Solvency & Financial Condition Report

Kongsberg Reinsurance DAC

Report Dated 31st December 2018

Table of Contents

A : Business Performance Year Ended 31st December 2018 1
A.1 General Information about the Business 1
A.2 Underwriting Performance 2
A.3 Financial Performance 2
A.4 Investment Performance 2
B : Systems of Governance 3
B.1 General Information 3
B.2 Fit and Proper Requirements 9
B.3 Risk Management System 10
B.4 Internal Control System 16
B.5 Outsourcing 18
C : Risk Profile 19
C.1 Underwriting Risk 19
C.2 Market Risk 20
C.3 Credit Risk 20
C.4 Liquidity Risk 20
C.5 Operational Risk 21
C.6 Other Material Risks 21
D : Valuation for Solvency Purposes 222
D.1 Assets 22
D.2 Technical Provisions 23
D.3 Other Liabilities 25
D.4 Alternative methods for valuation 26
E : Capital Management 27
E.1 Own Funds 27
E.2 SCR & MCR 28
E.3 Use of duration based equity risk Sub module in SCR calculation 29
E.4 Non Compliance with MCR and SCR during the period 29

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A: Business Performance Year Ended 31st December 2018

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

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

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland on 18th December 2000 and is a wholly owned subsidiary of Kongsberg Gruppen ASA. It is authorised by the Central Bank of Ireland (CBI) to carry on the business of reinsurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

Kongsberg Gruppen ASA, a Norwegian registered group.

Supervisory Authority

The Central Bank of Ireland

Registered Office and Registered Number

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

Registered Number: 336689

Auditor

Ernst & Young

Risk Profile

Kongsberg Reinsurance DAC is licenced to undertake reinsurance business.

Material Geographical Areas

- EU/EEA (Sweden)
- Non EU/EEA (Norway)

Significant events in the reporting period

The Board made the decision to discontinue the utilisation of the captive and cease writing all lines of business during 2018. The company ceased writing Marine reinsurance on 01 May 2018, Property & Casualty reinsurance on 14 September 2018 and Employee Benefits reinsurance on 01 November 2018. In addition, the company entered into a commutation agreement with Storebrand Livsforsikring AS in December 2018, thus commutating all legacy Employee Benefit liabilities and releasing the company from any future Employee Benefits liabilities relating to the 2006 – 2018 policy years. The Marine, Property and Casualty lines of business are now in run off with the intention that these liabilities will be released from the company, and the company liquidated during 2019.

A.2 Underwriting Performance

Gross Premiums written in the financial year ended 31 December 2018 totalled NOK 10.80m. The amount of premium earned in the period, and net of reinsurance outwards was NOK 18.99m.

Claims incurred (paid and reserved) across all lines of business including PDBI, Casualty, Marine, Personal Accident, Sickness and Workers Compensation in the period totalled NOK 59.48M and NOK 59.48M net of reinsurance.

The underwriting results and the year-end financial position were in line with expectations and considered satisfactory.

A.3 Financial Performance

After Operating expenses and Investment Income, the profit on ordinary activities for the year before taxation amounted to NOK 30,199K.

