Solvency & Financial Condition Report

FDI Insurance DAC

Report Date: 31st December 2018

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Summary

The Solvency & Financial Condition Report (“SFCR”) is FDI Insurance DAC’s (“FDI”, “the Company”) annual public report as required by the Solvency II Directive 2009/138/EC in order to guarantee transparency in the Insurance and Reinsurance market.

This document has been conducted with reference to:

- Article 51 of the Solvency II Directive 2009/138/EC
- Chapter XII of the EU Delegated Acts (2015/35)
- Guidelines on reporting and public disclosure issued by EIOPA on 28 January 2015 (“the EIOPA Guidelines”)

The Company’s business model is conservative and has not change in the recent years; the results of the operations continued to be positive as no claims were reported and the profits are retained in the Company enhancing its financial position. From the information disclosed below and the risk management activities carried out during the year emerges that:

- its risk profile allows the Company to continue pursuing its business strategy
- the simplistic composition of its Balance Sheet does not require different valuation methods for solvency purposes
- its Capital Management is subordinated to the respect of the Regulatory Capital Requirements and the Appetite and Tolerance level agreed by the Board of Directors.

A. Business and Performance: Year Ended 31st December 2018

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

The Company has set a target Solvency Capital Requirement (SCR) cover ratio of 125% and a tolerance of 110%.

A.1 General Information about the Business

Legal Form and Ownership

FDI Insurance DAC is a private insurance company limited by shares qualified as Designated Activity Company according to the Irish Companies Act 2014. The Company was licensed in Ireland on the 5th of June 2001 and is a wholly owned subsidiary of Ford Credit International which in turn is a wholly owned subsidiary of Ford Motor Company. It is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

FDI is a wholly owned subsidiary of Ford Credit International, an American registered Company which offers automobile finance products. Ford Credit International is a wholly owned subsidiary of Ford Motor Company.

Supervisory Authority

FDI is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Registered Office and Registered Number

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

Registered Number: 344028

Auditor

PricewaterhouseCoopers

Spencer Dock, North Wall Quay

Dublin 1, Ireland

Risk Profile

FDI Insurance DAC is licenced to write the class of business 14: Credit.

Material Geographical Area

United Kingdom

Significant events in the reporting period

There was no significant event within the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

The table below shows the Underwriting performance as of the end of 2018 and 2017. Figures are in the reporting currency (Stg£)

2018		
Gross Premium Written:	**Credit Risk**	**Total**
Risks located in Ireland	-	-
Risks located in other EU countries	1,694,015	1,694,015
Risks Located outside EU	-	-
Total	**1,694,015**	**1,694,015**

2017		
Gross Premium Written:	**Credit Risk**	**Total**
Risks located in Ireland	-	-
Risks located in other EU countries	1,673,971	1,673,971
Risks Located outside EU	-	-
Total	**1,673,971**	**1,673,971**

Technical Result:	**2018**	**2017**
Gross Earned Premium	1,681,879	1,623,792
Gross incurred claims	-	-
Change in the gross claims provision	4,130	(74,288)
Gross operating expenses	(618,780)	(636,945)
Reinsurance premiums paid	(900,114)	(967,185)
Change in the reinsurance unearned premiums	(40,611)	31,248
Change in the Equalisation Reserve	-	-
Allocated investment return	7,896	9,195
Net technical result	134,400	(14,183)

A.3 Financial Performance

The table below shows the overall financial performance as of the end of 2018 and 2017; figures are in the reporting currency (Stg£).

