Solvency & Financial Condition Report

KPN Insurance Company DAC



Report Dated 31st December 2018

Table of Contents

Summary…..1

A: Business Performance: Year Ended 31st December 2018 2

A.1 General Information about the Business 2

A.2 Underwriting Performance 4

A.3 Financial Performance 5

A.4 Investment Performance 6

B: Systems of Governance 7

B.1 General Information 7

B.2 Fit and Proper Requirements 13

B.3 Risk Management System 14

B.4 Internal Control System 21

B.5 Outsourcing 23

C: Risk Profile 24

C.1 Underwriting Risk 24

C.2 Counterparty Default Risk 25

C.3 Market Risk 25

C.4 Operational Risk 26

C.5 Other Material Risks 26

D: Valuation for Solvency Purposes 27

D.1 Assets 27

D.2 Technical Provisions 28

D.3 Other Liabilities 31

D.4 Alternative methods for valuation 32

E: Capital Management 32

E.1 Own Funds 32

E.2 SCR & MCR 34

E.3 Use of duration based equity risk Sub module in SCR calculation 35

E.4 Non Compliance with MCR and SCR during the period 35

This page is intentionally blank

Summary

This Solvency and Financial Condition Report ("SFCR") has been drafted in line with articles 290 through 299 of the Commission Delegation Regulation (EU) 2015/35 of 10th October 2014.

The objective of this report is to consolidate all material and key information relating to KPN Insurance Company DAC ('KPNIC' or 'the Company') over the reporting period of 1st January 2018 through 31 December 2018, in respect of the following categories:

- Business and performance
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management

The following summarises the information and findings in the subsequent sections of this report:

- The Company's business remained largely unchanged from the prior year with no adjustments to the lines of business underwritten. The financial performance of the Company was acceptable with a net profit after tax achieved of €1,775,234 (2017: €71,844).

- The Company's System of Governance is robust and fit for purpose with the appointed Board of Directors together with the respective Heads of Functions, adequately fulfilling their requirements over the reporting period.

- The risk profile of the Company has remained unchanged from the prior year. The levels of risk and retention for all lines of business remain unchanged.

- The Company has calculated its solvency capital requirement ("SCR") using the standard formula. With eligible capital of €61, 882,859 (2017: €58,868,478) in place, the Company achieved SCR coverage of 390.4% (2017: 311.8%) and Minimum Capital Requirement ("MCR") coverage of 1561.5% (2017: 1247.1%).

A: Business Performance: Year Ended 31st December 2018

This Solvency and Financial Condition Report ('SFCR') has been prepared to allow KPN Insurance Company DAC ('KPNIC' 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 125%.

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland on 1st October 2000 and is a wholly owned subsidiary of Koninklijke KPN N.V. It is authorised by the Central Bank of Ireland ('CBI') to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

Koninklijke KPN N.V., a Dutch 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: 336752

Auditor

Ernst & Young Chartered Accountants, Harcourt Centre, Harcourt Street, Dublin 2, Ireland

Risk Profile

KPN Insurance Company DAC is licenced to write the following classes of business:

- Class 1: Accident
- Class 8: Fire and Natural Forces
- Class 9: Other Damage to Property
- Class 13: General Liability
- Class 16: Miscellaneous Financial Loss

Material Geographical Areas

- EU/EEA (Netherlands)
- Non EU/EEA (USA)

Significant events in the reporting period

There were no significant events within the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

2018 (all in €)					
Gross Premium Written:	**Property & Crime**	**General Liability**	**Personal Accident**	**Mobile Phone**	**Total**
Risks located in Ireland	-	-	-	-	-
Risks located in other EU countries	4,562,667	1,362,028	314,000	16,825,699	23,064,395
Risks located outside EU	20,949	83,471	-	-	104,420
Total	4,583,616	1,445,499	314,000	16,825,699	23,168,815

2017 (all in €)					
Gross Premium Written:	**Property & Crime**	**General Liability**	**Personal Accident**	**Mobile Phone**	**Total**
Risks located in Ireland	-	-	-	-	-
Risks located in other EU countries	4,214,486	980,875	325,000	19,293,012	24,813,373
Risks located outside EU	13,301	105,340	-	-	118,642
Total	4,227,787	1,086,215	325,000	19,293,012	24,932,014

