Gasrule Insurance DAC Solvency & Financial Condition Report (SFCR) Reporting period ended

December 31

2018

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Summary

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

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

Gasrule financial statements are prepared to 31 December 2018 in line with International Financial Reporting Standards as adopted by the European Union and its parent group reporting requirements and it report its results in EURO.

The Company's business strategy is to provide coverage for the SNAM Group including General Liability, Property, Goods in transit and Miscellaneous Financial Loss. The impact of insurance risk volatility on the Company's capital base is mitigated through the purchase of reinsurance from appropriate counterparties. Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

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

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

In October 2018, following approval from the CBI, Gasrule commenced writing Class 13 – General Liability in addition to the Property, Miscellaneous Financial Loss and Goods in Transit lines of business it was previously authorised to write. There were no other material changes to Gasrule business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

As at 31 December 2018, the Company had eligible own funds of EUR 22.76m (2017; EUR 21.04m) available to meet its Solvency Capital Requirement (SCR) of EUR 17.26m (2017; EUR 16.07m); resulting in a Solvency Ratio of 132% (2017; 131%) which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. The Minimum Capital Requirement (MCR) was also satisfactorily met at the period-end EUR 4.32m (2017; EUR 4.02m). There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

Gasrule Insurance DAC is a private company limited by shares incorporated in Ireland on 23 July 2013. On 23 May 2014 the Company changed its name from SNAM Risk Limited to Gasrule Insurance Limited. On 23 March 2016, the Company, in accordance with the Companies Act 2014, converted from Gasrule Insurance Limited to Gasrule Insurance DAC The Company is a wholly-owned subsidiary of SNAM S.p.A which is incorporated in Italy. SNAM is located at Piazza Santa Barbara 7, 20097 San Donato Milanese, Italy.



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

The Company is engaged exclusively in the underwriting of property, liability, miscellaneous financial loss and transit insurance risks, providing coverage to SNAM Group's industrial risks. The Company carries out business in countries which are part of the European Union only.

Gasrule is authorised by the Central Bank of Ireland ('CBI'), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life insurance. Authorisation is provided in respect of Class 7 – Goods in Transit, Class 8 – Fire and Natural Forces, Class 9 – Other Damage to Property, Class 13 – General Liability and Class 16 – Miscellaneous Financial Loss.

The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

Gasrule is a captive insurance undertaking. Gasrule conducts all of its significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland.

All of the business written by the captive relates to direct insurance and proportional reinsurance of SNAM's European operations. The Company's insurance exposure is mitigated by setting limits of liability within its insurance programme and the purchase of reinsurance from a panel of reinsurers.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

There have been no significant events during the reporting period which have had a material impact on the Company.

The Company's external auditor for 2018 is PricewaterhouseCoopers ('PwC'), which is located at Spencer Dock, Northwall Quay, Northwall, Dublin 1.

A.2 Underwriting Performance

The principal risks and uncertainties that the Company faces are those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term.

Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary who serves as the Head of Actuarial Function ('HoAF')

Gasrule's strategic objectives are formulated in conjunction with SNAM as part of its global property and liability arrangements. The Group strategy is to retain small element of risk within SNAM subsidiaries via the use of deductibles whilst ensuring that catastrophic risks are covered via the captive. It is therefore accepted that for the foreseeable future, in accordance with its business plan, Gasrule will maintain a stop loss reinsurance arrangement with the market in respect of the property line of business which is considered to be the best strategic operating option available to the Company. Reinsurance is not considered necessary in respect of the Liability and Goods in Transit policies due to the limits of indemnity being comfortably within Gasrule's appetite.

The current reinsurance agreement is placed with a panel of reinsurers, subject to minimum rating requirements.

Premiums written relate to business incepted during the financial year.

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

Since the Company prepares its financial statements in accordance with IFRS, the underwriting performance information outlined in this section is on an IFRS basis.

	2018 **'000 EUR**	**2017** **'000 EUR**
Gross premiums earned	10,453	10,163
Outward reinsurance premiums earned	(2,726)	(3,335)
Earned premiums, net of reinsurance	7,727	6,828
Gross claims incurred	(5,192)	(4,333)
Claims incurred – recoverable from reinsurers	-	-
Claims incurred, net of reinsurance	(5,192)	(4,333)
Allocation of investment income to the technical account	-	-
Operating Expenses incurred	(1,042)	(957)
Other Technical charges, net of reinsurance		
Technical profit	**(1,493)**	**1,538**

Proportional insurance premiums split by line of business are as follows:

(EUR k) Line of Business	2018	2017	Variance
Marine, aviation & transport	3	5	(2)
Fire & Other Damage to Property	7,643	6,823	820
General Liability	81	-	81
Miscellaneous Financial Loss	-	-	-
Total Earned Premium, net of reinsurance	**7,727**	**6,828**	**(1,369)**

Premiums written relate to business incepted during the financial year and have resulted from contracts of insurance concluded in the Republic of Ireland.

