to earnings which could be material in the period such recognition takes place. The current level of reserve risk is not substantial as the Company has only been writing business for one year. As the Company is in the early stages of its growth the level of reserve risk is not significant however it will become material over time as business volumes grow and reserve balances increase.

We expect our exposure to underwriting risk to grow as the Company develops. The Company plans to manage its underwriting risk through a cycle of planning, underwriting/pricing and monitoring. Where appropriate, the Company uses pricing models developed by Everest Re Group.

Risk Concentration

As the Company has only written business for one year, there are no significant risk concentrations. Key areas of potential risk concentration include country exposures on our CPR business and exposure to regional or global economic downturns.

Risk Sensitivity

Scenario analysis was conducted on underwriting risk as part of the ORSA process. The scenarios considered alternative assumptions for the volume, mix and claims performance of business written. For example, if gross loss ratios were 20% higher than plan (additive), projected year end 2019 SCR coverage would remain high, at over 280%, before allowing for any management actions.

In the event that the scenarios materialised, management action would be taken to improve the capital position. Such actions may include:

1. Increasing premium rates
2. Changing the business mix or reducing the volume of business
3. Revising reinsurance arrangements
4. Reducing cost
5. Seek additional capital from Everest Re Group
6. Drawing upon keep well and/or guaranty arrangements with Everest Re Group entities, if required

C.2 Market risk

Risk Description

Market risk is the risk that the fair value of investments will fluctuate due to changes in market prices. The value of technical provisions is subject to interest rate risk as these are discounted using risk free rates.

Risk Exposure

As at the report date the Company's market risk component of the SCR, before diversification benefits, was €8.1m.

Since capitalisation of the Company in November 2017, and as a short term measure, investments were held in cash. In 2018 the Company started to invest in fixed income securities. Assets are invested in accordance with Board approved investment guidelines and an investment policy which was designed to be consistent with the "prudent person principle".

Risk Assessment and Mitigation

DWS Group (formerly Deutsche Asset Management) manages the investment portfolio in accordance with specified limits in the Investment Guidelines. Oversight of investment management is undertaken by EGS who report regularly to the Board on portfolio performance and on compliance with investment limits.

Risk Concentration

There is no material risk concentration as the Company maintains a low risk, well diversified investment portfolio consisting of highly rated and liquid corporate and government bonds.

Risk Sensitivity

Scenario analysis was conducted on market risk as part of the ORSA process. Currency and interest rate stresses to corporate and government bonds were considered. For example, by treating EU government bonds as corporate bonds, projected year end 2019 SCR coverage would be in excess of 300%, before allowing for any management actions. In the event that a scenario materialises management action will

be taken to improve the capital position by adjusting holdings to minimise market risk and revising the Company's Investment Strategy.

C.3 Credit risk

Risk Description

Credit risk arises if counterparties fail to meet obligations as they fall due. The Company is exposed to credit risk through its banking counterparties, reinsurance arrangements and insurance premium receivables. Credit risk associated with bonds is considered as part of market risk. Direct credit risk from certain credit-related lines of business (e.g. CPR) is considered within underwriting risk.

Risk Exposure

As at the report date, the Company's counterparty credit risk component of the SCR, before diversification benefits, was €1.1m.

Risk Assessment and Mitigation

Credit risk is assessed through measures including monitoring of counterparties' credit ratings and calculation of the counterparty credit risk component of the SCR. Credit risk in relation to external reinsurance is mitigated through the use of a diversified panel of strongly rated reinsurers. Credit risk in relation to intra Group reinsurance is mitigated through the provision of a Guaranty from an Everest Re Group affiliate and the strong rating of our reinsurance counterparty.

The Company has a Board approved reinsurance policy which sets out the standards, requirements roles and responsibilities in managing reinsurance and other risk mitigating techniques.

Risk Concentration

The Company's internal reinsurance treaties are placed with EIR, as such the Company has a concentration of credit risk. However, the Company accepts this risk due to the high rating of the internal reinsurer (Credit Quality Step 2; AM Best rating A) and because the Company's payment obligations are supported by a Guaranty agreement from an Everest Re Group affiliate.

Risk Sensitivity

Scenario analysis was conducted on Credit risk (Counterparty Default) as part of the ORSA process and considered a reinsurer downgrade and failure of a reinsurer.

In circumstances where the scenario materialised management action would be taken to improve the capital position by reducing premium volumes, purchase of run-off cover and / or to seek additional capital from Everest Re Group.

C.4 Liquidity risk

Risk Description

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due.

The Company must meet its liabilities as and when they fall due notably from claims arising from its non-life insurance contracts. There is therefore a risk that the cash and cash equivalents held will not be sufficient to meet its liabilities when they become due.