2018 (all in €)					
Technical Result:	**Property & Crime**	**General Liability**	**Personal Accident**	**Mobile Phone**	**Total**
Gross earned premium	4,583,616	1,445,499	314,000	16,825,699	23,168,815
Gross unearned premium	(185,875)	(185,875)	-	-	(371,750)
Gross incurred claims	(553,712)	787,623	55,346	(16,572,546)	(16,283,289)
Gross operating expenses	(407,483)	(119,591)	(28,470)	(6,208,462)	(6,711,437)
Gross underwriting result	3,436,546	1,927,656	340,875	(5,955,308)	(197,662)
Reinsurance balance	(1,226,139)	(340,231)	(37,000)	3,874,380	2,271,011
Net underwriting result	2,210,407	1,587,425	303,876	(2,080,928)	2,073,349
Allocated investment return	-	-	-	-	-
Net technical result	2,210,407	1,587,425	303,876	(2,080,928)	2,073,349

2017 (all in €)					
Technical Result:	**Property & Crime**	**General Liability**	**Personal Accident**	**Mobile Phone**	**Total**
Gross earned premium	4,227,786	1,086,215	325,000	19,293,013	24,932,014
Gross incurred claims	(1,803,859)	(2,299,140)	149,729	(25,245,852)	(29,199,122)
Gross operating expenses	(1,369,504)	(351,857)	(105,277)	(6,934,122)	(8,760,759)
Gross underwriting result	1,054,424	(1,564,782)	369,452	(12,886,961)	(13,027,867)
Reinsurance balance	(2,570,964)	(470,000)	(58,500)	1,607,155	(1,492,309)
Net underwriting result	1,763,115	(252,153)	198,057	1,306,755	3,015,773
Allocated investment return	12,094	3,643	1,021	14,067	30,826
Net technical result	1,775,209	(248,510)	199,078	1,320,822	3,046,599

A.3 Financial Performance

	2018 €	**2017 €**
Gross premiums written	23,168,814	24,932,014
Outward reinsurance premiums	(13,328,075)	(11,949,272)
Net premiums written	**9,840,739**	**12,982,742**
Earned premiums, net of reinsurance	**9,712,764**	**12,982,742**
Allocated investment return transferred from the non-technical account	-	(28,860)
Claims paid - Gross Amount	(18,000,650)	(27,432,064)
Claims Paid - Net of Reinsurance	(2,051,714)	(3,251,091)
Change in provision for claims – Gross Amount	1,467,656	(1,993,332)
Change in provision for claims – Reinsurers' Share	(618,820)	960,168
Change in provision for claims – Net of Reinsurance	848,836	(1,033,164)
Recovered from salvage/subrogation	285,900	317,150
Change in amounts recoverable from salvage/subrogation	(11,000)	(90,876)
Total salvage/subrogation	274,900	226,274
Claims incurred, net of reinsurance	**(927,978)**	**(4,057,981)**
Net operating expenses	(6,711,437)	(8,760,759)

Balance on the technical account for non-life business	**2,073,349**	**135,142**
Investment income	(44,510)	(81,895)
Less: Investment income allocated to technical account	-	28,860
Profit on ordinary activities before taxation	**2,028,839**	**82,107**
Taxation charge	(253,605)	(10,263)
Profit on ordinary activities after taxation	**1,775,234**	**71,844**