A.4 Investment Performance

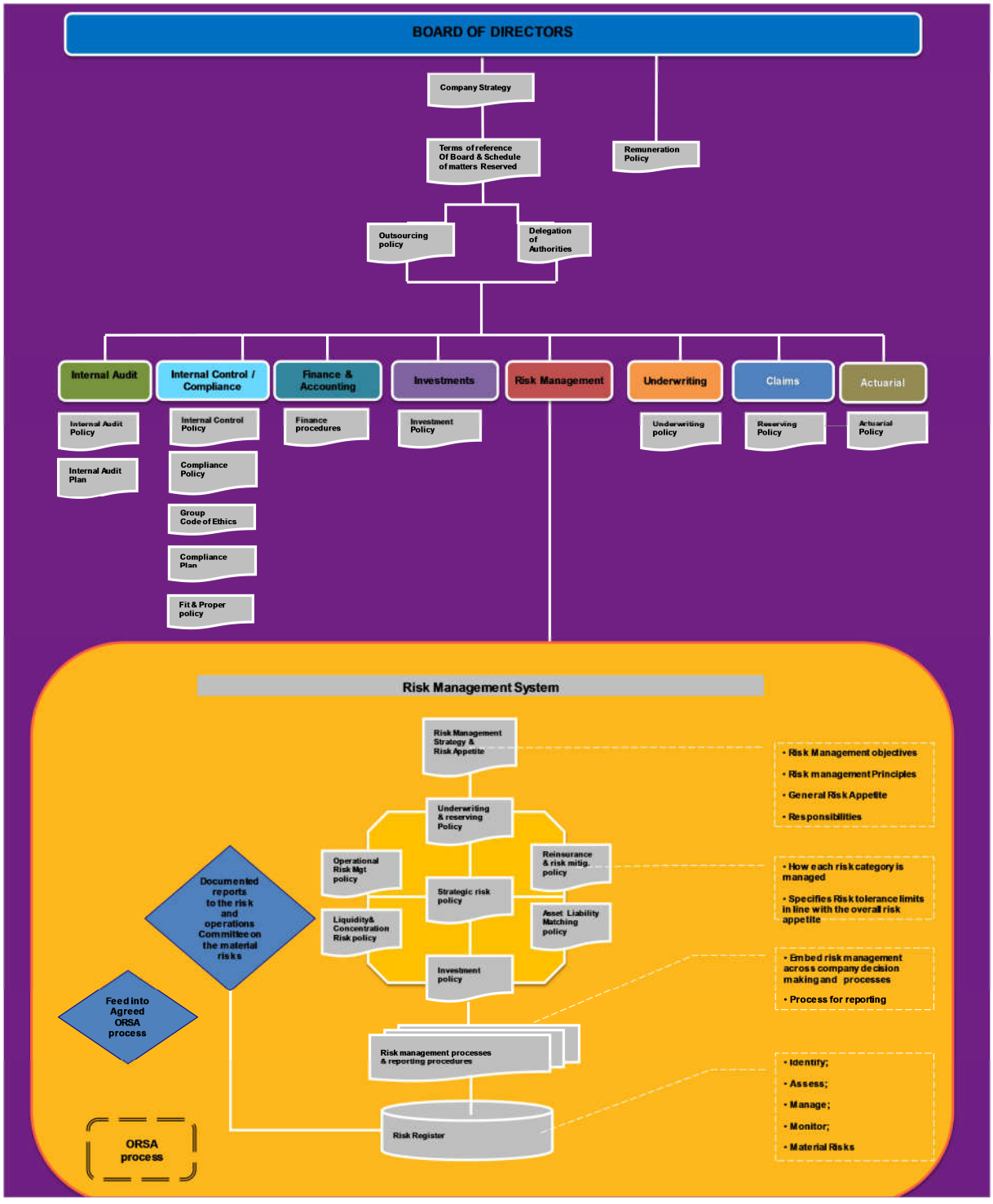
Total Investment Income for the financial year ended 31 December 2018 was equal to NOK 1,542. The table below outlines a breakdown of the investment performance by asset class:

Asset Class	NOK '000
Cash and Deposits Interest	1,542

B: Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of Kongsberg Reinsurance DAC as at 31st December 2018 comprised as follows:

Name	PCF	Date Appointed by the Board	Date Resigned
Per Olaf Stampe	Non-Executive Director (PCF2)	13 November 2017	31st December 2018
Eiler Helén	Executive Director (PCF1) & Chairman of the Board (PCF3)	27 January 2017 – 13 November 2017 as Chair	27th February 2018
Lene Svenne	Executive Director (PCF1)	24 April 2017	N/A
Hege Andersen	Executive Director (PCF1)	18 November 2016	N/A
Per Håvard Siljan Hjukse	Executive Director (PCF1)	28 November 2017	N/A

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

- The effective, prudent and ethical oversight of the Company;
- Ensuring that risk and compliance are properly managed;
- Establishing the strategy and policies of the Company and overseeing and monitoring their implementation;
- Setting the corporate tone with regard to governance, ethics and general behaviour;
- Establishment, review and approval of systems of internal control, risk management, regulatory compliance and codes of conduct to ensure that the Company is compliant with all relevant laws, regulations and codes of conduct; and
- Accountability for the Company's performance and results.
- Setting the business strategy for the Company, within the parameters of the existing Business Plan and those of local legislation.
- Establishing banking mandates and monitoring the Company's signatory listings.
- Determining the Investment Policy (to be reviewed by the Board annually).
- Developing of an Outsourcing Policy (to be reviewed by the Board annually).