Risk Exposure

The total amount of expected profit included in future premiums, net of reinsurance, is €5.1m.

The Company has invested most of its assets in fixed income securities but retains cash balances in order to meet liquidity needs. Given the credit quality of the Company's financial assets it can quickly liquidate its investments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

Risk Assessment and Mitigation

The Company's liquidity needs are met on both a short and long term basis by funds provided by premiums collected, investment income, collected reinsurance receivable balances and the sale and maturity of investments, together with the availability of funds under the Everest Re Group's surplus guarantee.

The Company has a Board approved Liquidity and Concentration Risk policy together with liquidity limits which are monitored quarterly. Most reinsurance agreements include cash call provisions which permit the Company to accelerate recoveries in the event of paying large losses.

Risk Concentration

The Company does not have any material risk concentration.

Risk Sensitivity

Scenario analysis was conducted on Liquidity risk as part of the ORSA process and considered the impact of a large claim on the Company's liquidity.

In circumstances where the scenario materialised management actions could include selling short dated bonds, using cash balances or calling on our Guaranty arrangement with an Everest Re Group affiliate to fund the claim.

C.5 Operational risk

Risk Description

Operational risk is the risk of loss arising from inadequate or failed internal processes, systems, people or external events.

Operational risks include, but are not limited to, failure or weaknesses in financial reporting and control, fraud, IT systems failure, breach of information security, disaster recovery, non-compliance with laws and regulations, failure of an outsourced provider, Brexit preparation and loss of key personnel.

Risk Exposure

As at the report date, the Company's operational risk component of the SCR, before diversification benefits, was €0.3m.

The material operational risk to which the Company is exposed is outsourcing given our reliance on Everest Re Group affiliates and other entities to undertake key activities including pre-underwriting / claims, policy administration and IT support.

Risk Assessment and Mitigation

The Company actively manages operational risks and minimises them as appropriate. The Operational Risk policy approved by the Board sets out the approach to managing operational risks including the roles and responsibilities in monitoring and reporting such risk. Other policies, such as IT, Outsourcing and Data Protection support the Operational Risk policy in assessing, managing and mitigating operational risk.

Outsourcing risk is mitigated by conducting due diligence and putting in place contracts and service level agreements for all arrangements which are monitored and reviewed regularly.

Risk Concentration

As the Company is in the early stages of growth it has recruited a small team who have multiple responsibilities in managing activities with a number of key activities outsourced to other entities. There is concentration risk in relation to reliance on key personnel and Everest Re Group entities in performing certain activities.

Risk Sensitivity

Scenario analysis was conducted on Operational risk as part of the ORSA process and considered the potential impact of a hard Brexit disrupting operations and the impact of increased investment to support operations. The impact on the SCR of these scenarios was not material and the SCR remained above target.

C.6 Other material risks

Risk Description

Other risks to which the Company is exposed include:

- **Strategic Risk** is the risk that the strategy, adopted by the Board, is not implemented appropriately due to an inadequate assessment of strategic options, unexpected changes to assumptions in the strategic plan or other external factors. The Board considers strategic risks and actions required to enable the Company react appropriately to economic, market or other external factors. Strategic risk is further mitigated by maintaining close relationships with Everest Re Group through membership of the Board and other committees.

- **Environmental Risk** is the risk resulting from the environment in which the Company operates and includes macroeconomic, political and legislative risks. It also includes the risk that the Company will be unable to operate, using existing resources in the UK, in the event of a hard Brexit. This risk will be mitigated by establishing an EEA branch in the UK prior to 29th March 2019 which is subject to regulatory approval.

- **Fungibility Risk** is the risk of being unable to access sufficient capital if required from Everest Re Group entities. This risk is mitigated through a Guarantee and Keep Well agreement with Everest Re Group entities to support the Company's financial resources.

- **Regulatory risk** is the risk of non-compliance with legal and regulatory requirements due to failure to identify applicable requirements, inadequate design of controls or inadequate compliance monitoring. This risk is mitigated through policies and procedures together with the ongoing monitoring of compliance activities by the Compliance Function.

- **Reputational Risk** is the risk of loss of trust or damage to the Company's reputation by the actions or behaviour of employees. When dealing with both internal and external stakeholders every employee is expected to adhere to the highest professional and ethical standards.

Risk Exposure

The risks above are not explicitly captured in the standard formula but may be reflected in other risks captured in the standard formula such as underwriting (premium volumes) and operational risk (regulatory). The potential impact of some of the risks above on the Company's solvency position is considered in a range of stress and scenario tests.