	2018	2017
Gross premiums written	1,694,015	1,673,971
Outward reinsurance premiums	(900,114)	-967,185
Net premiums written	**793,901**	**706,786**
Change in the gross provision for unearned premiums	(12,136)	-50,179
Change in the provision for unearned premiums, reinsurer's share	(40,610)	31,248
Change in the provision for unearned premiums, net of reinsurance	(52,747)	-18,931
Earned premiums, net of reinsurance	**741,154**	**687,855**
Allocated investment return transferred from the non-technical account	7,896	9,195
Claims paid, gross and net	-	-
Change in the provision for claims, gross and net	4,130	-74,288
Claims incurred, net of reinsurance	**4,130**	**-74,288**
Net operating expenses	-618,780	-636,945
Balance on the technical account for general business	**134,400**	**(14,183)**
Investment Income	91,362	74,193
Less: Investment Income Allocated to technical account	-7,896	-9,195

Foreign Exchange (Loss) / Gain	-17,008	710
Profit on ordinary activities before taxation	**200,858**	**51,525**
Taxation charge	-24,994	-6,441
Profit on ordinary activities after taxation	**175,864**	**45,084**

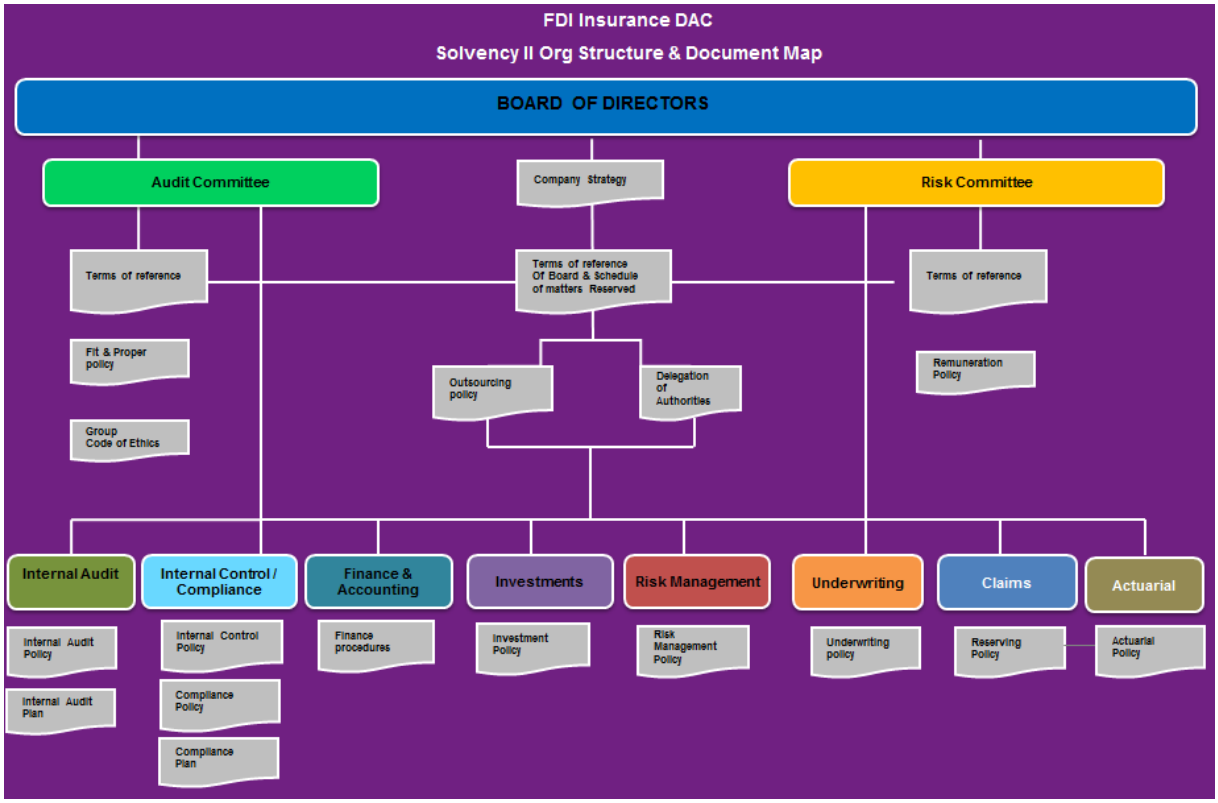
A.4 Investment Performance

Total Investment Income for the financial year was equal to Stg£ 91,362 (in 2017 Stg£ 74,193) which arises from the interest income on a short term bank deposit.