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

Claims incurred by line of business is set out below:

(EUR k)	Net Claims Paid, Net of Reinsurance			Movement in Claims Provisions		
Line of Business	2018	2017	Variance	2018	2017	Variance
Marine, aviation & transport	-	-	-	-	-	-
Fire & Other Damage to Property	(4,333)	(1,512)	(2,821)	(758)	(2,820)	(2,062)
General Liability	-	-	-	-	-	-
Miscellaneous Financial Loss	-	-	-	-	-	-
Total	**(4,333)**	**(1,512)**	**(2,821)**	**(758)**	**(2,820)**	**(2,062)**

Provision is made for notified losses on all underwriting years and calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers. Claims incurred in the current period reflected the incidence of higher level of paid claims activity while the prior period had a more benign claims experience. As the Company commenced writing Liability business with effect from 1st October 2018, there is a small increase to the Incurred But Not Reported ('IBNR') that the Company holds.

The profit after tax for the year ended 31 December 2018 amounted to €1.366m (2017: €1.306m).

A.3 Investment Performance

In line with the documented investment policy, the Company allocates its investment portfolio as described below

- Cash and cash equivalents - Comprise cash in hand and other short term deposits with an original maturity of three months or less Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

Financial assets: Gasrule has an intercompany loan with Snam. On 27 September 2018 the Company increased the loan from €12m to €20m the loan is reviewed every 6 months The total amount of the intercompany loan as at 31 December 2018 was €20.0m (2017: €12.0m)

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

The investment income for the year is nil.

A.4 Performance of other activities

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

A.5 Other Information

The Company is wholly owned by the shareholder. There are related party transactions; €440k (2017: €458k) paid in service charges to Snam.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

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

The Company does not have any committees to delegate the governance responsibilities to, therefore, it is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual.

The Company employs a Chief Executive Officer and a Financial, Reporting & Administration Manager that, with the support of the outsourced Aon function and of the Compliance officer, oversee the regular governance duties of the Company.

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

1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.

2) Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.

3) A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.

4) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

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

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

- the Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board of Directors and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;

- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

According to these principles, the chosen governance model is one of "three lines of defence" which is illustrated as follows:



The Board undertake responsibility for performing the equivalent function of an Audit Committee in relation to the reporting period 31st December 2018

There have been no material changes to this structure in the period. Given the limited scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board is satisfied that the system of governance in place is adequate.

Key Functions

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

Remuneration and material transactions

The Independent Non-Executive Director of the Board receives fixed remuneration for services as director to the Company. The Company also had one full-time employees in 2018 (2017: 1), who is the Chief Executive Officer and one outsourced SNAM employee who is the Financial, Reporting & Administration Manager. Both receive fixed remuneration for their service.

As a captive insurer, all Gasrule's inward premium flows and outward claims payments relate to insured risks of the shareholder group. The Company also has an intercompany loan advanced to SNAM and is reviewed every six months. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors

B.2 Fit & Proper requirements

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

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

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

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

For those roles which are prescribed by the CBI as Controlled Functions (CFs) and Pre-approval Controlled Functions (PCFs), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator's fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs.

Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

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

The Company has taken appropriate actions in order to:

- embed risk management as a key function within its governance structure; and
- develop and maintain effective processes and reporting procedures to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the Company is exposed.

Risk refers to the effect of uncertainty on the Company's ability to meet its objectives. Risk management is a systematic approach to protect the business resources and income against losses and unexpected events so that objectives of the Company can be achieved without unnecessary disruption.

The Company's Risk Management System:

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

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

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

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

Own Risk and Solvency Assessment

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

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

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

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

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders.

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

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

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

B.4 Internal Control System

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

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

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

Detailed Processes and Embedded Control Activities

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

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

Tasks and actions are shared between the key functions of the Company and clarify related roles, responsibilities and embedded control activities.

Compliance Function

The Company has a dedicated Head of Compliance which is outsourced by the Company, reporting directly into the Board of Directors.

The mission of the Compliance Function is:

Assisting in ensuring the long term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements of the internal control system are laid out in the Governance Manual.
- The Compliance Function identifies and communicates throughout the Company, the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function seeks to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.
- The Compliance Function maintains a comprehensive compliance Risk Management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- Any violation of relevant law by the Company is investigated and followed up by the Compliance Function and reported to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- The Compliance Function considers possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function presents an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function promotes a culture of compliance throughout the Company

The Head of Compliance Function is a pre-approval controlled function (PCF-12) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Company has a Compliance Policy and Compliance Plan in place for the year 2017/18 which was reviewed and approved during the year.

B.5 Internal Audit Function

Purpose & Objectives

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

It assists the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company. The audit approach is risk based and in line with an annual audit plan which is provided by the Head of Internal Audit to the Board of Directors.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational Functions and the Board of Directors. The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required.

This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

The Head of Internal Audit Function is a pre-approval controlled function (PCF-13) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011. The function is outsourced by the Company.

