Newell Insurance DAC ("NIDAC" of the "Company")

Solvency & Financial Condition Report ("SFCR")

December 31, 2018

Contents

INTRODUCTION 4

SUMMARY 4

A. BUSINESS & PERFORMANCE 5

A.1 Business 5

A.2 Underwriting Performance 7

A.3 Investment Performance 8

A.4 Performance of other activities 8

A.5 Any other information 8

B. SYSTEM OF GOVERNANCE 9

B.1 General Information on the System of Governance 9

B.2 Fit & Proper requirements 11

B.3 Risk Management System including the own risk and solvency assessment 12

B.4 Internal Control System 15

B.5 Internal Audit Function 17

B.6 Actuarial Function 17

B.7 Outsourcing 18

B.8 Any other information 20

C.RISK PROFILE 21

C.1 Underwriting Risk 21

C.2 Market Risk 22

C.3 Credit Risk 23

C.4 Liquidity Risk 23

C.5 Operational Risk 24

C.6 Other Material Risk 24

C.7 Any other information 25

D. VALUATION FOR SOLVENCY PURPOSES 26

D.1 Assets 26

D.2 Technical Provisions 27

D.3 Any Other Liabilities 30

D.4 Alternative Methods of Valuation 31

D.5 Any Other Information 31

E. CAPITAL MANAGEMENT 32

E.1 Own Funds 32

E.2 Solvency Capital Requirement & Minimum Capital Requirement 33
E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR 34
E.4 Differences between the Standard Model & Any Internal Model 35
E.5 Any non-compliance with MCR and SCR 35
E.6 Any Other Information 35
E.7 Additional Voluntary Information 35
APPENDICES 36

INTRODUCTION

NIDAC has prepared the below Solvency and Financial Condition Report in accordance with the regulations set out in Articles 292–297 of the Solvency II Delegated Acts together with the Guidelines on reporting and public disclosure issued by EIOPA.

SUMMARY

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

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

Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required. The results of this exercise are used to better inform decision making within the Company.

The Company did not write any new business nor renew business effective September 2018. This has a material decrease on the underwriting risk profile of the Company.

As at 31 December 2018, the Company had eligible own funds of $7,422,176 available to meet its Solvency Capital Requirement (SCR) of $2,199,839 and Minimum Capital Requirement (MCR) of $4,240,570, resulting in a Solvency Ratio of 175% (eligible own funds over the MCR) which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support the run-off status of the Company. There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

NIDAC is incorporated in Ireland and in line with the requirements of the Companies Act 2014, converted to a designated activity company ('DAC'), limited by shares, effective 23 December 2015. The Company's business address is Third Floor, The Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

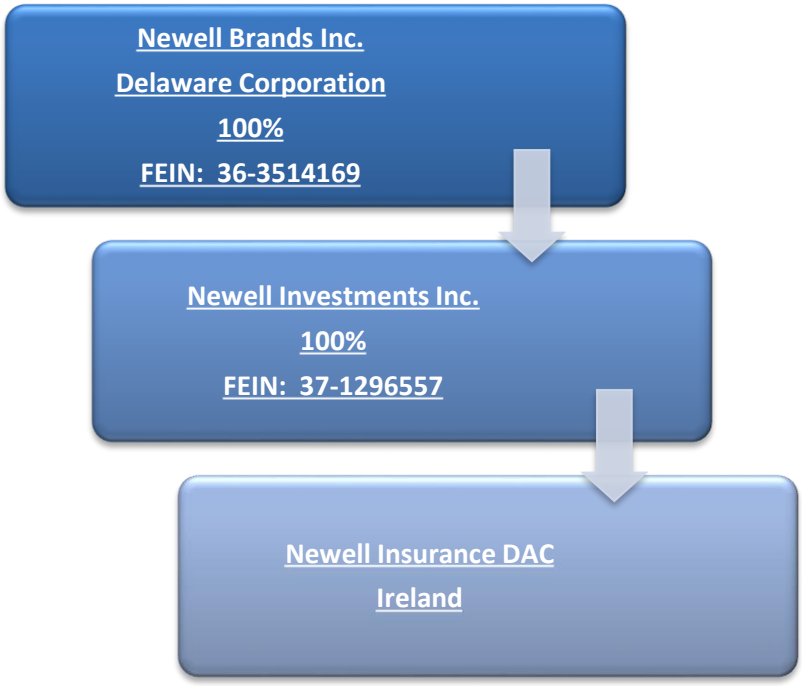
NIDAC is incorporated in Ireland and is licensed by the Central Bank of Ireland ("CBI") as a captive insurance undertaking. The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland. NIDAC conducts all of its significant business activities from its offices in Ireland. The principal activity of the Company is the transaction of non-life international insurance and reinsurance business. The Company is authorised to write the following classes:

- Class 8 – Fire and Natural Forces
- Class 9 – Other Damage to Property
- Class 13 – General Liability
- Class 16 – Miscellaneous Financial Loss.

The Company has no full time equivalent employees.

The Company's external auditor is EisnerAmper Audit Limited, which is located at The Courtyard Building, Sandyford, Dublin 18.

The Company's immediate parent is Newell Investments Inc., a wholly owned subsidiary of Newell Brands Inc. The Company's ownership structure is as follows:



The majority of business written by the captive relates to direct insurance of Newell Brands operations in the United States and the European Union. Rest-of-world risks are written through a fronting insurer with the risk being ceded to NIDAC. As a result, the principle of economic substance over legal form has been applied and these risks have been considered as direct insurance for the purposes of Solvency II.

The Company's insurance exposure is mitigated by setting limits of liability within its insurance programme and the purchase of reinsurance from a panel of highly rated reinsurers.

The operation of the Company is subject to the local regulatory requirements in Ireland. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimise the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

NIDAC conducts all of its significant business activities from its offices in Ireland with the support of the Company's captive manager, including:

- underwriting;
- premium invoicing and collection;
- claims reserving and payments;
- and investing.

Following a strategic review of Newell Brands Inc. overall captive structure, the Board decided that following the expiration of the contracts issued for the 2017-18 period of cover, no further business will be written. Said policies expired on 01 September 2018 and 15 September 2018, and as a result, the Company ceased writing insurance business effective September 2018.

During the prior year, the Board considered the plan to transfer the liabilities NIDAC to an insurance company with a view to liquidating the Company there after. On a more recent Board of Directors meeting of the Company, the Board considered a third-party sale of the Company. Currently the shareholder wishes to seek a sale of the Company to a third party. It is expected that a decision will be made during the year 2019, and consideration will then be given to the various regulatory and legal requirements and the timescale involved. Following that any necessary applications and notifications will be made to the relevant parties.

As a captive insurer, the main trends and factors that contribute to NIDAC's performance and financial position over the business planning period are aligned to the overall risk appetite and risk management practices of the Parent group. Until recently NIDAC represented a strategic element within Newell Brand's global insurance arrangements. Claims volatility was managed by the Company through the purchase of appropriate levels of reinsurance, taking account of both claims severity and frequency.

There were no significant legal or regulatory issues impacting the Company during the period.

A.2 Underwriting Performance

NIDAC's business is the provision of (re)insurance in a manner which enhances the risk management, economic and administrative efficiency of the Newell Brands Group. Insurance is provided under two lines of business:

- Fire and other damage to property
- General liability

The Company's underwriting performance for these lines of business for the reporting period ended 31 December 2018 and the comparative period is set out below. Amounts are presented in US Dollar (US$), which is the Company's functional currency:

	2018 EUR	2017 EUR
Gross Premiums Written	25,612	6,201,076
Reinsurers' Share	(260)	(5,282,709)
Net Premiums Written	25,352	918,367
Net Premiums Earned	651,001	2,732,435
Net Claims Paid	(187,880)	(1,447,756)
Net Change in Provision for Claims	907,515	(1,058,898)
Net Operating Expenses	(623,355)	(768,926)
Underwriting Result	**747,281**	**(543,145)**