Risk Assessment and Mitigation

The Company actively manages the above risks and minimises them through governance structures supported by processes and controls. Risks are identified and assessed on an ongoing basis with stress and sensitivity testing conducted as part of the ORSA process. The risk profile is produced and reviewed by the Board quarterly. The risk profile together with the ORSA Report is considered by management and the Board.

The second line of defence (Risk and Compliance functions) undertake regular monitoring of activities to ensure policy, legal and regulatory requirements are adhered to.

The Company seeks to preserve its reputation by maintaining high ethical and professional standards.

C.7 Any other information

The Company submitted an application to the CBI to establish an EEA Branch in the UK to allow it to continue to operate, using existing resources at EAUK in the event of a hard Brexit. The impact of the proposed UK branch has been considered in the risk profile, SCR and solvency coverage.

The Company does not have any other material information to disclose with regard to its risk profile.

D. Valuation for solvency purposes

The Company values assets and liabilities, other than technical provisions, at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods.

The financial statements of the Company are prepared under Irish GAAP. The following summarised balance sheet as at 31st December 2018 analyses the differences in valuation between the Company's financial statements and the Solvency II valuation.

	Statutory accounts value €'000	Adjustment €'000	Solvency II value €'000
Assets			
Investments	45,817	348	46,165
Reinsurers share of technical provisions	12,834	(18,372)	(5,538)
Deferred Acquisition Costs	2,524	(2,524)	0
Property, plant & equipment held for own use	75	0	75
Insurance and intermediaries receivables	8,727	(7,995)	732
Reinsurance Receivable	0	1,430	1,430
Receivables (trade, not insurance)	99	(55)	44
Cash and cash equivalents	12,227	0	12,227
Any other assets, not elsewhere shown	348	(348)	0
Total assets	**82,651**	**(27,516)**	**55,135**

Liabilities			
Best Estimate	0	(7,787)	(7,787)
Risk margin	0	1,076	1,076
Other technical provisions	16,454	(16,454)	0
Deferred Tax Liabilities	0	620	620
Insurance & intermediaries payables	10,103	(5,475)	4,628
Payables (trade, not insurance)	1,075	571	1,646
Any other liabilities, not elsewhere shown	4,410	(4,410)	0
Total liabilities	**32,042**	**(31,859)**	**183**

Excess of assets over liabilities	**50,609**	**4,342**	**54,951**

D.1 Assets

D.1.a Valuation for each material class of asset:

Investments – Financial Instruments

Solvency II Valuation	Financial Reporting Valuation
Financial instruments consist of Government and Corporate Bonds which are valued at 'fair value' under Solvency II. This equates to Market Value which is the amount for which the assets could be transferred in an arm's length transaction.	There are no differences from SII valuation

Insurance and intermediaries receivables

Solvency II Valuation	Financial Reporting Valuation
These represent debtor balances which are greater than 90 days past due. Balances which are not greater than 90 past due are deemed to be future cash flows and reclassified as part of technical provisions.	This is made up of all outstanding premiums due from policy holders. It includes amounts which are due, overdue and where premium is not yet contractually due.

Cash and other cash equivalents

Solvency II Valuation	Financial Reporting Valuation
Cash and cash equivalents are monies held as cash on hand, cash and short term deposits held on call with banks. Such balances are considered to be held at fair value under Solvency II.	There are no differences from SII valuation

In 2018 the Company invested in fixed income securities in accordance with Board approved investment guidelines.

All assets in the portfolio are traded in an active market and the criteria used to determine whether a market is active includes the following:

- assets traded in a regulated financial market;
- credit quality can be assessed and validated;
- assets can be easily liquidated;
- assets and instruments where the risks can be identified, measured, monitored, managed, controlled and reported on.

The Company does not have any intangible assets and has not entered into any leasing arrangements. The Company does not have any deferred tax assets or provide any guarantees. There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.2 Technical provisions

The HoAF is responsible for the oversight of the calculation of technical provisions. The technical provisions net of reinsurance as at 31st December 2018 are (€1.2m). The table below lists the Company's technical provisions by line of business.

Summary results, €'000

SII line of business	Gross Best Estimate	Recoveries	Net Best Estimate	Risk Margin	Total Technical Provisions
General liability	2,263	150	2,113	347	2,460
Credit & Suretyship	(10,027)	(5,698)	(4,329)	715	(3,614)
Non-proportional casualty	(23)	11	(33)	13	(20)
Total	**(7,787)**	**(5,538)**	**(2,249)**	**1,076**	**(1,173)**

Best estimate

The best estimate represents the probability weighted average of all future cash flows from bound contracts including claims, premiums, acquisition expense, internal expense and reinsurance cash flows.