A.4 Investment Performance

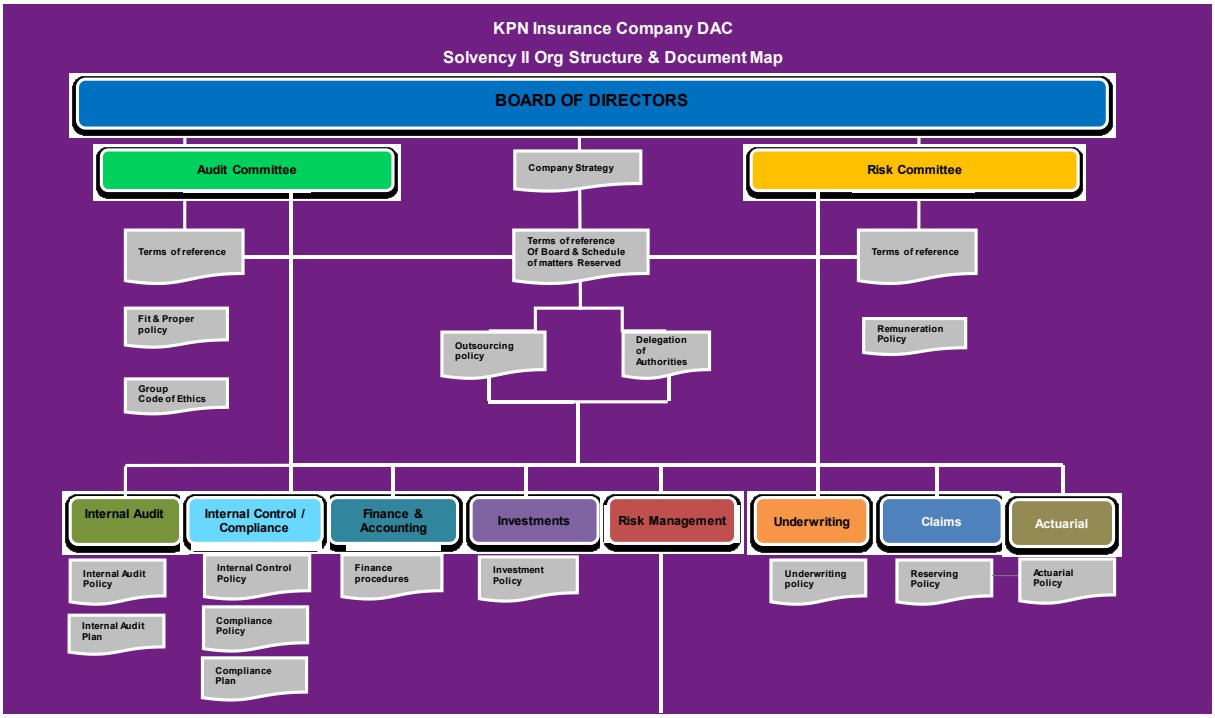
Total investment loss for the financial year ended 31st December 2018 was equal to (€44,510). The table below outlines a breakdown of the investment performance by asset class:

Asset Class	2018 €	2017 €
Cash and Deposits Interest	(56,723)	(103,767)
Intercompany Loan	11,964	21,872
Realised FX Gain/(Loss)	249	-

B: Systems of Governance

B.1 General Information

The organisational structure of the Company is as follows:



Board of Directors

The Board of KPN Insurance Company DAC as at 31st December 2018 comprised as follows:

Name	PCF	Date Appointed by the Board	Date Resigned
Richard Smith	Non-Executive Director (PCF2)	20/12/2000	N/A
Marius Heemstra	Executive Director (PCF1) & Chief Executive (PCF8)	28/12/2000	N/A
Valerie Henderson	Non-Executive Director (PCF2) & Audit Committee Chair (PCF4)	22/12/2011	N/A
Eddy Van Cutsem	Non-Executive Director (PCF2) & Chair of the Board (PCF3)	13/12/2016	N/A
Jan – Maarten Van Osch	Non - Executive Director (PCF2)	28/06/2017	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
- Setting the business strategy for the Company
- Determining any significant changes to the structure or operations of the mobile phone insurance programme
- Establishing banking mandate(s)
- Determining Investment Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including reinsurance)
- Insurance pricing
- Loss Reserve strategy
- Appointment of Reinsurers
- Capital and calling-up of capital
- Appointment of Auditors
- Appointment of Actuary
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors/Heads of Key Functions
- Removal of the Head of a Control Function and consequent notification of such decision to CBI within 5 working days
- Dividend Recommendations

- Setting the Risk Appetite of the Company
- Overall responsibility for the Company's risk
- Establishing and maintaining the Company's Internal Control Framework
- Identification and appointment of the Key Functions within the Company
- Own Risk and Solvency Assessment ("ORSA") approval procedures
- Review of the Company's Policies and Procedures (annually) and approval of any material changes to same
- 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 established an Audit Committee in 2015.