- Reinsurance policy terms and conditions (including Retrocession).
- Reinsurance pricing.
- Loss Reserve strategy.
- Approving the Company's Statutory Financial Statements.
- Appointment of Retrocessionaires.
- Capital and calling-up of capital.
- Appointment of Auditors.
- Appointment of Head of Actuarial Function.
- Appointment of Corporate Secretary.
- Appointment of Insurance Managers.
- Appointment of Investment Managers.
- Appointment of Bankers.
- Appointment of Lawyers.
- Appointment of Directors
- Appointment of Head of Compliance.
- Approving/deciding on the removal of the Head of a Control Function and consequent notification of such decision to the CBI within 5 working days.
- Dividend Recommendations.
- Developing and monitoring the implementation of the Company's Claims Reserving Policy.
- Determining the Margin for Uncertainty of the Company.
- Monitoring the minimum capital requirements of the Company in line with the Solvency II requirements and local legislation.
- Setting the Risk Appetite of the Company.

- Overall Responsibility for Risk.
- Establishing and maintaining the Company's Internal Control Framework.
- Approval of material changes to Company policies and procedures
- Identification and appointment of the Key Functions within the Company and receiving timely reports from such functions.
- Review and sign off of Financial Statements and annual regulatory reporting as required by Solvency II – annual Quantitative Reporting Templates, Regular Supervisory Report and Solvency and Financial Condition Report. Completing the Own Risk and Solvency Assessment ("ORSA") and related activities.
- Own Risk Self-Assessment ("ORSA") approval procedures and considering all elements of the Risk Management Function in the context of the ORSA process.
- Review of all Company's Policies and Procedures (at least annually).
- Establishment (if appropriate) of various committees and related delegation of duties.
- Sign-off various committees' Terms of Reference (if appropriate).
- Fit and Proper Procedures and approval process.

Audit Committee

The Company is a captive reinsurance undertaking and is therefore availing of the exemption in Section 1551(13) of the Companies Act 2014 (as amended) from the requirement to establish an Audit Committee. The Board of Directors, as comprised above (refer to section where Board composition specified) performs the functions of the Audit Committee as described in Section 1551 of the Companies Act 2014.

Information on Remuneration Policies and Practices

The Company is a Captive Reinsurance Company and therefore the majority of Director positions are held by Group employees with the exception of the one Independent Non-Executive Director who is remunerated for their role.

Overview of Year Ended 31st December 2018

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

- 26th April 2018

- 1st November 2018

Key Functions

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

Risk Management Function.

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

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

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

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

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

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

Compliance Function.

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

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

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

Actuarial Function.

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

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

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

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

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment (ORSA) and SCR (Solvency Capital Requirement) calculations.
- Co-ordinating the calculation of the Technical Provisions.
- Provision of an opinion on the underwriting and reinsurance policy of the Company
- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.
- Assess the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparison of best estimates against experience.

Internal Audit Function.

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is an outsourced service provided by a third party audit firm (Mazars) with the Board acting as oversight. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

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

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

B.2 Fit and Proper Requirements

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

- The Board of Directors
- The Head of Risk Function
- The Head of Internal Audit
- The Head of Actuarial Function
- The Head of Compliance Function

Fitness:

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

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

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

Probity:

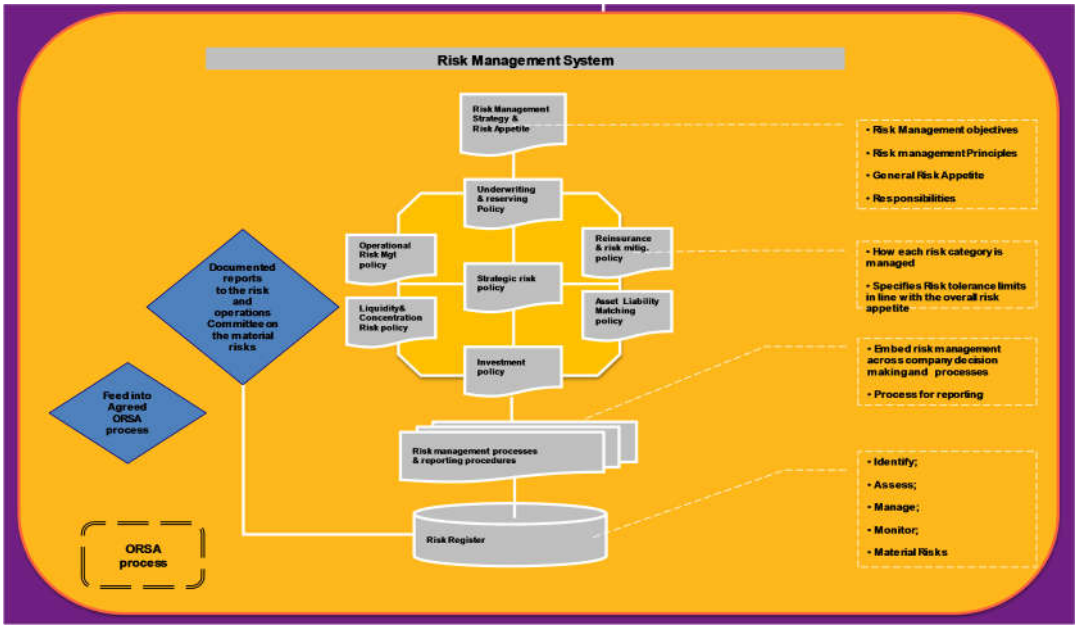
The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct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

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

B.3 Risk Management System

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

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



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

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

Risk Management Approach

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

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

Risk Profile

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

Nature:

The nature of the Company's risk is confined within Kongsberg Gruppen only with no third party policy holders and therefore represents limited systemic risk.

Scale:

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

Complexity:

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

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

Risk Function

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

The Risk Management Function reports directly to the Board on a bi-annual basis or upon occurrence of an event which could materially impact the Company's risk profile.

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

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

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

Risk Categories & Key Risks

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

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

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

The key risk categories for the Company are;

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

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

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

Risk Appetite Statement

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

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

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

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

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

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

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

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

Risk Policies

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

Risk Register

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

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

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

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

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

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

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

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

ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an

Own Risk and Solvency Assessment ('ORSA') at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

ORSA - Approach taken:

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

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

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

- A Board Meeting was held on the 1st of November 2018 where the Risk Register and Risk Appetite Statement were reviewed, and approval of the ORSA framework and related items including Stressed scenarios was sought.

- The Board approved the ORSA Report before 31st December 2018.

The Board of Directors provided substantial input and discussed in detail the various aspects of the ORSA. This is documented in the minutes of the Board meetings where the ORSA process is an Agenda item.

Own Risk Assessment

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

- The Maximum Value at Risk (VAR) for each identified key risk of the Company,

- The controls and risk management arrangements in place which act to mitigate each risk,

- The basis for measurement and assessment of the risk over the planning period,

- The current experience of each individual risk,

- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.

- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

Risk Reporting

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

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

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

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

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

B.4 Internal Control System

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

This is achieved by:

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

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

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

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

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

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

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

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

Regular

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

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.

- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board

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

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

B.5 Outsourcing

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

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

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

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

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

C: Risk Profile

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

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

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

C.1 Underwriting Risk

The risk under any one reinsurance contract is the possibility that the reinsured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of a reinsurance contract, the risk is random, unknown and unpredictable.