The Company has limited claims data as there has been minimal claims activity to date. Hence, we typically rely on claims assumptions from the planning process, broker benchmarks, reserving analyses and assumptions used by Everest Re Group entities and industry data. There is a significant amount of expert judgement involved in setting claims assumptions.

An allowance is made for Events Not In Data to reflect the possibility of adverse claims' experience not reflected in historical data.

Technical provisions include future premium cash flow. There are significant volumes of future CPR future premium as much of this business was written in late 2018 and it is multi-year business.

An expense provision is required for direct and indirect expenses relating to claims handling, policy administration, acquisition and investment activities. The expense provision includes overhead expenses incurred in servicing insurance obligations arising from contracts bound at the valuation date.

Technical provisions include all expected contractual commission and brokerage cash flows. Non-acquisition expenses have been estimated by reference to planning assumptions.

Future reinsurance premiums, ceding commissions and recoverables have been estimated for each policy by applying the applicable reinsurance arrangements to projected gross premiums and claims. Most reinsurances are quota share treaties, in which case, the applicable quota share percentage is applied to estimate reinsurance premiums and recoverables.

The Company does not have any arrangements with special purpose vehicles and hence technical provisions are not adjusted for recoveries from such vehicles.

Best estimate technical provisions are calculated by projecting future cash flows and discounting by applying risk free yield curves by currency.

There were no material changes to assumptions over the reporting period. The main changes to technical provisions since 31st December 2017 are that these involve a much larger volume of business as the Company had only written three contracts at the end of 2017. Technical provisions include additional reserving segments, reflecting the nature of new business written during the year, e.g. CPR.

No significant simplifications have been used to calculate best estimate technical provisions.

Uncertainty

The Company writes long tail lines of business, which attach at an excess level, so that the Company is expected to typically experience low frequency / high severity losses. This business is inherently more volatile than short term / high loss frequency business. A small number of large claims could result in claims amounts that are significantly higher than those included in claims projections.

Much of the Company's business is exposed to macroeconomic conditions, including CPR, surety and management lines. A deterioration in regional or global economies could result in increased claims.

Changes in the US legal environment including changes to legislation or new legal precedents could result in increased claims activity on the US Excess Casualty business. Similarly, the emergence of new types of claims could result in higher than expected claims.

The Company has almost no historical claims data as we have only been writing business for one year. As the Company cannot use its own claims data to estimate future claims there is more uncertainty around such estimates.

For most of the Company's segments Everest Re Group also has limited or no historical insurance claims data as it only started writing these segments in recent years. The lack of Group data also results in increased uncertainty over estimated future claims.

There is reliance on broker benchmark loss assumptions due to data limitations. These are based on anonymous data and as such there is uncertainty around whether they are representative of the Company's business.

It is typical to apply a range of actuarial methods when projecting future claims. Due to data limitations it has not been possible to apply several methods resulting in increased uncertainty around future claims.

There are significant volumes of future premium included in technical provisions. If these amounts are not received the Company's technical provisions' liability would increase.

The Company has significant amounts of reinsurance and this has been reflected in reinsurance recoveries. In the event of reinsurer failures or disputes, recoveries could be lower than expected, perhaps materially so.

Risk margin

Technical provisions include a risk margin to ensure that the value of technical provisions is equivalent to the amount that an insurer would be expected to require in order to take over the insurance obligations of the Company.

In calculating the risk margin, we applied simplified method 3, as outlined in Guideline 62, "Hierarchy of methods for the calculation of the risk margin" of EIOPA's "Guidelines on the Valuation of Technical Provisions." A full projection of future SCR or a projection of individual modules or sub-modules for the purpose of calculating risk margin would be disproportionate to the nature and size of the Company's liabilities. Method 2 is not appropriate as the Company has negative technical provisions while Method 4 is too simplistic given that we can apply Method 3.

In calculating technical provisions, we have not applied any other of the simplifications provided in the Solvency II Delegated Acts.

Key differences between valuation for solvency and financial reporting

Solvency II Valuation	Financial Reporting Valuation
Future premiums: Technical provisions include all future inwards premium and outwards reinsurance premium expected to be received over the lifetime of recognised business. Past due premiums are excluded from technical provisions. Net future premiums of €2.9m are included in technical provisions.	Technical provisions do not include future premiums.
Claims: Technical provisions include expected claims and recoveries from both expired and unexpired exposures. Estimated claims include an allowance for Events Not in Data.	Statutory accounts only include claims reserves for expired exposures.
Risk margin: Technical provisions include a risk margin, €1.1m, as prescribed by Solvency II regulations.	Risk margin: The Company did not include any risk margin in our statutory accounts.