The duties of the Audit Committee include:

- To monitor the financial reporting process.
- To monitor the effectiveness of the entity's systems of internal control, internal audit and risk management.
- To make recommendations to the Board on appointment of statutory auditor or audit firm.
- To monitor the statutory audit of the annual accounts.
- To monitor the Internal Audit Function and consider the recommendations of the internal audit reports.

Information on Remuneration Policies and Practices

Given the primary focus of the Company is to provide Insurance to KPN Group subsidiaries and KPN Mobile customers, the following directors are individually remunerated for their role as Director in line with the Company's Remuneration Policy:

- Eddy Van Cutsem
- Valerie Henderson
- Richard Smith

The remaining director positions are held by Group employees whom are not directly paid by the Company for their positions.

Overview of Year Ended 31st December 2018

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

- 18th January 2018
- 20th April 2018
- 20th July 2018
- 18th September 2018
- 4th December 2018

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Marius Heemstra, Executive Director, as the designated person, with the overall responsibility for the outsourced functions. Mr. Heemstra has sufficient knowledge and experience with regard to 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:

Captive Management Service

KPN Insurance Company DAC has outsourced the management of the Captive to Willis Towers Watson Management (Dublin) Limited ('WTWMDL') and this arrangement is governed by the Management Services Agreement.

The Management Services Agreement is evergreen with an annual Board review of services and fees and the captive management services to be provided by WTWMDL are set out in Schedule A of the agreement.

The Board is responsible for monitoring the performance of the Captive Manager.

Claims Handling

KPNIC's claims handling is outsourced to a number of service providers who provide claims handling and administration services as outlined in the Claims Handling Service Agreements.

The Property Damage/Business Interruption, General Liability and Crime claims are managed internally.

A third party provides claims handling and administration services to the Company in respect of the Personal Accident insurance program while KPN Mobile claims handling has been outsourced.

It is the Board's responsibility to review and ensure that the outsourced service providers are performing the responsibilities to a satisfactory level.

Risk Management Function

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

The Board will review the appointment and operation of its Risk Management Function at least annually.

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

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

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

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

Compliance Function

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

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

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

Actuarial Function

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

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness and 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 Solvency Capital Requirement ('SCR') 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 Function 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 internally outsourced service provided by KPN Group Internal Audit with the Audit Committee acting as oversight. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

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 management's 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

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

- The Board of Directors

- The Chief Risk Officer

- The Head of Internal Audit

- The Head of Actuarial Function

- The Head of Compliance

Fitness:

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

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

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

Probity:

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

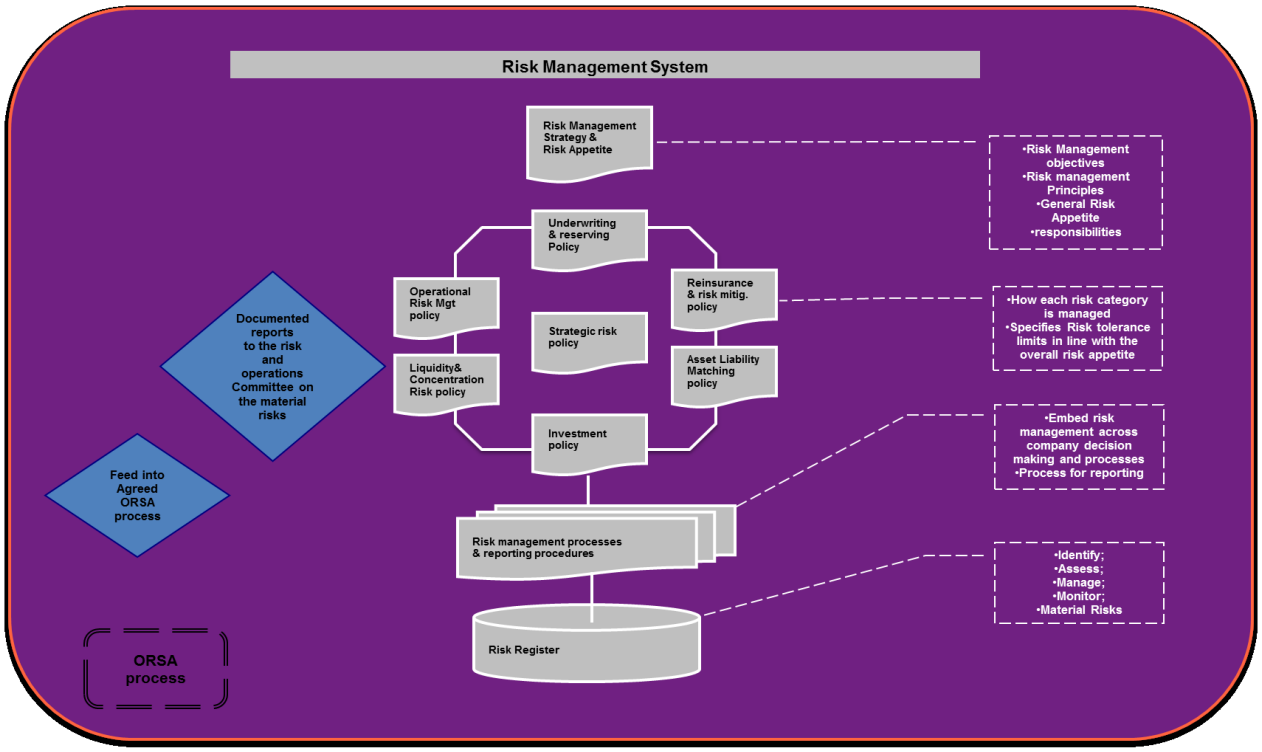
In line with the Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

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

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

- Formalised Risk Reporting



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

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

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risks 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 mainly to the KPN Group with third party policy holders in the form of KPN Mobile customers 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 to the Board via the Risk Committee on a quarterly 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/Risk Committee 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 Risk
- Reinsurance Risk
- Investment Risk
- Liquidity Risk
- Asset-Liability Management Risk
- Outsourcing Risk
- Reputational Risk
- Compliance Risk
- Regulatory Risk
- SCR Cover Rate 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 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 KPNIC 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 paragraphs provide a summary of the approach taken in 2018:

- A Board Meeting was carried out on 18th September 2018 to review the Risk Register and Risk Appetite Statement and to approve the new ORSA framework and related items including stressed scenarios.

- The Board approved the ORSA Report on 4th December 2018.

The Board of Directors provided substantial input and discussed in detail the various aspects of the ORSA, and adjusted as and when considered necessary. 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 the Company's 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 quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

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

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

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

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

B.4 Internal Control System

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

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;
- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;
- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;
- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and
- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers

are responsible for the application and ongoing maintenance of the Company's internal control activities. The 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 reporting at every Board of Directors meeting 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.

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 provider acting in an outsourced capacity, no material deficiencies 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.

Solvency Capital Requirement (Undiversified)	SII Valuation Principles
Market Risk	13,957
Default Risk	9,318,181
Underwriting Risk	8,575,391
Operational Risk	683,283

C.1 Underwriting Risk

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

As its primary insurance activity the Company assumes risks relating to Property Damage and Business Interruption, General Liability, Crime, Personal Accident and KPN Mobile relating to the Group's telecommunications operations in the Netherlands. Additionally the Company accepts inwards reinsurance placements for Property Damage and Business Interruption and General Liability in the US only. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

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

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

The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

C.2 Counterparty Default Risk

The Company has minimal appetite for counterparty default risk in relation to investments and reinsurance.

Reinsurance

The Group utilises reinsurance 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.

Investment

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk, which is achieved in a number of ways such as investing in interest bearing current account deposits and fixed term bank deposits.