B.6 Actuarial Function

The Company has established an effective Actuarial Function which is outsourced by the Company, including a nominated Head of Actuarial Function approved by the CBI, which carries out the following key tasks:

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

  Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied

- Contribute to the effective implementation of the Risk Management System in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and,
    ii. the ORSA process.

- think critically and organize the execution of actuarial approaches
- provide an actuarial Opinion to the Board of Directors in respect of the ORSA

Responsibility

The person in charge of the Actuarial Function shall meet all the following criteria:

- Be a duly qualified actuary;
- Have experience of more than five years in the field of insurance and / or reinsurance.

The Head of Actuarial Function is a pre-approval controlled function (PCF-48) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

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

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

B.7 Outsourcing

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

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

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors. The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company's System of Governance and all Functions within the Company that are fundamental to carry out its core business.

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

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

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

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

The following critical or important functions / activities are outsourced:

Critical or important function	Outsourced Service Provider	Jurisdiction
Underwriting administration	Aon Insurance Managers (Dublin) Limited (AIMD)	Ireland
Claims administration	AIMD	Ireland
Finance and accounting	AIMD	Ireland
Actuarial Function	Aon UK Limited	United Kingdom
Compliance Function	KPMG	Ireland
Internal Audit Function	SNAM Group internal audit	Italy
Chief Risk Officer	SNAM Group	Italy
Claims handling	Cunningham Lindsey Lercari S.r.l Salomone & Associati Cercato & Associati Insurance Engineering Services Matthews Daniel RPA Rosati Engineering Services	Italy, United Kingdom and European based on location of claims

B.8 Any other information

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

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

C. RISK PROFILE

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

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

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

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

C.1 Underwriting Risk

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

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

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

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

Given the Company is providing insurance for losses directly above local deductibles, the primary risk mitigation technique utilised is the purchase of a mixture of excess of loss and stop loss reinsurance as this provides balance sheet protection, from both claims severity and frequency, in an economically

and administratively efficient manner. The effectiveness of these reinsurance arrangements is assessed on a monthly basis through the preparation of the Company's financial accounts and reviewed at an overall level as part of the considerations for premium pricing on an annual basis. The primary focus of the Company's reinsurance strategy is on the security and financial stability of reinsurers selected

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

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

The Company commenced writing Liability business with effect from 1st October 2018 on a 70% quota-share basis. Gasrule does not deem the purchase of reinsurance to be necessary due to the maximum loss being within the Company's risk appetite. As part of the Company's ORSA process, stress and scenario tests incorporating differing claims experience are considered. The impact of the Company experiencing a maximum liability loss was considered as part of the ORSA carried out in the reporting period. This scenario resulted in a reduction in the Company's available capital but would not breach the minimum regulatory solvency requirements of the Company.

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

	Ultimate claims at 31/12/2018	**Impact on Gross Claim Reserve**	**Impact on Net Claim Reserve**	**Impact on PBT for the year**
	€'000	€'000	€'000	€'000
2018				
Increase in ULRs by 10%	2,953	295	295318	(295)
Decrease in ULRs by 10%	2,953	(295)	(295)	295
2017				
Increase in ULRs by 10%	7,881	788	788	(788)
Decrease in ULRs by 10%	7881	(788)	(788)	788

C.2 Market Risk

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

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

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

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

Currency risk can be described as the risk that the Company might be affected due to an adverse movement in foreign exchange rates. The Company is a Euro regulated company that operates in Ireland. The capital charge for currency risk considers the impact on the net value of assets and liabilities following a 25% rise and fall in the value of each currency against the reporting currency. The "reporting" currency is defined as the currency in which the local regulatory accounts are prepared. The capital charge is the total of the impact on the net asset and liabilities across each currency. The calculation only considers those currencies to which Gasrule has exposure. The reporting currency for Gasrule is EUR. Therefore, we are required to measure the impact on the portion of net assets and liabilities held in non-EUR currencies. The capital charge for currency risk is nil because Gasrule only has reporting currency exposures

Concentration risk - This risk module looks at the risk regarding accumulation of exposures with the same counterparty, where risk exposures in assets are grouped according to the counterparties involved. A concentration risk charge is generated if the exposure to a given counterparty is in excess of a defined proportion of total investable assets. The concentration risk threshold is based on asset type and credit rating. The excess exposure is then shocked by a factor, again based on asset type and credit rating, to generate the risk charge. Gasrule's concentration risk is due to the intercompany loan to Snam of €20m which is rated as credit quality step ("CQS") 3.

Spread risk - Spread risk reflects the sensitivity of the values of assets, liabilities and financial instruments to changes in the level of credit spreads over the risk-free interest rate term structure. It is calculated with respect to the market value of the bonds held and their modified duration, since the longer the duration the greater the risk of volatile movements. The calculation also includes money market instruments and other instruments sensitive to credit risk. Gasrule's spread risk is due to the intercompany loan to Snam of €20m.