Apart from the differences above there are no material differences between the bases, methods and main assumptions used by for the valuation for solvency purposes and those used for valuation in financial statements.

Because of the nature of the Company's business it does not apply any of the following as provided in the Solvency II Delegated Acts:

- Matching adjustment;
- Volatility adjustment;
- Transitional risk-free rate structure volatility adjustment;
- Transition deduction.

D.3 Other liabilities

Other liabilities include intercompany liabilities, other tax payable in relation to PAYE and PRSI and accruals.

The Company values other at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods.

The Company has not entered into any leasing arrangements. The Company has recognised a deferred tax liability in the Solvency II balance sheet. The Company does not operate a defined benefit pension scheme. There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.3.a Solvency II valuation for each material class of other liabilities

Deferred Tax Liability

Solvency II Valuation	Financial Reporting Valuation
This balance represents a deferred tax provision on the difference between the Solvency II excess of assets over liabilities and the statutory balance sheet excess of assets over liabilities. There is no expiry date on this provision.	For financial reporting valuation the balance sheet does not include any deferred tax provision.

Insurance and intermediaries payables

Solvency II Valuation	Financial Reporting Valuation
These balances represent overdue premiums payable to reinsurers not yet paid. Under Solvency II premiums payable but not overdue are included as part of technical provisions calculation.	In its annual financial statements the Company includes premiums receivable net of commission in assets and reinsurance premiums payable net of commission in liabilities.

Payables (trade not insurance)

Solvency II Valuation	Financial Reporting Valuation
Payables are recorded on an accruals basis.	There are no differences from SII valuation

These balances represent non-insurance related payables, trade and accounts payables to service providers and suppliers.

Any other liabilities, not elsewhere shown

Solvency II Valuation	Financial Reporting Valuation
This balance represents accrued expenses not yet paid.	For financial reporting valuation this balance includes deferred acquisition costs ceded to reinsurers. This is valued as nil in SII.

D.4 Alternative methods of valuation

The Company does not use any alternative methods for valuation.

D.5 Any other information

The Company does not have any other material information to disclose in regard to valuation for solvency purposes.

E. Capital management

E.1 Own Funds

E1.a Objective, policies and processes for managing own funds

The Company must hold a sufficient level of capital to reflect its risk profile and to support the financial condition, business model and strategy and regulatory requirements.

The capital management objectives of the Company are to:

- maintain a strong capital base to support its business model;
- maintain sufficient financial strength ratings;
- ensure that regulatory and SCR are maintained at all times.

A Capital Management policy approved by the Board sets out the approach to managing capital and the Company considers these objectives as part of the ORSA process, which is based on a three year projection of requirements. The Company holds excess funds to absorb potential volatility in SCR coverage and to absorb risks not included in the SCR e.g., strategic risk.

The Company measures and calculates its capital using the Standard Formula. The SCR and MCR coverage is calculated and reviewed on a quarterly basis. In the event that the Company's statutory capital falls below an agreed threshold at the end of any financial quarter, the Company will call upon a Keep Well Agreement with an Everest Re Group affiliate under which our counterparty will take immediate action to restore own funds to the agreed threshold.

The CRO reports regularly to the Board on the level of eligible own funds and the ratio of cover over the SCR and MCR. Ultimate responsibility for maintenance of own funds lies with the Board.

During the reporting period, an additional capital contribution of €5.0m was approved by the CBI as Tier 1 Own Funds.

E.1.b Own funds classification

As at the report date the Company's excess of assets over liabilities was comprised of issued share capital of €2 and basic own funds of €55.0m. The entire balance was available as Tier 1 unrestricted own funds to meet both SCR and MCR requirements.

The Company does not have any Tier 1 own funds that fall within the following categories:

- paid-in subordinated mutual member accounts;
- paid-in preference shares and the related share premium account;
- paid-in subordinated liabilities valued in accordance with Article 75 of Directive 2009/138/EC.

None of the Company's own funds are subject to the transitional arrangements. The Company does not have any ancillary own fund items. The Company has not deducted any items from own funds.

The following table shows basic own funds before deduction for participations in other financial sector as foreseen in Article 68 of delegated regulations 2015/35.

	2018 €'000	Available	Sub ordinated	Duration
Capital contribution	55,000	*Yes*	*No*	*No redeemable date*
Reconciliation Reserve	(48)			
Share capital		*Yes*	*No*	*No redeemable date*
Total basic own funds after deductions	**54,952**			

The reconciliation reserve comprises the following:

	2018 €'000
Statutory loss for year	(3,915)
Difference in technical provisions and premiums due	4,487
Deferred Tax	(620)
Reconciliation Reserve	(48)

Further details are provided in Section E.1 (e) and E.1 (f) below.