B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of FDI Insurance DAC as at 31th December 2018 comprised as follows:

Name	Role	Appointment Date	Date Resigned
Marretta Mistretta	Non-Executive Director and Chairman of the Board	12/12/2016	N/A
Timothy Meek	Non-Executive Director	01/11/2016	N/A
Jim Nakpairat	Executive Director and CEO	12/12/2016	N/A
Berthold Krampe	Executive Director	08/02/2015	N/A
Mick Cruce	Non-Executive Director and Chairman of the Risk Committee	13/07/2010	N/A
James Webb	Non-Executive Director and Chairman of the Audit Committee	01/07/2010	N/A

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

- The effective, prudent and ethical oversight of the entity
- Setting the business strategy for the Company, within the parameters of the existing Business Plan and those of local legislation
- Ensuring that risk and compliance are properly managed in the institution
- Establishing Banking mandate/s and monitoring signatory listings
- Determining Investment Policy (to be reviewed by the Board annually)
- Developing of an Outsourcing Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including Reinsurance)
- Insurance pricing
- Loss Reserve Strategy
- Appointment of Reinsurers/Security
- Capital and calling-up of capital

- Appointment of Auditors
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors
- Identification and appointment of the Key Functions within the Company and receiving timely reports from such functions
- Receiving reports and recommendations from the Compliance Officer/General Manager/Chief Risk Officer
- Removal of the head of a control function and consequent notification of such decision to the Central Bank of Ireland
- Dividend Recommendations
- Developing and monitoring the implementation of the Company's Claims Reserving Policy.
- Monitoring the minimum capital requirements of the Company in line with the Solvency II requirements and local legislation.
- Setting the Risk appetite for the Company
- Overall Responsibility for the Company's Risk (including material/liquidity risks)
- Establish and maintain Internal Control Framework
- Approval of material changes to Company policies and procedures
- Review and sign off of Financial Statements and annual regulatory reporting as required by Solvency II – annual Quantitative Reporting Templates, Regular Supervisory Report and Solvency and Financial Condition Report.
- Completion of the ORSA and approval of the relevant policy and procedures (annually)
- Review of the Company's Policies and Procedures (annually)
- Details in relation to establishment of various Committees and delegation of duties
- Signing-off various Committees' Terms of Reference
- Fit and Proper Procedures and approval process
- Company Strategy and Planning.

Board Sub-Committees

The Company has established an Audit Committee and a Risk Committee and due to the nature, scale and complexity of its operations, the Company has determined it does not require a Remuneration Committee or a Nomination Committee.

Both Sub-Committees are chaired by the Independent Non-Executive Directors and they report to the Board.

Audit Committee

The roles and responsibilities of the Audit Committee include the following:

- Monitoring the effectiveness and adequacy of the insurance undertaking's internal control, internal audit and IT systems;
- Liaising with the external auditor particularly in relation to their audit findings;
- Reviewing the integrity of the insurance undertaking's financial statements and ensuring that they give a "true and fair view" of the financial status of the insurance undertaking;
- Reviewing any financial announcements and reports and recommending to the board whether to approve the insurance undertaking's annual accounts (including, if relevant, group accounts); and
- Assessing auditor independence and the effectiveness of the audit process.
- Monitoring the statutory audit of the annual and consolidated accounts.
- Making recommendations to the board on appointment of statutory auditor or audit firm

Risk Committee

The roles and responsibilities of the Risk Committee include the following:

- To ensure that there is sufficient expertise within the Company to identify, assess and manage risk.
- To assess and review the levels of Risk within the Company.
- To oversee the risk management function
- To ensure that Risk Management processes are being used at all levels of the Company. To validate the Risk Control framework and ensure its practical application.
- To advise the Company board on risk appetite and tolerance
- To monitor the Risk Appetite Statement and Risk Appetite Matrix of the Company
- To review and challenge the Company's overall risk profile, capital and funding position
- To ensure that the actions proposed are consistent with business policies and guidelines as determined by the Board, except to the extent that they are covered within the terms of reference of another sub-committee of the Board.
- To delegate the implementation of its decisions to management and review progress.
- To receive the report and the recommendations from the Company' Chief Risk Officer.