As outlined earlier in this report, the Company ceased writing business effective September 2018, thus a reduction in the gross premium written in the period. Premiums written relate to adjustments in premiums from prior year policies. Premiums are earned on a pro-rata basis over the year to which they relate with the unearned portion being deferred in the balance sheet. While there was a reduction in the gross premium income, the underwriting result improved on that for 2017. This was attributable to favourable claims movement in the 2016 Property underwriting year. A full split of the 2018 underwriting result is shown in in the following Quantitative Reporting Templates appended to this report; S.05.01.02 – Premiums, Claims and Expenses, and S.05.02.01 – Premiums, Claims and Expenses by Country.

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided insurance cover. Up to the point at which the Company ceased underwriting activities, the Company sought to ensure that it collected sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt a prudent approach to the provision and valuation of technical provisions, with annual support and certification being provided by an external actuary.

A.3 Investment Performance

The Company allocates its investment portfolio in two distinct portfolios, as described below;

- Fixed Deposits: The Company holds fixed short-term US Dollar deposits with preapproved credit institutions.
- Intercompany Loan: Available funds are invested, as deemed prudent by the Board of Directors, in an intercompany loan with Newell Luxembourg Finance L.L.C., a wholly owned subsidiary of Newell Brands Inc. A parental guarantee has been provided by Newell Brands Inc. which covers the intercompany loan to a maximum value of US$7m. As at 31 December 2018 the value of the intercompany loan was US$4.51m (2017: US$4.58m).

Investment income for the year to 31 December 2018 amounted to US$212k, compared to US$119k in 2017.

A.4 Performance of other activities

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

A.5 Any other information

There is no other information to report.

B. SYSTEM OF GOVERNANCE

B.1 General Information on the System of Governance

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

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes will reflect the requirements set out in this Governance Manual.

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

1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2) Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints, as well as functional identification mitigation and monitoring processes are documented.

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

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

There have been no material changes to this structure since the prior reporting period, other than to allow for the decision to prepare for a third-party sale. NIDAC implemented the above framework in advance of the inception of Solvency II to ensure compliance with these regulations.