E.1.c Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The Company's Own Funds are represented by 100% tier 1 unrestricted and are available to cover the SCR.

E.1.d Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The Company's Own Funds are represented by 100% tier 1 unrestricted and are available to cover the MCR.

E.1.e Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

	2018 €'000
Capital Contribution	55,000
Share Capital Issued	0
Retained Earnings	(4,391)
Equity per financial statements	**50,609**
Technical Provisions Adjustment	3,456
Deferred Acquisition Costs	1,259
Premium	247
Deferred Tax	(620)
Solvency II Own Funds	**54,951**

The Solvency II Balance Sheet is forward looking and it includes profits / losses on unearned premium on the balance sheet at 31st December 2018. The statutory balance sheet is historic looking and includes the actual profit / loss according to FRS rules.

E.1.f Key elements of the reconciliation reserve

The reconciliation reserve is calculated as follows

	2018 €'000
Retained Earnings	(4,391)
Technical Provisions Adjustment	3,456
Deferred Acquisition Costs	1,259
Premium	247
Deferred Tax	(620)
Reconciliation reserve	(48)

Solvency II Guidelines on "Reporting and public disclosure" require disclosure in this section E.1 of information about any additional solvency ratios reported other than those included in template S.23.01. We have not reported any such additional solvency ratios.

The Company does not have any Own Fund items subject to transition arrangements or any ancillary Own Funds. No item has been deducted from Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company's SCR, as calculated by the Standard Formula, as at the report date was €10.6m. The table below provides a breakdown of the SCR by risk category and risk module.

	2018 €
Underwriting Risk	
Premium and Reserve	3,691
Catastrophe Risk	2,577
Lapse Risk	4,359
Diversification Benefit	-3,992
Counterparty Risk	1,123
Market Risk	
Interest Rate Risk	2,187
Equity Risk	0
Spread Risk	2,396
Currency Risk	3,434
Property Risk	19
Concentration Risk	118
Diversification Benefit	-2,651
Diversification Benefit	-3,045
Basic SCR	**10,215**
Operational Risk	339
SCR	**10,554**

The SCR is designed to absorb the loss resulting from the occurrence of a 1-in-200-year loss event over the next 12 months. The Company uses the Standard Formula specified by EIOPA to estimate the SCR. This models insurance, market, credit and operational risk and takes account of the Company's outwards reinsurance programmes. The Company's SCR calculation does not include any of the simplifications provided by the Solvency II Delegated Acts.

In addition to the SCR we are required to calculate the MCR. This is lower than the SCR and is designed to correspond to a solvency level below which policyholders and beneficiaries would be exposed to an unacceptable level of risk if the insurer were allowed to continue its operations. The MCR as at the report date was €3.7m.

	2018 €'000
Linear MCR	688
SCR	10,554
MCR cap	4,749
MCR floor	2,638
Combined MCR	2,638
Absolute floor of the MCR	3,700
Minimum Capital Requirement	**3,700**

Basic Own Funds is the excess of assets over liabilities as determined by the Solvency II balance sheet. The Company's own funds includes only Tier 1 unrestricted funds without imposed capital add-ons.

Throughout the period the Company has eligible own funds available to meet the SCR and MCR. The own funds ratio to SCR and MCR at the reporting date was 521% and 1485%, respectively.

The Company has not used any undertaking-specific parameters in calculating the SCR using the Standard Formula. The Company's SCR calculation does not include any of the simplifications provided by the Solvency II Delegated Acts.

In calculating the MCR, the Company has used the following approach:

- A linear MCR based on the net of reinsurance best estimate technical provisions and the net written premiums in the last 12 months.
- A floor of 25% of the SCR and a cap of 45% of the SCR is applied
- An absolute floor of €3.7m is applied to calculate the overall MCR requirement.

There are no changes relative to the prior period to report.

E.3 Use of duration–based equity risk sub-module in the calculation of the SCR

The Company did not make use of a duration-based equity sub-module during the reporting period.

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

The Company uses the Standard Formula to calculate the SCR, therefore no differences exist.

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

The Company complied with the Solvency II MCR and SCR requirements throughout the reporting period. The Company held Own Funds in excess of both the MCR and SCR requirements throughout the reporting period.

E.6 Any other information

The Company does not have any other material information to disclose with regard to capital management. The Company benefits from keep well and guaranty arrangements with Everest Re Group entities to support its financial resources.