Interest rate risk - Both the assets and the liability market values are sensitive to interest rate fluctuations. For example, if interest rates go up, the best estimate of technical provisions will decrease as the discounting benefit will be greater. To calculate the charge for interest rate risk, the

impact of upward and downward interest rate shocks to the assets and liabilities are considered. For Gasrule, the capital charge for interest rate risk is nil.

Prior to increasing the intercompany loan to €20m, Gasrule calculated the impact that this would have on the SCR ratio as part of the stress tests conducting for the 2018 Own Risk Solvency Assessment ('ORSA') report. It concluded that the Company's SCR ratio would remain within the operational limits outlined within their risk appetite statement.

C.3 Credit Risk

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

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

Investments and deposits are managed under the Investment strategy.

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions, and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution.

The Company entered into an intercompany loan agreement with the Parent company, SNAM S.p.A, which is also subject to external credit rating.

The Company manages its reinsurance risks by establishing a reinsurance strategy and this strategy sets out the minimum requirements for any reinsurance counterparty. The Company mitigates this credit risk by reinsuring with counterparties who are considered appropriately credit worthy. Reinsurers that are not rated or do not fall within the pre-defined rating categories are approved on a case by case basis. The credit-worthiness of reinsurers is monitored on a regular basis.

The exposure is kept under review by monitoring the credit rating of its reinsurer panel on a quarterly basis. The impact of the lead reinsurer experiencing a two-notch downgrade in their rating was stressed as part of the 2018 ORSA. It concluded that the Company's SCR ratio would remain within the operational limits outlined within their risk appetite statement.

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

C.4 Liquidity and Concentration Risk

The Company is exposed if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to frequent calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations.

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has its investments held in highly liquid assets which it can access immediately or within a very short time frame without incurring material costs or penalties. Therefore, there was no sensitivity analysis conducted during the reporting period in relation to the liquidity and concentration risk. Investments are in compliance with the Company's investment guidelines

Concentration Risk includes the risk of additional losses incurred by the company due to either a lack of diversification of assets or from a large exposure to the risk of default of a single issuer of securities or a group of related insurers.

These risks are assessed under the Risk Appetite framework focusing on the spread of assets and number of financial institutions and ensuring that the investment portfolio is at any time made up of sufficient liquid assets i.e. daily traded securities or short term deposits.

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

A profit margin of approximately 20% is included in the calculation of all future premiums

C.5 Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss.

The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy.

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

In addition third party companies have to assure the company’s business continuity program, ensuring that adequate backup facilities are available if required.

There was no sensitivity analysis conducted during the reporting period in relation to the operational risk.

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

C.6 Other Material Risk

Strategic Risk

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

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

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total. (Compare actual versus target performance on a regular basis (as defined for each objective) and produce a variance analysis explaining reasons for deviations.

Sensitivity Risk

Actuarial function assesses the impact of varying the underlying assumptions with respect to initial average severity and expected reported loss development on their Best Estimate of Gasrule's unpaid claim liabilities and vary severity of $\pm$10% around the selected average severity as well as varying the paid and reported loss development patterns.

There was no sensitivity analysis conducted during the reporting period in relation to the other material risks

No other material risks have been identified.

C.7 Any other information

The Prudent Person Principle

The specific requirements of the Prudent Person Principle and its implementation within the Company are detailed in the Company's Governance Manual. This standard outlines the principles and rules which apply to the investment assets of the Company. The implementation of the Prudent Person Principle comprises rules concerning the due diligence and processes, the care, skills and delegation, the quality of investments, diversification, and specific rules for investment categories.

General rules

In general, the Company only invests in assets and instruments whose risks it can properly identify, measure, monitor, manage, control and report, taking into account the assessment of its overall solvency needs, the specific risk profile, approved risk tolerance, and the business strategy. Asset Liability Management is the central part of the Investment Process for the Company: assets held to cover technical provisions are invested in accordance with the nature and duration of the liabilities.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Gasrule prepares its financial statements on a going concern basis in compliance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Gasrule uses the historical cost convention except for those financial assets and financial liabilities, if any, that have been measured at fair value.

At the end of the current reporting period Gasrule has total assets valued at EURO 35.16m (2017; 35.85m) for solvency purposes. This total comprises the following categories of assets:

	Solvency II Value	Statutory Accounts Value	Difference
ASSETS	**€**	**€**	**€**
Cash and cash equivalents (1)	16,788,074	16,788,074	-
Loans to affiliated undertakings (2)	20,000,000	20,000,000	-
Reinsurance recoverable (3)	(2,919,339)	1,136,465	(4,055,804)
Deferred tax assets (4)	137,374	-	137,374
Any other assets, not elsewhere shown (5)	1,152,644	1,150,723	1,921
Other assets (6)	5,480	5,471	9
Deferred acquisition costs (7)	-	17,270	(17,270)
Insurance and intermediaries receivables (8)	-	962,861	(962,861)
Total Assets	**35,164,233**	**40,060,864**	**(4,896,373)**

(1) Cash and cash equivalents comprise cash at banks and in hand in non-interest bearing current accounts. Carrying amounts approximate fair value due to the liquid nature of the assets. There are no valuation adjustments for solvency purposes.