Information on Remuneration Policies and Practices

All Executive Director positions are held by Ford Group employees and are not remunerated for the role as Director. There are two Independent Non-Executive Directors who are not Group employees and receive a fixed remuneration in line with market standard.

Overview of Year Ended 31st December 2018

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

- 28th February 2018
- 25th April 2018
- 30th May 2018
- 7th September 2018
- 12th December 2018

Key Functions

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

Risk Management Function

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

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

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

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

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

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

Compliance Function

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

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

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

Actuarial Function

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson Global Solutions Consulting Group.

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

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

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

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment (ORSA) and SCR (Solvency Capital Requirement) calculations.

- Co-ordinating the calculation of the Technical Provisions.

- Provision of an opinion on the underwriting and reinsurance policy of the Company

- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.

- Assess the sufficiency and quality of the data used in the calculation of technical provisions.

- Comparison of best estimates against experience.

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is a service provided by an employee of Ford Motor Credit Company with the Audit Committee acting as oversight. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance and ensure they are in line with Ford Group standards.

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

The Internal Audit activities are based on the Internal Audit Plan which requires Board's approval. The Internal Audit Plan is based on an extensive audit from Ford General Auditor's Office (GAO) which is scheduled every three to five years. Among other duties, the GAO is responsible for NYSE and SEC compliance requirements for Ford Group.

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

B.2 Fit and Proper Requirements

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

- The Board of Directors

- The Chief Risk Officer

- The Head of Internal Audit

- The Head of Actuarial Function
- The Head of Compliance

Fitness:

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

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

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

Probity:

The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

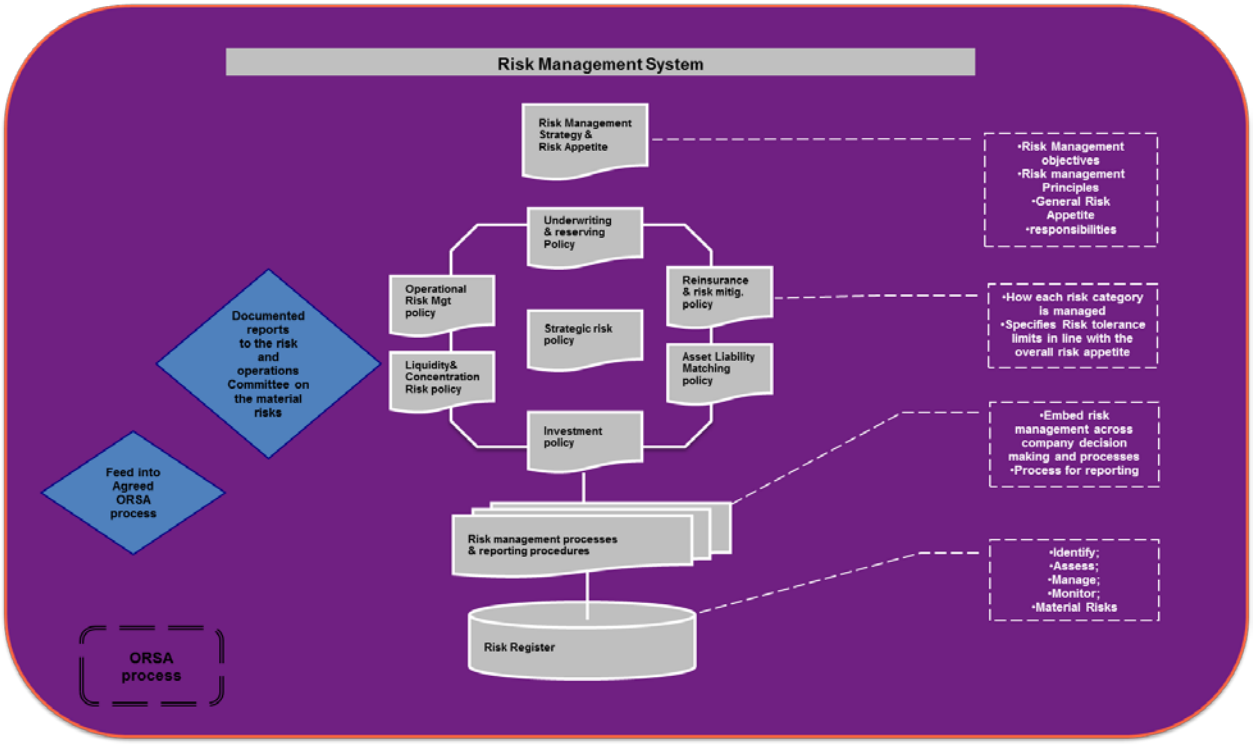
In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