Appendix I Glossary of terms

ALM	Asset/liability management
BAC	Board Audit Committee
BETP	Best estimate technical provision
BSCR	Basic Solvency Capital Requirement
CBI	Central Bank of Ireland
CEO	Chief Executive Officer
CF	Control function
CFO	Chief Financial Officer
CPR	Credit insurance and political risk products
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
DAC	Designated Activity Company
EAUK	Everest Advisors UK Ltd.
EEA	European Economic Area
EGS	Everest Global Services, Inc.
EIOPA	European Insurance and Occupational Pension Authority
EIR	Everest International Reinsurance Ltd
EU	European Union
FRS	Financial Reporting Standard
GWP	Gross Written Premium
HoAF	Head of Actuarial Function
HoU	Head of Underwriting
INED	Independent Non-Executive Director
KPIs	Key performance indicators
MCR	Minimum Capital Requirement
NED	Non-Executive Director
NEP	Net Earned Premium
NWP	Net Written Premium
ORSA	Own Risk and Solvency Assessment
PCF	Pre-approved controlled function
QRT	Quantitative Reporting Template
RM	Risk margin
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report

Appendix I Quantitative Reporting Templates (QRT)

The following QRT templates, applicable to the Company, are required for the Solvency and Financial Condition Report.

The reporting currency is Euro.

Template ref	Template Name
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses by line of business
S.05.02	Premiums, claims and expenses by line of country
S.17.01	Non-Life Technical Provisions
S.19.01	Non-Life Claims Information
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement
S.28.01	Minimum Capital Requirement

S.02.01 Balance Sheet

		Solvency II value
Assets		**€'000**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	75
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	46,165
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	46,165
Government Bonds	**R0140**	10,191
Corporate Bonds	**R0150**	35,974
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	(5,538)
Non-life and health similar to non-life	**R0280**	(5,538)
Non-life excluding health	**R0290**	(5,538)
Health similar to non-life	**R0300**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	732
Reinsurance receivables	**R0370**	1,430
Receivables (trade, not insurance)	**R0380**	44
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	12,227
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	**55,135**

		Solvency II value
Liabilities		**€'000**
Technical provisions – non-life	R0510	(6,711)
Technical provisions – non-life (excluding health)	R0520	(6,711)
TP calculated as a whole	R0530	
Best Estimate	R0540	(7,787)
Risk margin	R0550	1,076
Technical provisions - health (similar to non-life)	R0560	
TP calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	620
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	344
Reinsurance payables	R0830	4,284
Payables (trade, not insurance)	R0840	1,646
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	
Total liabilities	R0900	183
Excess of assets over liabilities	R1000	54,952

S.05.01 Premiums, claims and expenses by line of business

		General liability insurance	Credit and suretyship insurance	Casualty	Total
		C0080	C0090	C0140	C0200
Premiums written					
Gross - Direct Business	R0110	7,193	6,992		14,185
Gross - Proportional reinsurance accepted	R0120		4,220		4,220
Gross - Non-proportional reinsurance accepted	R0130			404	404
Reinsurers' share	R0140	5,087	9,603	322	15,012
Net	R0200	2,106	1,609	82	3,797
Premiums earned					
Gross - Direct Business	R0210	2,264	2,363		4,998
Gross - Proportional reinsurance accepted	R0220		524		524
Gross - Non-proportional reinsurance accepted	R0230			131	131
Reinsurers' share	R0240	2,069	2,477	94	4,641
Net	R0300	555	410	36	1,002
Claims incurred					
Gross - Direct Business	R0310	1,773	761		2,534
Gross - Proportional reinsurance accepted	R0320		173		173
Gross - Non-proportional reinsurance accepted	R0330			80	80
Reinsurers' share	R0340	1,331	797	56	2,185
Net	R0400	442	137	24	603
Changes in other technical provisions					
Gross - Direct Business	R0410				
Gross - Proportional reinsurance accepted	R0420				
Gross - Non- proportional reinsurance accepted	R0430				
Reinsurers' share	R0440				
Net	R0500				
Expenses incurred	R0550	1,889	2,568	45	4,502
Other expenses	R1200				
Total expenses	R1300				4,502