(2) These assets are reported at market value for both solvency and financial statement purposes. There are no valuation adjustments for solvency purposes.

(3) No reinsurance recoveries are expected on a best estimate basis, so the reinsurance technical provision is equal to the discounted reinsurance premium payable.

(4) Solvency II deferred tax asset in relation to the recognised loss when restating the balance sheet.

(5) Any other assets, not elsewhere shown comprise prepaid premium taxes to Italian tax authorities.

Future cash flows have been discounted to derive a market value and prepaid fees have been removed.

(6) Other assets comprise corporation tax receivable;

(7) Deferred acquisition costs relate to those cedant, broking and fronting fees that are deferred over the remaining policy period as at 31 December 2018. Such costs are treated as part of the calculation of technical provisions (Section D2 below).

(8) Insurance and intermediaries' receivables are dealt with in Section D2 below as part of the explanation on the valuation of technical provisions

D.2 Technical Provisions

The technical provisions of Gasrule relate mainly to the 'fire and other damage to property insurance' line of business with a small proportion relating to the Liability line of business which commenced on 01st October 2018. The amounts at 31 December 2018, gross and net of reinsurance, are set out below in Euro (€'000):

Solvency II Gross Technical Provisions

Solvency II Line of Business	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Marine	0	0	0	0	0
Property	14,846	(4,165)	10,681	1,498	12,179
Liability	97	(143)	(46)	10	(36)
Total	**14,943**	**(4.308)**	**10,635**	**1,508**	**12,143**

Solvency II Net Technical Provisions

Solvency II Line of Business	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Marine	0	0	0	0	0
Property	14,846	(1,246)	13,600	1,498	15,098
Liability	97	(143)	(46)	10	(36)
Total	**14,943**	**(1,389)**	**13,554**	**1,508**	**15,062**

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM"). The Solvency II BEL is comprised of a provision for claims outstanding ("PCO") and a premium provision ("PP"). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ("BBNI"). The PCO is derived from actuarial estimate of Gasrule's IFRS unpaid claim liabilities. The adjustment of IFRS estimate of unpaid claim liabilities to a Solvency II basis requires that IFRS unpaid claim liabilities are discounted to a present value basis. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 December 2018 as published by EIOPA to discount the cash flows underlying the PCO. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II TPs. A provision for expenses related to the runoff of

these liabilities is then added, as required by Solvency II, as the IFRS estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

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

These amounts comply in all material respects with the relevant Solvency II requirements.

The starting point for the calculation of the Solvency II technical provisions is the amounts which have been calculated for the financial statements reserving basis. Within the financial statements, full provision is made for the estimated cost of all claims notified but not settled at the period-end using the best information available at that time. Provision is made for the cost of claims incurred but not reported and at the period-end, and potential development on outstanding claims estimates (together regarded as Incurred But Not Reported ('IBNR') reserves). In addition, an estimate is made for future claims handling expenses relating to claims outstanding at the year-end.

Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. In estimating the cost of claims notified but not paid, the Company has regard to claims circumstances as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. IBNR provisions are established having regard for the results of a valuation on a best-estimate basis together with a margin for uncertainty by an independent actuary.

Property claims projections have been carried out using a range of standard actuarial methods, including the Incurred Chain Ladder method (ICL) and an initial expected approach. ICL estimates the ratio by which cumulative claims to date will increase (or decrease) at annual intervals from the date of policy inception and has been used to calculate the IBNR for 2017, based on the 2014 data as that is the most developed year. The initial expected approach was used for the 2018 IBNR based on the ultimate exposure ratio for the 2014 year as this year is the most developed year and therefore most reliable for an initial estimate, however it also makes allowance for the poor experience in 2017, albeit this year is still relatively immature.

To date, Gasrule have only underwritten a single annual liability policy in October 2018 and therefore, claims projections have been based on historical claims incurred by the parent company, including inflationary adjustments, excluding large losses from the data and making provisions for future large losses.

Solvency II requires undertakings to hold technical provisions which correspond to the amount they would have to pay to transfer their (re)insurance obligations immediately to another undertaking. This value comprises a **best estimate** and a **risk margin**, intended to represent a market consistent valuation**.** The technical provisions take account of the time value of money by discounting using a risk-free interest rate term structure as at the valuation date. There is no allowance for prudence in the calculation of best estimates.

The best estimate is calculated by considering all future cash inflows and outflows required to settle the existing (re)insurance obligations over their lifetime. It represents the mean outcome of all possible scenarios, taking account of how likely they are to occur and their potential variability. In this regard, the best estimate is a probability-weighted average of future cash flows, allowing for the time value of money.