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

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

As illustrated in the chart below:



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

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

The Risk Management Framework is embedded into FDI's Organisational Structure: the Company has a Chief Risk Officer and a Risk Committee chaired by an Independent Non-Executive Director who reports to the Board which ultimately is responsible for the overall Risk Management Framework.

Risk Management Approach

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

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

Risk Profile

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

Nature:

The nature of the Company's risk is confined with the Ford Credit International Group only with no third party policy holders and therefore represents limited systemic risk.

Scale:

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

Complexity:

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

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

Risk Function

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

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

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

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

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

Risk Categories & Key Risks

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

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

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

The key risk categories for the Company are:

- Underwriting and Reserving Risk
- Reinsurance and Other Risk Mitigation Techniques
- Operational Risk
- Investment Risk
- Asset-Liability Management Risk
- Liquidity Risk
- Regulatory Risk

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

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

Risk Appetite Statement

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

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

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

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

The RAS is embedded within the decision making processes of the Company. The Board of Directors, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the Central Bank of Ireland.

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

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

Risk Policies

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

Risk Register

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

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to accommodate the risk to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting on the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least on quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of the each review as soon as is practicable and form part of the Risk Management Function's Risk Reporting.

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

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

ORSA

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

Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

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

The following approach provides a summary of the approach taken in 2018:

- During the board meeting on the 30th May 2018 the Board reviewed and approved the Risk Register, Risk Appetite Statement, Scenarios for testing and the Financial Projections.
- During the board meeting on the 7th September the Board noted the results of the draft scenario testing with the final results to be presented for approval at the December meeting.
- The Board approved the ORSA Report on the 12th December 2018.

The Board of Directors provided substantial input and discussed in detail the various aspects of the ORSA, and adjusted as and when considered necessary.

Own Risk Assessment

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

- The Maximum Value at Risk (VAR) for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.
- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.
- The identification of the Overall Solvency Needs (OSN) which is the result of the expected assessment and the stresses identified
- The calculation of the Regulatory Solvency Capital Requirement based on the OSN in order to assess the resilience of the Company to extreme adverse conditions

- The identification of the Solvency Capital Requirement Appetite and Tolerance level provides the necessary link between the Own Risk Solvency Assessment and the Capital Management of the Company

Risk Reporting

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

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

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

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

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

B.4 Internal Control System

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

This is achieved by:

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

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

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

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

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

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

- Underwriting
- Claims reserving
- Claims settlement
- Management accounts preparation
- General bank payments
- Bank reconciliations
- Compliance

The following controls principles are embedded into the Company's operations:

Regular

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Monthly financial reporting to Group
- Detailed reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Audit Committee and the Board

- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients

- The Company's accounts are audited annually by the external Auditor. No material control issues have been raised to date on the operations of the Company.

B.5 Outsourcing

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

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

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

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

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

C. Risk Profile

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

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

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

C.1 Underwriting Risk

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

As its primary insurance activity the Company assumes risks relating to Political and Trade Credit risk coverage relating to a fellow sister company which provides credit facilities to Ford dealers worldwide. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under the insurance contract. The terms and conditions of the insurance contract set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because of the conditions under which insured provides the credit facilities. The insurance risks are mitigated through strict underwriting criteria, the regular monitoring and review of the Risk Consultant and the use of reinsurance.

The Company manages its insurance risk through underwriting limit, approval procedures for transactions that exceed set credit limits, centralised management of reinsurance and monitoring of emerging issues.