As its primary reinsurance activity the company assumes risks relating to Employee Benefits coverage in Norway. This includes coverage for Workers Compensation, Personal Accident, and Sickness. The primary insurer retains 20% of the exposure for these lines of business, while 80% is placed with Kongsberg Reinsurance DAC. Furthermore, the company assumes risks relating to Property Damage Business Interruption, and Casualty coverage from a fronting entity in Sweden, and Marine coverage from a fronting entity in Norway. Due to the nature of these risks the Company is exposed to the uncertainty surrounding the timing and severity of claims. The terms and conditions of the reinsurance contracts issued set out the basis for the determination of the Company's liability should the reinsured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The reinsurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of retrocession agreements.

The Company manages the reinsurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

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

The Company monitors the financial condition of retrocessionaires on an ongoing basis, and reviews its retrocession arrangements annually.

C.2 Market Risk

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

The Company seeks to spread investments across a number of institutions to reduce concentration risk.

The Company and the Board will annually review the amount of funds invested with any one institution and will maintain a minimum of two credit institutions.

The Company has little appetite for counterparty default risk in relation to investments and seek to invest in institutions of the greatest strength and stability.

All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium, which is achieved in a number of ways such as investing in low risk asset classes such as term deposit accounts.

Counterparty Default Risk

The Group utilises retrocession cover to manage efficiently insurance risk. The Group is therefore exposed to the failure of these counterparties. The exposure is reduced as the counterparties are diversified and also the credit default risk is managed by ensuring a general minimum credit rating of A- or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

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

C.5 Operational Risk

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

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

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

C.6 Other Material Risks

The Company considers that there are no other Material Risk to be considered at this time.

D: Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The main difference is due to the recognition of the Deferred Acquisition Costs and the valuation basis on the reinsurance share of TP. On a Solvency II valuation basis all assets and liabilities are held at a market consistent value for expected future cash flows. Therefore, items such as deferred acquisition costs are not included on the balance sheet. Instead the actual expected future cash flows associated with any future acquisition cost payments are included within the technical provision valuation. For the reinsurance share of TP the adjustments for solvency purposes relates to the application of the Solvency II best estimate valuation. The fair value of these combined technical provisions is calculated by discounting estimated future cash-flows (best estimates) based on estimated duration of each provision (payment pattern), using the risk-free interest rate curve. An adjustment for reinsurer default is then applied.

Material Differences in the above used for valuation in Financial Statements

Value of the Assets as of 31st December 2018

Kongsberg Reinsurance DAC Assets (NOK)	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	-	-
Investments	-	-
Participations and related undertakings	-	-
Equities (Other than Participations) – Listed	-	-
Government and Multilateral Banks	-	-
Reinsurance share of TP - non-life excluding health	-	-
Reinsurance share of TP - health similar to non-life	-	-
Insurance & Intermediaries Receivables	-	-
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	108,553,352	108,553,352
Any Other Assets, Not Elsewhere Shown	191,599	191,599
Total assets	108,744,952	108,744,952

Value of the Assets as of 31st December 2017

Kongsberg Reinsurance DAC Assets (NOK)	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	716,585	-
Investments	-	-
Participations and related undertakings	-	-
Equities (Other than Participations) – Listed	-	-
Government and Multilateral Banks	-	-
Reinsurance share of TP - non-life excluding health	-	-
Reinsurance share of TP - health similar to non-life	724,076	644,372
Insurance & Intermediaries Receivables	8,838	-
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	168,050,867	168,050,867
Any Other Assets, Not Elsewhere Shown	1,262,641	1,262,641
Total assets	170,763,007	169,957,880

Overview of any assets not regularly traded in Financial Markets

The Company has no assets that are not regularly traded in financial markets other than a nominal shareholding in a mutual insurance company.

D.2 Technical Provisions

Valuation of Technical Provisions per Line of business

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

Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the balance sheet is required to be valued on a “best estimate” discounted cash flow basis. This leads to differences in claims provision between financial statements and Solvency II.

The table below sets out the results of the Technical provision calculations on the financial statements and Solvency II basis.