The Solvency II best estimate is calculated gross with any recoverable calculated separately following the same methodology. The best estimate is made up of a claims provision and a premium provision, relating to past and future exposures respectively. An allowance has been made for reinsurer counterparty default. Claims payments in the claim and premium provisions have been projected at annual intervals using annual paid development patterns.

The Solvency II claims provision is equivalent to the expected net present value of the best estimate claims reserve, with additional allowances to allow for all possible outcomes through the inclusion of provisions for Events Not in Data (ENID) and the future expenses that will be incurred in servicing the existing reinsurance obligations. The claims provision also includes all unpaid premium relating to earned exposures that are within payment terms.

Under the Solvency II contract boundary definition, any policies which have been bound, even if un-incepted as at the valuation date, must be considered in the premium provision. The Solvency II premium provision is therefore equivalent to the expected net present value of the following cash inflows and outflows, relating to unearned exposure from incepted contracts and exposure from un-incepted contracts bound as at the valuation date:

- Cash flows from future premiums in relation to future claims;
- Cash flows arising from future claim events (e.g. claims payments);
- Cash flows arising from loss adjustment expenses in respect of claims events occurring after the valuation date;
- Cash flows arising from the ongoing administration of policies in-force as at the valuation date; and
- Cash flows arising from salvage and subrogation.

Gasrule had an Unearned Premium Reserve (UPR) of EURO 572.259 prior to the valuation date for contracts which incepted on 1 June 2018. Gasrule has also included the risks incepting on 1 January 2019, an amount of EURO 9,154,000 of Bound But Not Incepted (BBNI), in its calculation of the premium provision for the current reporting period. This is because the Company is obliged to accept this business as they committed to this premium prior to the valuation date. As this business is expected to be profit making, the best estimate of premium provisions is a negative amount i.e. an asset rather than a liability.

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

The Solvency II risk margin is intended to represent an amount that Gasrule would be required to pay, in excess of the best estimate of the liabilities, for a third party to assume the risk of running off the existing liabilities. The actuarial calculation of the risk margin is consistent with the Solvency II regulations, applying a 6% cost of capital to the amount of capital required at the beginning of each year to support the run-off of the insurance obligations. These future costs of capital are then discounted to the valuation date and summed to calculate the amount of risk margin required.

The resultant differences between the value of technical provisions for solvency purposes and the financial statements at 31 December 2018 are shown below in Euro (€'000):

	Gross	Reinsurer's share	Net
Net Statutory Reserves	**14,043**	**-**	**14,043**
Solvency II Expenses	508	-	508
Provision for Events Not In Data	351	-	351
Counterparty default	-	-	-
Discounting	41	-	41
Net Solvency II claims provisions	**14,943**	**-**	**14,943**

Information on how the Company manages risk in the area of underwriting and reserving is set out in Section C1 above. Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section B4 above.

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

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

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

D.3 Other Liabilities

Aside from Technical provisions, the valuations of which are detailed above, Gasrule has 1 other class of liabilities;

- Any Other Liabilities, not elsewhere shown

	2018		
	Solvency II Value	**Statutory Accounts Value**	**Difference**
OTHER LIABILITIES	**€**	**€**	**€**
Other liabilities	260,901	260,467	434
TOTAL LIABILITIES	**260,901**	**260,467**	**434**

This is comprised of accruals for operating expenses.

There is minimal difference between the accrued expense figures in the financial statements and under solvency II.

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

D.4 Alternative Methods of Valuation

No alternative methods were used.

There are no estimation or valuation uncertainty with regard to valuation of all assets and liabilities except technical provisions.

There have been no changes to the recognition and valuation bases or to estimations during the year.

D.5 Any Other Information

There is no other information to report.

In respect of relevant quantitative information for this report please see Annual QRT S.02.01.02 extract in Appendix 1.

E. CAPITAL MANAGEMENT

E.1 Own Funds

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

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

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

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

- Issued Share Capital; and
- Retained Earnings.

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

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

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification. Gasrule's capital structure is composed of ordinary share capital and retained earnings, as below.

	2018	**2017**
Authorised		
20,000,000 ordinary shares of €1 each	20,000,000	20,000,000
Allotted, called-up and fully paid		
20,000,000 ordinary shares of €1 each	20,000,000	20,000,000
Retained earnings		
Opening and closing balance	3,722,416	2,416,249

Profit for the year ended 31st December 2018 amounted to EURO 1,306,167.