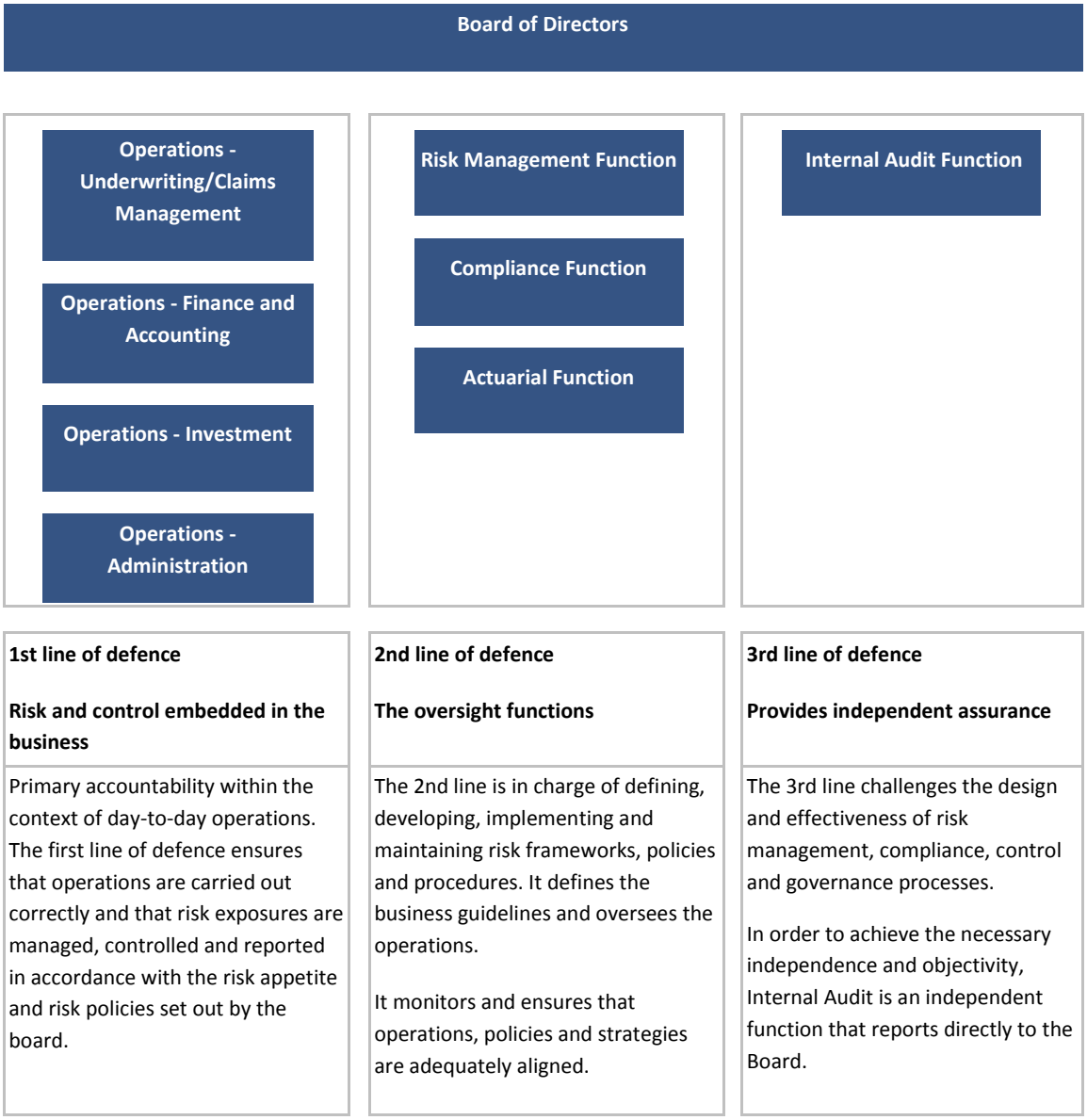
Given the scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board are satisfied that the system of governance in place is adequate.

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

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

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

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



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

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward

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

Remuneration and material transactions

The members of the Board of Directors receive no remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid. As a captive insurer, all NIDAC's inward premium flows, if any, and claims payments relate to insured risks of the shareholder group. Also, as mentioned at A.3 above, the Company has a loan to Group as at 31 December 2018. Other than these transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and none with members of the Board of Directors.

B.2 Fit & Proper requirements

The 'Fit and Proper' requirement is the standard required by the Central Bank of Ireland when appointing pre-approved controlled function holders. NIDAC is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements.

The Compliance function adopts appropriate controls in the registration of its individuals across the Group ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

Roles and Responsibilities Detail

Key Roles	Outsourcing	Responsible
Board of Directors	No	Karl Miller (American) Dermot Finnerty (Irish) Emmanuel De Paepe (Belgian)
Risk Management Function	Yes (External)	Aon Insurance Managers (Dublin) Limited provide a named person to act as the Head of Risk Management Function
Compliance Function	Yes (External)	Aon Insurance Managers (Dublin) Limited provide a named person to act as the Head of Compliance Function
Operations - Underwriting/Claims Management	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations - Finance and Accounting	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations – Investment	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations – Administration	Yes (External)	Aon Insurance Managers (Dublin) Limited
Internal Audit Function	No	The Head of Internal Audit Function is carried out by a member of the Board with assistance from Aon Commercial Services Ireland Limited.
Actuarial Function	Yes (External)	Aon Global Risk Consulting (UK) provide a named person to act as Head of Actuarial Function

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

The overriding goal of the Company's risk management strategy is to control and to achieve, as much as possible, a reduction in the Company's risk exposure as a means of minimising the impact of unexpected events, this to increase the likelihood of achieving the Company's strategic and business objectives.