Value of the Liabilities as of 31st December 2018

Kongsberg Reinsurance DAC Liabilities (NOK)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	5,550,274	10,192,362
TP calculated as a whole (Best estimate + Risk margin)	5,550,274	-
Best Estimate	-	9,872,122
Risk Margin	-	320,239
Gross Technical Provisions - Health (Similar to Non-Life)	-	368,609
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	-
Risk margin	-	368,609
Insurance & intermediaries payables	828,875	828,875
Deferred Tax Liabilities	-	-
Any other liabilities, not elsewhere shown	3,757,778	3,757,778
Total liabilities	10,136,927	15,147,624

Value of the Liabilities as of 31st December 2017

Kongsberg Reinsurance DAC Liabilities (NOK)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	10,356,979	11,375,058
TP calculated as a whole (Best estimate + Risk margin)	10,356,979	-
Best Estimate	-	10,371,415
Risk Margin	-	1,003,643
Gross Technical Provisions - Health (Similar to Non-Life)	76,995,425	90,748,340
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	82,303,006
Risk margin	-	8,445,334
Insurance & intermediaries payables	1,244,035	1,244,035
Deferred Tax Liabilities	-	-
Any other liabilities, not elsewhere shown	-	-
Total liabilities	88,596,439	103,367,433

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

Claims Provision

As at the reporting date, the Company had included the following known losses with open reserves, provision for Incurred but not Reported (IBNR) provisions within its Technical Provisions:

	2018 (NOK)	*2017 (NOK)*
Notified outstanding claims	415,000	41,118,344
Provision for claims incurred but not reported	5,135,274	37,732,502
	5,550,274	79,000,846
Unearned Premium Reserve	-	8,351,558
	5,550,274	87,352,404

Material Differences in the above used for valuation in Financial Statements

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

Simplification

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

Uncertainties in the value of Technical Provisions

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

- **Settlement period:** The settlement pattern ranges from years for the Marine line of business to 20 years for workers compensation and are advised by the Company’s actuarial function, Mercer.

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

- **Expenses:** The total expenses involved in the operation of the Company are relatively small when compared to other elements in the calculation of the technical provisions.

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

The above assumptions are consistent with the previous Actuarial Function Report therefore there have been no material changes in technical provisions due to underlying changes in the assumptions.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by NOK NIL

Effectiveness of retrocession arrangements

The Company's "Retrocession and Other Risk Mitigation Techniques" Policy, dated 13 November 2017, refers to the below key principle:

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

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

It is also noted that, the Kongsberg Gruppen could purchase reinsurance directly from the market and therefore the use of the Company for the provision of reinsurance services is a conscious decision made in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

Matching Adjustments, Volatility Adjustments and Transitional Measures

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

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

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

Initial measurement

All financial liabilities are initially measured at transaction price.

Value of the Financial liabilities as of 31st December 2018

LIABILITIES	NOK
Creditors arising out of reinsurance operations	
Other creditors including taxation and social security	4,586,653
Total	**4,586,653**

Value of the Financial liabilities as of 31st December 2017

LIABILITIES	NOK
Creditors arising out of insurance operations	-
Other creditors including taxation and social security	1,244,034
Total	**1,244,034**

Material Differences in the above used for valuation in Financial Statements

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

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

E: Capital Management

E.1 Own Funds

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

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

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

- the difference between the technical provisions calculated in accordance with the Solvency II requirements
- deferred tax adjustment in relation to the above differences

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

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 110% of the Pillar 1 solvency capital requirement. On an annual basis, and having regard to the results of stress tests applied to projections over the three year planning period, the Board will consider whether a dividend should be paid to remit any surplus capital above this target or if an intercompany loan should be incepted.

At the reporting date, 10M NOK dividends was declared and paid to Group in early 2018.