Solvency II own funds

Under Solvency II valuation principals, the own funds eligible to cover the SCR is 22,760,798 (2017; 21,041,563) are comprised of EURO 22,623,425 Tier 1 capital and EURO 137,374 Tier 3 capital. The own funds eligible to cover the MCR are of comprised EURO 22,623,425 (2017; 20,852,346) Tier 1 capital

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

	2018 €'000
Equity per the Company's financial statements	23,722
Adjustments to technical provisions	(1,583)
Removal of insurance debtors and deferred acquisition costs	(980)
Removal of insurance and reinsurance payables	1,463
Adjustment to Other Assets	2
Deferred tax asset	137
Own funds (excess of assets over liabilities for solvency purposes)	**22,761**

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. This results in the removal of insurance debtors and deferred acquisition costs, the removal of insurance and reinsurance payables balances and adjustments to other assets as the future cash flows in relation to these items are dealt with as part of the calculation of technical provisions. Deferred tax is provided on these adjustments at the applicable tax rate. These adjustments are reflected in the Company's reconciliation reserve.

The Company's own funds are not subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

Capital management

The total capital in the financial statements of the Company as at 31 December 2018 consists of shareholder's equity of EURO 23,722,416.

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

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Gasrule's Solvency Capital Requirement ("SCR") as of 31 December 2018 totals EURO 17.26m (2017; 16.07m). Gasrule's Solvency II recognized own funds totalling EURO 22.76m (2017; 21.04m) is sufficient to meet its SCR and results in a Solvency Ratio of 132% (2017; 131%). Gasrule's Minimum Capital Requirement ("MCR") as of 31 December 2018 totals EURO 4.3m (2017; 4.02m).

Risk Charge	2017 EUR '000	2018 EUR '000	Change EUR '000
Non-Life Underwriting Risk	**13,269**	**13,515**	**246**
Counterparty Default Risk	**2,271**	**2,167**	**(104)**
Interest Rate Risk	1	0	(1)
Equity Risk	-	-	-
Spread Risk	300	500	200
Currency Risk	-	-	-
Property Risk	-	-	-
Concentration Risk	3,191	5,319	2,128
Diversification Benefit	*(286)*	*(477)*	*(191)*
Market Risk	**3,205**	**5,342**	**2,137**
Diversification Benefit	*(3,044)*	*(4,081)*	*(1,037)*
BSCR	**15,701**	**16,943**	**1,242**
Operational Risk	**367**	**319**	**(48)**
SCR	**16,068**	**17,262**	**1,194**
Available Capital	21,042	22,761	1,719
Surplus/Deficit	**5,046**	**5,499**	**453**
Solvency Ratio	131%	132%	1%
MCR	4,016	4,316	7.5%

Gasrules SCR increased by only 1% since the last reporting period with the excess profit off-setting the increase in intercompany loan and writing a new line of business. The MCR increased by 7.5%

The MCR for Gasrule is calculated in accordance with the standard formula. Setting the MCR involves these steps:

- Firstly, a factor-based calculation is applied using premiums and reserves as the drivers.
- The value of this calculation is either capped or floored such that the value of the MCR is between 25% and 45% of the value of the SCR.
- Finally, the Absolute Minimum Capital Requirement ("AMCR") is applied. This is a monetary floor on the value of the MCR. For insurance captives this is currently set at €3.7m (2017: €3.7m),
- Gasrule's calculated MCR of €4.31m is higher than the AMCR.

The primary drivers in the increase of Gasrules SCR are:	
Market Risk	The Spread and Concentration risks have increased because the intercompany loan amount has increased from EUR 12m in 2017 to EUR 20m in 2018.
Premium/Reserve Risk	The provision for claims outstanding has increased since the previous analysis, resulting in a higher reserve risk charge. This increase reflects the fact that Gasrule has not reached a steady state reserve position, but instead reserves are still accumulating at a faster rate than claims are being settled. In addition, Gasrule commenced writing General Liability business in October 2018 which contributes to the increase in the reserve risk.
Available Capital	The increase to the available capital is driven by the retained profit of €1.3m recognised during 2018, as illustrated within the statutory financial statements.

The Company did not use simplified calculations or undertaking-specific parameters in the calculation of its SCR.

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the Solvency Capital Requirement

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

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

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

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

The Company has been continuously compliant with both the MCR and the SCR throughout the reporting period.

E.6 Any Other Information

There is no other information to report.

In respect of relevant quantitative information for this report please see Annual QRT extract in Appendix 1.

APPENDIX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet

S.05.01.02 – Premiums, claims and expenses 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 – Claims Developments

S.23.01.01 – Own Funds

S.25.01.21 – SCR using standard formula

S.28.01.01 – MCR

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

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	137
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	20,000
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	20,000
R0270	Reinsurance recoverables from:	-2,919
R0280	Non-life and health similar to non-life	-2,919
R0290	Non-life excluding health	
R0300	Health similar to non-life	-2,919
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	5
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	16,788
R0420	Any other assets, not elsewhere shown	1,153
R0500	**Total assets**	35,164

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

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	12,143
R0520	Technical provisions – non-life (excluding health)	12,143
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	10,635
R0550	Risk margin	1,508
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	261
R0900	Total liabilities	12,404
R1000	**Excess of assets over liabilities**	22,760