The Company seeks to spread investments across a number of institutions to reduce concentration risk and the Board will also annually review the amount of funds invested with any one institution.

C.3 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets.

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. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

Asset Liability Matching Risk

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.4 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.5 Other Material Risks

The Company considers that there are no other material risks 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 with the valuation and recognition for material classes as follows:

Intangible Assets

Intangible assets are recognised under Financial Reporting Standard 102 on the basis that the expected future economic benefits that are attributable to the asset will flow to the Company, and the cost of the asset can be measured reliably. The Company holds no intangible asset and thus no recognition and valuation methodology was applied in respect of this category.

Deferred Tax Asset

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Under Solvency II which recognises unrealised gains and respective tax, deferred tax is recognised and no adjustments were considered applicable to the valuation.

Investments

Investments are recognised under Financial Reporting Standard 102 on the basis that the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

Realised and unrealised gains and losses arising from the changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise. Interest income is recognised when earned and investment management and other related expense are recognised when incurred.

Reinsurance share of Technical Provisions

Reinsurance share of Technical Provisions under current accounting basis consists of reinsurance claims provision. Under Solvency II Valuation, reinsurance claims provision is adjusted for the probability of default of reinsurer and is further adjusted on discounted cash flow basis.

Material Differences in the above used for valuation in Financial Statements

KPN Insurance Company DAC Assets (EUR)	Current Accounting Bases	SII Valuation Principles
Reinsurance share of TP - non-life excluding health	3,141,426	3,067,588
Insurance & Intermediaries Receivables	2,016,110	2,016,110
Receivables (trade, not insurance)	115,657	115,657
Cash & Cash Equivalents	70,681,723	70,681,723
Any Other Assets, Not Elsewhere Shown	108,342	108,342
Total assets	**76,063,258**	**75,989,420**

Overview of any assets not regularly traded in Financial Markets

The Company has no assets that are not regularly traded in financial markets.

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.

KPN Insurance Company DAC Liabilities (EUR)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	10,284,988	10,679,687
TP calculated as a whole (Best estimate + Risk margin)	10,284,988	-
Best Estimate	-	9,631,022
Risk Margin	-	1,066,665
Gross Technical Provisions - Health (Similar to Non-Life)	-	209,814
Best Estimate	-	195,273
Risk margin	-	14,541
Insurance & intermediaries payables	745,011	745,011
Reinsurance payables	2,300,362	2,300,362
Payables (trade, not insurance)	153,687	153,687
Any other liabilities, not elsewhere shown	-	-
Total liabilities	**13,484,049**	**14,106,561**

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

Material Differences in the above used for valuation in Financial Statements

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

Claims Provision

As at the reporting date, the Company had the following claims provisions which were in the form of Outstanding Loss Reserves (‘OSLR’) and Incurred But Not Reported (‘IBNR’) provisions and reflect the FRS Current Accounting Bases.

Table below sets out the Company's claims provisions by line of business:

Line of Business	OSLR	IBNR
Property Damage/Business Interruption	1,930,668	886,969
General Liability	3,213,667	446,725
Crime	-	205,359
Personal Accident	52,198	310,000
KPN Mobile	2,867,651	-
Total	**8,064,184**	**1,849,053**

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:** Most of the risks being underwritten are short-tailed. Liability and Personal Accident polices have a longer settlement pattern with liability stretching over 10 years and personal accident for 7 years.

- **Assumed loss ratio:** This is used to capture the expected profit in the unearned premium reserve. We have assumed loss ratios of 100%. This is a prudent assumption and using a lower loss ratio would improve the solvency position further.

- **Discount rate:** Current yields are very low and even negative in the next few years, 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 expense involved in the operation of the captive is relatively large when compared to other elements in the calculation of the technical provisions.

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

The above assumptions 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 €3,141,426

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, dated 18 September 2018, refers to the below key principle:

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

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

It is also noted that, the KPN Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance 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 in the financial statements.

LIABILITIES	€
Creditors arising out of insurance operations	3,045,373
Other creditors including taxation and social security	-
Total	**3,045,373**

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, and retained earnings.

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

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

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 125% 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, no dividends have been declared or paid to Group.