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

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

C.2 Market Risk

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

The Company has little appetite for counterparty default risk in relation to investments and therefore seek to invest its assets within the Group. All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium, which is achieved in a number of ways such as investing in money market instruments with sister company.

Counterparty Default Risk

FDI utilises reinsurance to manage efficiently Insurance risk. The Company is therefore exposed to the failure of the Reinsurer. The credit default risk is managed by ensuring a general minimum credit rating of A or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

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

C.5 Operational Risk

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

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

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

C.6 Other Material Risks (Brexit)

The Company considers that the outcome of the Brexit referendum might have a significant impact on the viability of FDI's business strategy. As mentioned above, the Company insures a fellow sister company resident in UK and in the worst case scenario (i.e. so called hard Brexit), the Parent Company Ford Credit have a group contingency plan in place.

Exposures

The main risk exposure of FDI is the Underwriting Risk. In particular, FDI covers the fellow sister company against the Insolvency or Protracted Default of Ford dealers; the cover includes Currency Inconvertibility, Default of the guarantors and other Government actions event which might lead to the default of Ford dealers.

The exposures are capped by country and counterparty and closely monitored by the Risk Consultant according to credit risk standard procedures.

As mentioned above, the exposures are backed up by Assets invested in money market instruments in compliance with the 'prudent person principle'.

Risk Concentration

FDI has two Concentration risks:

- A concentration of financial assets deposited with a fellow sister company
- A concentration of insurance risk transfer with only one reinsurer.

In both cases, the Company is comfortable with the level of concentration given:

- the short term feature of the deposit and the Group knowledge available in the case of the financial assets,
- the financial strength and the long dated relationship with a well-known reinsurer in the second case.

It is noted that FDI and the Broker regularly monitor the Reinsurer.

Risk Sensitivity

Within the ORSA exercise, FDI conducted a risk sensitivity testing assuming a large underwriting loss which would impact its Balance Sheet for the retained part of the loss and would increase the Counterparty Default risk as most of the claim would have been ceded to the reinsurer.

The outcome of the testing highlighted that FDI is able to absorb the stress event identified and continue to pursue its business objective.

D. Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The main difference on a Solvency II valuation basis is on the Reinsurance share of TP, the adjustments for solvency purposes relates to the application of the Solvency II best estimate valuation. The fair value of these combined technical provisions is calculated by discounting estimated future cash-flows (best estimates) based on estimated duration of each provision (payment pattern), using the risk-free interest rate curve. An adjustment for reinsurer default is then applied. Deferred acquisition costs are not recognised on a Solvency II valuation basis, which accounts for the other measurement difference in asset values, compared to Irish GAAP 2017.

Value of the Assets as of 31st December 2018

FDI Insurance Limited Assets (GBP)	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	75,000	-
Deferred Tax Assets	-	-
Investments	15,201,068	15,201,068
Reinsurance share of TP - non-life excluding health	545,000	362,526
Cash & Cash Equivalents	515,221	515,221
Any Other Assets, Not Elsewhere Shown	92,797	92,797
Total assets	16,429,086	16,171,612

Value of the Assets as of 31st December 2017

FDI Insurance Limited Assets (GBP)	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	75,000	-
Deferred Tax Assets	-	-
Investments	14,436,591	14,436,591
Reinsurance share of TP - non-life excluding health	585,611	349,191
Cash & Cash Equivalents	913,160	913,160
Any Other Assets, Not Elsewhere Shown	214,996	214,996
Total assets	16,225,358	15,913,938

D.2 Technical Provisions

Valuation of Technical Provisions

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

Valuation results

Under Solvency II, the balance sheet is required to be valued on a "best estimate" discounted cash flow basis. This leads to differences in technical provision between financial statements and Solvency II.

The table below sets out the results of the Technical Provision calculations on the Financial Statements and Solvency II basis.