Solvency Capital Position

The table below sets out the Company's pillar 1 capital position as at 31 December 2017:

Pillar 1 capital position as of 31st December 2018

Assets (NOK) per Solvency II Balance Sheet	
Total	108,744,952

Liabilities (NOK)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	5,550,274	10,192,362
TP calculated as a whole (Best estimate + Risk margin)	5,550,274	-
Best Estimate	-	9,872,122
Risk Margin	-	320,239
Gross Technical Provisions - Health (Similar to Non-Life)	-	368,609
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate		
Risk margin		-
Insurance & intermediaries payables	828,875	828,875
Deferred Tax Liabilities	-	-
Any other liabilities, not elsewhere shown	3,757,778	3,757,778
Total liabilities	10,136,927	15,147,624
Assets less Liabilities	98,608,024	93,597,328

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	10,449,769	93,597,328	895.7%	109.7%
MCR	11,463,360	93,597,328	816.5%	-

Pillar 1 capital position as of 31st December 2017

Assets (NOK) per Solvency II Balance Sheet	
Total	169,957,880

Liabilities (NOK)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	10,356,979	11,375,059
TP calculated as a whole (Best estimate + Risk margin)	10,356,979	-

Best Estimate	-	10,371,416
Risk Margin	-	1,003,643
Gross Technical Provisions - Health (Similar to Non-Life)	76,995,425	90,748,340
TP calculated as a whole (Best estimate + Risk margin)	76,995,425	-
Best Estimate	-	82,303,006
Risk margin	-	8,445,334
Deferred Tax Liabilities	-	-
Reinsurance payables	1,244,034	1,244,034
Other payables	-	-
Total liabilities	88,596,438	103,367,433
Assets less Liabilities	82,166,568	66,590,446

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	43,073,047	66,590,446	154.6%	31.2%
MCR	13,418,839	66,590,446	496.2%	-

E.2 SCR & MCR

The SCR coverage at 31st December 2018 was 896% and MCR coverage of 817%.

The Solvency Capital coverage of the Company at the previous financial year end while still above its Solvency Capital Requirement, was significantly less resulting in an SCR coverage ratio of 154%. The Company has currently met its Minimum Capital Requirement. An MCR coverage ratio of 817% was achieved at financial year end.

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

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

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

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

Kongsberg Reinsurance DAC

Solvency and Financial Condition Report

Disclosures

31 December

2018

(Monetary amounts in NOK thousands)

General information

Undertaking name	Kongsberg Reinsurance DAC
Undertaking identification code	635400DFIG2CUDO68Y85
Type of code of undertaking	LEI
Type of undertaking	Reinsurance undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	NOK
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	108,553
R0420	Any other assets, not elsewhere shown	192
R0500	**Total assets**	108,745

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	10,561
R0520	*Technical provisions - non-life (excluding health)*	10,192
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	9,872
R0550	*Risk margin*	320
R0560	*Technical provisions - health (similar to non-life)*	369
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	369
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	829
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	3,758
R0900	**Total liabilities**	15,148
R1000	**Excess of assets over liabilities**	93,597

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business																	0
R0120	Gross - Proportional reinsurance accepted		7,879	1,168			0	991	763									10,800
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share		70	18			0	0	0									89
R0200	Net		7,809	1,149			0	991	763									10,712
	Premiums earned																	
R0210	Gross - Direct Business																	0
R0220	Gross - Proportional reinsurance accepted		12,868	2,472			500	1,441	1,871									19,152
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share		128	34			0	0	0									162
R0300	Net		12,740	2,439			500	1,441	1,871									18,990
	Claims incurred																	
R0310	Gross - Direct Business																	0
R0320	Gross - Proportional reinsurance accepted		-9,278	-3,769			-15	-636	-269									-13,967
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share		-77	-574														-651
R0400	Net		-9,201	-3,195			-15	-636	-269									-13,316
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net		0	0			0	0	0									0
R0550	**Expenses incurred**		2,613	438			18	319	285									3,674
R1200	**Other expenses**																	
R1300	**Total expenses**																	3,674

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			NO	SE				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business							0
R0120	Gross - Proportional reinsurance accepted		9,047	1,754				10,800
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share			89				89
R0200	Net	0	9,047	1,665	0	0	0	10,712
	Premiums earned							
R0210	Gross - Direct Business							0
R0220	Gross - Proportional reinsurance accepted		3,312	15,840				19,152
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share		162					162
R0300	Net	0	3,150	15,840	0	0	0	18,990
	Claims incurred							
R0310	Gross - Direct Business							0
R0320	Gross - Proportional reinsurance accepted		-13,062	-905				-13,967
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share		-651					-651
R0400	Net	0	-12,411	-905	0	0	0	-13,316
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**		3,070	604				3,674
R1200	**Other expenses**							
R1300	**Total expenses**							3,674