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110						3	6,043		
Gross - Prop reinsurance accepted	R0120							533	323	
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140							2,745		
Net	R0200	0	0	0	0	0	3	3,831	323	0
Premiums earned										
Gross - Direct Business	R0210						3	9,490		
Gross - Prop reinsurance accepted	R0220							838	123	
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240							2,726		
Net	R0300	0	0	0	0	0	3	7,602	123	0
Claims incurred										
Gross - Direct Business	R0310							4,936		
Gross - Prop reinsurance accepted	R0320							73	92	
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400	0	0	0	0	0	0	5,009	92	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550						0	1,083	49	
Other expenses	R1200									
Total expenses	R1300									

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								6,046
Gross - Prop reinsurance accepted	R0120								856
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								2,745
Net	R0200	0	0	0	0	0	0	0	4,157
Premiums earned									
Gross - Direct Business	R0210								9,493
Gross - Prop reinsurance accepted	R0220								961
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								2,726
Net	R0300	0	0	0	0	0	0	0	7,728
Claims incurred									
Gross - Direct Business	R0310								4,936
Gross - Prop reinsurance accepted	R0320								165
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	0	0	0	0	0	5,101
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								1,132
Other expenses	R1200								
Total expenses	R1300								1,132

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

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

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

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			AT	IT				
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110		394	5,426				5,820
Gross - Proportional reinsurance accepted	R0120		4	668				672
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140			2,732				2,732
Net	R0200	0	398	3,362	0	0	0	3,760
Premiums earned								
Gross - Direct Business	R0210		587	9,320				9,907
Gross - Proportional reinsurance accepted	R0220		5	455				460
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240			2,722				2,722
Net	R0300	0	592	7,053	0	0	0	7,645
Claims incurred								
Gross - Direct Business	R0310		783	4,187				4,970
Gross - Proportional reinsurance accepted	R0320			131				131
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340							0
Net	R0400	0	783	4,318	0	0	0	5,101
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550		14	944				958
Other expenses	R1200							
Total expenses	R1300							958

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

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060						0	-4,165	-143				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140							-2,919					
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	-1,246	-143	0	0	0	0
Claims provisions													
Gross	R0160							14,846	97				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	14,846	97	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	0	0	0	10,681	-46	0	0	0	0
Total Best estimate - net	R0270	0	0	0	0	0	0	13,600	-46	0	0	0	0
Risk margin	R0280							1,498	10				
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	0	0	0	12,179	-36	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	-2,919	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	15,098	-36	0	0	0	0

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

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					-4,308
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					-2,919
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	-1,389
Claims provisions						
Gross	R0160					14,943
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	14,943
Total Best estimate - gross	R0260	0	0	0	0	10,635
Total Best estimate - net	R0270	0	0	0	0	13,554
Risk margin	R0280					1,508
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	12,143
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	-2,919
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	15,062

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

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100												0	0
N-9	R0160												0	0
N-8	R0170												0	0
N-7	R0180												0	0
N-6	R0190												0	0
N-5	R0200												0	0
N-4	R0210			2,329	958	1,509							1,509	4,796
N-3	R0220	1	1,347	500	981								981	2,829
N-2	R0230			516									516	516
N-1	R0240		1,337										1,337	1,337
N	R0250	0											0	0
												Total	4,343	9,478

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

		0	1	2	3	4	5	6	7	8	9	10	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100												
N-9	R0160												
N-8	R0170												
N-7	R0180												
N-6	R0190												
N-5	R0200												
N-4	R0210				2,110	212							213
N-3	R0220			3,042	1,963								1,968
N-2	R0230		5,671	2,653									2,661
N-1	R0240	3,406	6,940										6,960
N	R0250	3,133											3,140
												Total	14,942

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	20,000	20,000			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	2,624	2,624			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	137				137
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	22,761	22,624	0	0	137
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	22,761	22,624	0	0	137
Total available own funds to meet the MCR	R0510	22,624	22,624	0	0	
Total eligible own funds to meet the SCR	R0540	22,761	22,624	0	0	137
Total eligible own funds to meet the MCR	R0550	22,624	22,624	0	0	
SCR	R0580	17,262				
MCR	R0600	4,316				
Ratio of Eligible own funds to SCR	R0620	1.3185610				
Ratio of Eligible own funds to MCR	R0640	5.2418906				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	22,761
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	20,137
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	2,624
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	1,202
Total Expected profits included in future premiums (EPIFP)	R0790	1,202

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

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	5,342		
Counterparty default risk	R0020	2,167		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	13,515		
Diversification	R0060	-4,081		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	16,943		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	319
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	17,262
Capital add-on already set	R0210	
Solvency capital requirement	R0220	17,262
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	1,608

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	3
Fire and other damage to property insurance and proportional reinsurance	R0080	13,600	3,831
General liability insurance and proportional reinsurance	R0090		323
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

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

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

Overall MCR calculation		C0070
Linear MCR	R0300	1,608
SCR	R0310	17,262
MCR cap	R0320	7,768
MCR floor	R0330	4,316
Combined MCR	R0340	4,316
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	4,316