Value of the Liabilities as of 31st December 2018

FDI Insurance DAC Liabilities (GBP)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	1,095,850	-
TP calculated as a whole (Best estimate + Risk margin)		1,884,558
Best Estimate		1,484,203
Risk Margin		400,355

Value of the Liabilities as of 31st December 2017

FDI Insurance DAC Liabilities (GBP)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	1,087,843	-
TP calculated as a whole (Best estimate + Risk margin)		1,841,062
Best Estimate		1,443,397
Risk Margin		397,665

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

Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

Simplification

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

Uncertainties in the value of Technical Provisions

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

- **Assumed loss ratio:** We have assumed loss ratios of 67.2%. This is used to capture the expected profit in the unearned premium reserve.

- **Discount rate:** Current yields are very low and close to zero, which means that almost no discounting is applied to the Technical Provisions given the risks underwritten by the Captive is short-tailed.

- **Expenses:** the total expense involved in the operation of the captive is relatively large when compared to other elements in the calculation of the technical provisions.

- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

The above assumptions in relation to total expenses have changed in comparison to 2017. In 2017 it was estimated that a portion of expenses related to insurance activities hence was the basis for the rationale around the quantification of future expenses in determining the best estimate. In 2018 it was estimated that substantially all of expenses related to insurance activities.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by GBP 362,526.

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy refers to the below key principle:

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

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

Matching Adjustments, Volatility Adjustments and Transitional Measures

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

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

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

Initial measurement

All financial liabilities are initially measured at transaction price.

Value of the Financial Liabilities as of 31st December 2018

LIABILITIES	GBP
Creditors arising out of insurance operations	-
Other creditors including taxation and social security	72,292
Total	**72,292**

Value of the Financial Liabilities as of 31st December 2017

LIABILITIES	GBP
Creditors arising out of insurance operations	-
Other creditors including taxation and social security	52,434
Total	**52,434**

Material Differences in the above used for valuation in Financial Statements

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

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

D.5 Any other information

None noted.

E. Capital Management

E.1 Own Funds

The Company has the following components of own funds: Tier 1 basic own funds; ordinary share capital, and reconciliation reserve.

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

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

- the difference between the technical provisions (gross and net) calculated in accordance with the Solvency II requirements; and
- deferred acquisition costs not recognised under Solvency II.

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

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at 125% of the Pillar I solvency capital requirement with a tolerance of 15% (110%). On an annual basis, the Board has regard to the results of stress tests applied to projections over the business planning period included in the ORSA exercise and might review the Appetite level.

At the reporting date, no dividends have been declared or paid to Group.

Solvency Capital Position

The table below sets out the Company's Pillar I capital position as at 31 December 2018:

Assets (GBP) per Solvency II Balance Sheet	
Total	**16,171,612**

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

Assets (GBP) per Solvency II Balance Sheet	
Total	**15,988,938**

Value of the Liabilities as of 31st December 2018

Liabilities (GBP)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	1,095,850	
TP calculated as a whole (Best estimate + Risk margin)		1,884,558
Best Estimate		1,484,203
Risk Margin		400,355
Deferred Tax Liabilities	-	-
Payables (trade, not insurance)	53,825	53,825
Any other liabilities, not elsewhere shown	18,467	18,467
Total liabilities	1,168,141	1,956,850
Assets less Liabilities	15,260,945	14,214,762

Value of the Liabilities as of 31st December 2017

Liabilities (GBP)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	1,087,843	
TP calculated as a whole (Best estimate + Risk margin)		1,841,062
Best Estimate		1,443,397
Risk Margin		397,665

Deferred Tax Liabilities	-	-
Payables (trade, not insurance)	52,434	52,434
Total liabilities	1,140,277	1,893,496
Assets less Liabilities	15,085,082	14,020,442

SCR &MCR as at as of 31st December 2018

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	8,400,400	14,214,762	169%	39.1%
MCR	3,288,301	14,214,762	432%	

SCR &MCR as at as of 31st December 2017

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	8,207,069	14,020,442	171%	39.6%
MCR	3,250,561	14,020,442	431%	

E.2 SCR & MCR

The Company has achieved SCR coverage of 169% and MCR coverage of 432% as at 31st December 2018.

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

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

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

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

E.5 Any other information

None Noted.