Solvency Capital Position

The table below sets out the Company's pillar 1 capital position as at 31 December 2018:

Assets (€) per Solvency II Balance Sheet	
Total	75,989,420

Liabilities (EUR)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	10,284,988	10,679,687
TP calculated as a whole (Best estimate + Risk margin)	10,284,988	-
Best Estimate	-	9,631,022
Risk Margin	-	1,066,665
Gross Technical Provisions - Health (Similar to Non-Life)	-	209,814
Best Estimate	-	195,273
Risk margin	-	14,541
Insurance & intermediaries payables	745,011	745,011
Reinsurance payables	2,300,362	2,300,362
Payables (trade, not insurance)	153,687	153,687
Any other liabilities, not elsewhere shown	-	-
Total liabilities	**13,484,049**	**14,106,561**

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	15,852,419	61,882,859	390.4%	25.0%
MCR	3,963,105	61,882,859	1561.5%	

The below table sets out the 2017 position for comparative purposes:

Assets (€) per Solvency II Balance Sheet	
Total	74,669,639

Liabilities (EUR)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	11,380,895	13,095,553
TP calculated as a whole (Best estimate + Risk margin)	11,380,895	-
Best Estimate	-	11,701,228
Risk Margin	-	1,394,326
Gross Technical Provisions - Health (Similar to Non-Life)	-	217,779
Best Estimate	-	196,659
Risk margin	-	21,119
Insurance & intermediaries payables	-	-
Reinsurance payables	-	-
Payable (Trade, not insurance)	2,487,829	2,487,829
Total liabilities	13,868,724	15,801,161

Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	18,882,278	58,868,478	311.8%	25.0%
MCR	4,720,570	58,868,478	1247.1%	

E.2 SCR & MCR

The Company has achieved SCR coverage of 390.4% and MCR coverage of 1561.5% as at 31 December 2018. For comparative purposes, the Company achieved SCR coverage of 311.8% and MCR coverage of 1,247.1% as at 31 December 2017.

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.

KPN Insurance Company DAC

Solvency and Financial Condition Report

Disclosures

31 December

2018

(Monetary amounts in EUR thousands)

General information

Undertaking name	KPN Insurance Company DAC
Undertaking identification code	635400XVVOPIODWMYY36
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	EUR
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:	3,068
R0280	*Non-life and health similar to non-life*	3,068
R0290	*Non-life excluding health*	3,068
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	2,016
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	116
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	70,682
R0420	Any other assets, not elsewhere shown	108
R0500	**Total assets**	75,989

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	10,908
R0520	*Technical provisions - non-life (excluding health)*	10,698
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	9,631
R0550	*Risk margin*	1,067
R0560	*Technical provisions - health (similar to non-life)*	210
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	195
R0590	*Risk margin*	15
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	745
R0830	Reinsurance payables	2,300
R0840	Payables (trade, not insurance)	154
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	14,107
R1000	**Excess of assets over liabilities**	61,883

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			314				4,563	1,362				16,826					23,064
R0120	Gross - Proportional reinsurance accepted							21	83									104
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share			37				1,214	684				11,393					13,328
R0200	Net			277				3,370	762				5,432					9,841
	Premiums earned																	
R0210	Gross - Direct Business			314				4,563	1,176				16,640					22,693
R0220	Gross - Proportional reinsurance accepted							21	83									104
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share			37				1,214	562				11,272					13,084
R0300	Net			277				3,370	698				5,368					9,713
	Claims incurred																	
R0310	Gross - Direct Business			53				-536	517				-16,567					-16,533
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share			0				-4	-301				-15,300					-15,605
R0400	Net			53				-532	818				-1,267					-928
	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
R0550	**Expenses incurred**			28				381	114				6,189					6,711
R1200	**Other expenses**																	
R1300	**Total expenses**																	6,711