S.05.02 Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		GB	DE	KY	FR	ES	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	4,950	1,689	2,503	1,496	773		11,410
Gross - Proportional reinsurance accepted	R0120		1,393		463	833	1,166	3,855
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	4,212	2,578	1,386	1,665	1,368	991	12,201
Net	R0200	738	503	1,117	294	238	175	3,065
Premiums earned								
Gross - Direct Business	R0210	1,938	596	1,120	553	361		4,567
Gross - Proportional reinsurance accepted	R0220		30		326	154	9	519
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	1,644	530	607	747	439	7	3,975
Net	R0300	294	96	512	132	76	1	1,112
Claims incurred								
Gross - Direct Business	R0310	1,238	191	492	177	116		2,214
Gross - Proportional reinsurance accepted	R0320		10		105	49	3	167
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	1,031	169	250	240	141	2	1,833
Net	R0400	207	31	243	42	25		548
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	1,219	759	616	482	395	287	3,758
Other expenses	R1200							
Total expenses	R1300							3,758

S.17.01 Non-Life Technical Provisions

		General liability insurance	Credit and suretyship insurance	Casualty	Total Non-Life obligation
		C0090	C0100	C0150	C0180
Technical provisions calculated as a whole	R0010				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050				
Technical provisions calculated as a sum of BE and RM					
Best estimate					
Premium provisions					
Gross	R0060	425	(10,966)	(108)	(10,649)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	(978)	(6,450)	(45)	(7,472)
Net Best Estimate of Premium Provisions	R0150	1,403	(4,516)	(64)	(3,177)
Claims provisions					
Gross	R0160	1,838	938	86	2,862
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	1,128	751	55	1,934
Net Best Estimate of Claims Provisions	R0250	710	187	30	928
Total Best estimate - gross	R0260	2,263	(10,027)	(23)	(7,787)
Total Best estimate - net	R0270	2,113	(4,329)	(33)	(2,249)
Risk margin	R0280	627	418	31	1,076
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	2,890	(9,609)	8	(6,711)
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	150	(5,698)	11	(5,538)
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	2,740	(3,911)	(3)	(1,173)

S.19.01 Non-Life Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]

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

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100										0	R0100	0	0
2009	R0160	0	0	0	0	0	0	0	0	0	0	R0160	0	0
2010	R0170	0	0	0	0	0	0	0	0	0		R0170	0	0
2011	R0180	0	0	0	0	0	0	0	0			R0180	0	0
2012	R0190	0	0	0	0	0	0	0				R0190	0	0
2013	R0200	0	0	0	0	0	0					R0200	0	0
2014	R0210	0	0	0	0	0						R0210	0	0
2015	R0220	0	0	0	0							R0220	0	0
2016	R0230	0	0	0								R0230	0	0
2017	R0240	0	0									R0240	0	0
2018	R0250	0										R0250	0	0
												Total R0260	0	0

S.19.01 Non-Life Claims Information (Cont'd)

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year 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										0	R0100 0
2009	R0160	0	0	0	0	0	0	0	0	0		R0160 0
2010	R0170	0	0	0	0	0	0	0	0			R0170 0
2011	R0180	0	0	0	0	0	0	0				R0180 0
2012	R0190	0	0	0	0	0	0					R0190 0
2013	R0200	0	0	0	0	0						R0200 0
2014	R0210	0	0	0	0							R0210 0
2015	R0220	0	0	0								R0220 0
2016	R0230	0	0									R0230 0
2017	R0240	0	616									R0240 558
2018	R0250	2,524										R0250 2,304
Total	R0260											2.862

S.23.01 Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	0	0			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	(48)	(48)			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	55,000	55,000			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	54,952	54,952			

S.23.01 Own Funds (Cont'd)

Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	54,952	54,952			
Total available own funds to meet the MCR	R0510	54,952	54,952			
Total eligible own funds to meet the SCR	R0540	54,952	54,952			
Total eligible own funds to meet the MCR	R0550	54,952	54,952			
SCR	R0580	10,554				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	5.2068				
Ratio of Eligible own funds to MCR	R0640	14.8518				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	54,952
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	55,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	(48)
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	5,066
Total Expected profits included in future premiums (EPIFP)	R0790	5,066

S.25.01 Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		€'000	€'001	€'002
Market risk	R0010	5,502		
Counterparty default risk	R0020	1,123		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	6,635		
Diversification	R0060	(3,045)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	10,215		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	339
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	10,554
Capital add-on already set	R0210	
Solvency capital requirement	R0220	10,554
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01 Minimum Capital Requirement

		C0010
MCR_{NL} Result	R0010	688

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		€'000	€'000
General liability insurance and proportional reinsurance	R0090	2,113	2,106
Credit and suretyship insurance and proportional reinsurance	R0100	0	1,609
Non-proportional casualty reinsurance	R0150	0	82

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		€'000	€'000
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

		€'000
Linear MCR	R0300	688
SCR	R0310	10,554
MCR cap	R0320	4,749
MCR floor	R0330	2,638
Combined MCR	R0340	2,638
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	3,700