FDI Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 December

2018

(Monetary amounts in GBP thousands)

General information

Undertaking name	FDI Insurance DAC
Undertaking identification code	6354004DCXXTSLKWUZ20
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

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

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

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

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

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	15,201
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	15,201
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	363
R0280	Non-life and health similar to non-life	363
R0290	Non-life excluding health	363
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	515
R0420	Any other assets, not elsewhere shown	93
R0500	**Total assets**	16,172

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	1,885
R0520	Technical provisions - non-life (excluding health)	1,885
R0530	TP calculated as a whole	0
R0540	Best Estimate	1,484
R0550	Risk margin	400
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions - life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	TP calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	54
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in BOF	0
R0870	Subordinated liabilities in BOF	0
R0880	Any other liabilities, not elsewhere shown	18
R0900	**Total liabilities**	1,957
R1000	**Excess of assets over liabilities**	14,215

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business									1,694								1,694
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share									900								900
R0200	Net									794								794
	Premiums earned																	
R0210	Gross - Direct Business									1,682								1,682
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share									941								941
R0300	Net									741								741
	Claims incurred																	
R0310	Gross - Direct Business									4								4
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net									4								4
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net									0								0
R0550	**Expenses incurred**									619								619
R1200	**Other expenses**																	
R1300	**Total expenses**																	619

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			GB					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		1,694					1,694
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share		900					900
R0200	Net	0	794	0	0	0	0	794
	Premiums earned							
R0210	Gross - Direct Business		1,682					1,682
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share		941					941
R0300	Net	0	741	0	0	0	0	741
	Claims incurred							
R0310	Gross - Direct Business		4					4
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	0	4	0	0	0	0	4
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**		619					619
R1200	**Other expenses**							
R1300	**Total expenses**							619

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross									1,335								1,335
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									363								363
R0150	**Net Best Estimate of Premium Provisions**									972								972
	Claims provisions																	
R0160	Gross									149								149
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									0								0
R0250	**Net Best Estimate of Claims Provisions**									149								149
R0260	**Total best estimate - gross**									1,484								1,484
R0270	**Total best estimate - net**									1,122								1,122
R0280	**Risk margin**									400								400
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**									1,885								1,885
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**									363								363
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**									1,522								1,522

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Underwriting Year

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

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

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2009	0	0	0	0	0	0	0	0	0	0		0
R0170	2010	0	0	0	0	0	0	0	0	0			0
R0180	2011	0	0	0	0	0	0	0	0				0
R0190	2012	0	0	0	0	0	0	0					0
R0200	2013	0	0	0	0	0	0						0
R0210	2014	0	0	0	0	0							0
R0220	2015	0	0	0	0								0
R0230	2016	0	0	0									0
R0240	2017	163	0										0
R0250	2018	151											149
R0260												Total	149

S.23.01.01

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	500	500		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	13,715	13,715			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	14,215	14,215	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	14,215	14,215	0	0	0
R0510	Total available own funds to meet the MCR	14,215	14,215	0	0	
R0540	Total eligible own funds to meet the SCR	14,215	14,215	0	0	0
R0550	Total eligible own funds to meet the MCR	14,215	14,215	0	0	
R0580	**SCR**	8,400				
R0600	**MCR**	3,288				
R0620	**Ratio of Eligible own funds to SCR**	169.22%				
R0640	**Ratio of Eligible own funds to MCR**	432.28%				

		C0060
	Reconcilliation reserve	
R0700	Excess of assets over liabilities	14,215
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	500
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	13,715
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	4,065		
R0020	Counterparty default risk	107		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	6,383		
R0060	Diversification	-2,120		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	8,435		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	50
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-85
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	8,400
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	8,400

	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk

S.28.01.01

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

		C0010
	Linear formula component for non-life insurance and reinsurance obligations	
R0010	MCR_{NL} Result	288

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	1,122	794
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

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

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

		C0070
	Overall MCR calculation	
R0300	Linear MCR	288
R0310	SCR	8,400
R0320	MCR cap	3,780
R0330	MCR floor	2,100
R0340	Combined MCR	2,100
R0350	Absolute floor of the MCR	3,288
R0400	**Minimum Capital Requirement**	3,288