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			NL					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		23,064					23,064
R0120	Gross - Proportional reinsurance accepted		104					104
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share		13,328					13,328
R0200	Net	0	9,841	0	0	0	0	9,841
	Premiums earned							
R0210	Gross - Direct Business		22,693					22,693
R0220	Gross - Proportional reinsurance accepted		104					104
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share		13,084					13,084
R0300	Net	0	9,713	0	0	0	0	9,713
	Claims incurred							
R0310	Gross - Direct Business		-16,533					-16,533
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share		-15,605					-15,605
R0400	Net	0	-928	0	0	0	0	-928
	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**		6,711					6,711
R1200	**Other expenses**							
R1300	**Total expenses**							6,711

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross			0				0	235				205					439
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			0				0	121				119					240
R0150	**Net Best Estimate of Premium Provisions**			0				0	114				85					199
	Claims provisions																	
R0160	Gross			195				4,485	4,213				493					9,387
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			0				2,829	30				-31					2,828
R0250	**Net Best Estimate of Claims Provisions**			195				1,657	4,183				524					6,559
R0260	**Total best estimate - gross**			195				4,485	4,448				698					9,826
R0270	**Total best estimate - net**			195				1,657	4,297				609					6,759
R0280	**Risk margin**			15				156	183				728					1,081
	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**			210				4,641	4,631				1,426					10,908
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**			0				2,829	151				88					3,068
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**			210				1,812	4,480				1,337					7,840

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											17	17	17
R0160	2009	3,378	3,334	1,021	62	188	4	0	2	14	8		8	8,011
R0170	2010	1,478	3,037	73	69	474	4	1	0	1			1	5,137
R0180	2011	2,684	1,922	235	167	2,725	33	15	2				2	7,784
R0190	2012	2,091	1,444	607	114	15	28	0					0	4,300
R0200	2013	2,753	1,615	879	137	64	97						97	5,544
R0210	2014	466	1,779	786	23	80							80	3,135
R0220	2015	163	2,151	637	11								11	2,962
R0230	2016	622	4,792	365									365	5,780
R0240	2017	21,851	4,005										4,005	25,856
R0250	2018	13,414											13,414	13,414
R0260												Total	18,001	81,939

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											46	46
R0160	2009	0	0	0	0	0	0	0	0	0	0		0
R0170	2010	0	0	0	0	0	0	0	0	42			41
R0180	2011	0	0	0	0	0	0	0	255				254
R0190	2012	0	0	0	0	0	0	122					121
R0200	2013	0	0	0	0	0	45						45
R0210	2014	0	0	176	0	41							40
R0220	2015	0	602	94	254								253
R0230	2016	659	607	682									678
R0240	2017	2,580	2,342										2,333
R0250	2018	5,572											5,575
R0260												Total	9,387

S.23.01.01

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	635	635		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	61,248	61,248			
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**	61,883	61,883	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	61,883	61,883	0	0	0
R0510	Total available own funds to meet the MCR	61,883	61,883	0	0	
R0540	Total eligible own funds to meet the SCR	61,883	61,883	0	0	0
R0550	Total eligible own funds to meet the MCR	61,883	61,883	0	0	
R0580	**SCR**	15,853				
R0600	**MCR**	3,963				
R0620	**Ratio of Eligible own funds to SCR**	390.35%				
R0640	**Ratio of Eligible own funds to MCR**	1561.41%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	61,883				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	635				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	61,248				
	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	14		
R0020	Counterparty default risk	9,318		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	494		
R0050	Non-life underwriting risk	8,081		
R0060	Diversification	-2,738		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	15,169		

		C0100
	Calculation of Solvency Capital Requirement	
R0130	Operational risk	684
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**	15,853
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	15,853
	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

		C0010
	Linear formula component for non-life insurance and reinsurance obligations	
R0010	MCR_{NL} Result	1,769

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	195	277
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	1,657	3,370
R0090	General liability insurance and proportional reinsurance	4,297	762
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	609	5,432
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

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

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

		C0070
	Overall MCR calculation	
R0300	Linear MCR	1,769
R0310	SCR	15,853
R0320	MCR cap	7,134
R0330	MCR floor	3,963
R0340	Combined MCR	3,963
R0350	Absolute floor of the MCR	3,700
R0400	**Minimum Capital Requirement**	3,963