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole		0	0			0	0	0									0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross		0	0			0	0	0									0
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0	0			0	0	0									0
R0150	**Net Best Estimate of Premium Provisions**		0	0			0	0	0									0
	Claims provisions																	
R0160	Gross		0	0			1,316	244	8,312									9,872
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0	0			0	0	0									0
R0250	**Net Best Estimate of Claims Provisions**		0	0			1,316	244	8,312									9,872
R0260	**Total best estimate - gross**		0	0			1,316	244	8,312									9,872
R0270	**Total best estimate - net**		0	0			1,316	244	8,312									9,872
R0280	**Risk margin**		312	57			44	37	239									689
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**		312	57			1,360	281	8,552									10,561
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**		0	0			0	0	0									0
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**		312	57			1,360	281	8,552									10,561

S.19.01.21

Non-Life insurance claims

Total Non-life business

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

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

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											694	694	694
R0160	-9	0	1,161	1,170	2,494	189	751	0	600	1,118	1,139		1,139	8,621
R0170	-8	185	1,565	97	1,956	0	797	315	1,972	472			472	7,358
R0180	-7	757	3,908	3,059	1,561	0	1,407	1,467	511				511	12,670
R0190	-6	0	2,625	1,062	907	476	0	6,318					6,318	11,387
R0200	-5	98	5,374	530	5,216	2,795	6,985						6,985	20,999
R0210	-4	610	3,640	3,783	2,748	5,616							5,616	16,397
R0220	-3	124	4,728	842	9,709								9,709	15,403
R0230	-2	0	1,774	15,123									15,123	16,897
R0240	-1	0	12,918										12,918	12,918
R0250	2018	0											0	0
R0260												**Total**	59,484	123,344

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											218	209
R0160	-9	0	0	0	0	0	0	0	3,375	2,281	67		64
R0170	-8	0	0	0	0	0	0	875	1,213	71			68
R0180	-7	0	0	0	0	0	2,797	1,351	90				86
R0190	-6	0	0	0	0	10,095	10,238	142					137
R0200	-5	0	0	0	18,271	11,062	221						212
R0210	-4	0	0	14,591	12,109	448							430
R0220	-3	0	14,894	14,263	2,290								2,203
R0230	-2	10,433	17,420	2,425									2,329
R0240	-1	19,156	4,278										4,135
R0250	2018	0											0
R0260												**Total**	9,872

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Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	5,271	5,271		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	88,327	88,327			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	93,597	93,597	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	93,597	93,597	0	0	0
R0510	Total available own funds to meet the MCR	93,597	93,597	0	0	
R0540	Total eligible own funds to meet the SCR	93,597	93,597	0	0	0
R0550	Total eligible own funds to meet the MCR	93,597	93,597	0	0	
R0580	**SCR**	10,450				
R0600	**MCR**	11,463				
R0620	**Ratio of Eligible own funds to SCR**	895.69%				
R0640	**Ratio of Eligible own funds to MCR**	816.49%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	93,597				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	5,271				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	88,327				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business					
R0790	**Total Expected profits included in future premiums (EPIFP)**	0				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	413		
R0020	Counterparty default risk	6,381		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	3,577		
R0050	Non-life underwriting risk	3,126		
R0060	Diversification	-3,622		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	9,875		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	575
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	10,450
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	10,450
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

USP Key

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

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

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	1,939

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	7,809
R0040	Workers' compensation insurance and proportional reinsurance	0	1,149
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	1,316	0
R0080	Fire and other damage to property insurance and proportional reinsurance	244	991
R0090	General liability insurance and proportional reinsurance	8,312	763
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

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

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

	Overall MCR calculation	C0070
R0300	Linear MCR	1,939
R0310	SCR	10,450
R0320	MCR cap	4,702
R0330	MCR floor	2,612
R0340	Combined MCR	2,612
R0350	Absolute floor of the MCR	11,463
R0400	**Minimum Capital Requirement**	11,463