The Company's Risk Management System:

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

The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

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

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through risk management policies to each key risk category.

Outlined below is a summary of the key risk categories of the Company detailing the risk definition from the Company's documented polices:

Risk Category	Risk Sub-Policy Title	Policy Definition
Underwriting and Reserving	Underwriting	Underwriting risk refers to the risk of loss, or of adverse change in the value of insurance liabilities, loss from exposure to risk concentrations; and the risk of inadequacy of premium income to cover expected claims and expenses. It can be broken down into: Premium risk: risk of inadequacy of premiums income to cover expected claims and expenses; Catastrophic risk: risk resulting from extreme (severity) or irregular events (frequency).

		The Company is engaged exclusively in the underwriting of the insurance risks of Newell Brands and its subsidiaries. The Company purchases reinsurance protection from a panel of highly rated reinsurers (S&P rating of A- or above).
Underwriting and Reserving	Reserving	Reserving risk refers to the risk of loss or of adverse change in the value of insurance liabilities due to inadequate reserving assumptions. This mainly concerns the risk of loss from inadequate reserving to cover reported and/or expected claims
Asset-Liability Management	Asset and Liability Management	Asset–liability management is the risk of loss arising from a failure to hold sufficient investments of an appropriate nature, duration and currency to meet the insurance obligations as they fall due.
Investments	Investments	Investment risk (or Market Risk) is the risk of loss arising from adverse change and volatility of market prices of investments and assets.
Liquidity and Concentration	Liquidity and Concentration	Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due. Concentration risk includes the risk of additional losses incurred by the Company due either to a lack of diversification in its portfolio of assets (e.g. concentration of investments in a geographical area or industry) or from a large exposure to the risk of default of a single issuer of securities or a group of related issuers. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio in such a way that investments meet anticipated cash needs.
Operational Risks	Operational Risks	Operational risk refers to the risk of loss arising from inadequate or failed internal processes, or from personnel and systems or from external events. This is agreed to exclude risks arising from strategic decisions. This also includes cyber risk.
Reinsurance and other mitigation techniques	Reinsurance and other risk-mitigation techniques	Reinsurance and other mitigation techniques are used to keep the Company's insurance risks within the scope of the Company's risk tolerance levels. However, a further risk of loss thereby arises from the potential for the reinsurance or mitigation to not properly operate, in particular the risk of the reinsuring counterparty defaulting.
Strategic Risk	Strategic Risk	Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The standard formula used by the Company in calculating its solvency needs reflects the above risks with the exception that it does not explicitly allow for strategic and liquidity risk as it pertains to asset/liability management. The Board of Directors is cognisant of this in determining the level of capital to hold and in setting its risk appetite and tolerances.

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

Detailed ORSA Process

Each year, NIDAC produces an Own Risk and Solvency Assessment ("ORSA") report. The approach may be summarised as follows:

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations. The appropriateness of the risk limits is also assessed by stress testing and sensitivity analysis.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II GAAP. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of validated scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. The main purpose of this stage is to identify and assess any relevant complementary control, mitigation actions or review of the Risk Appetite in order to match prospective solvency needs with capital position. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report will bring clarity over projected risk assessments and solvency needs to three different stakeholders.

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

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

In line with CBI requirements, the Head of Actuarial Function provides an Actuarial Opinion to the Board of Directors in respect of the ORSA at the same time as he presents the results of the ORSA process to the Board.

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

It is unlikely that NIDAC would find itself in the position where capital would need to be replenished, however, should this situation occur Newell Brands Inc. would provide additional capital to ensure that SCR compliance can be demonstrated. Newell Brands Inc. is expected to continue to have ample capacity to provide this support to NIDAC.

B.4 Internal Control System

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

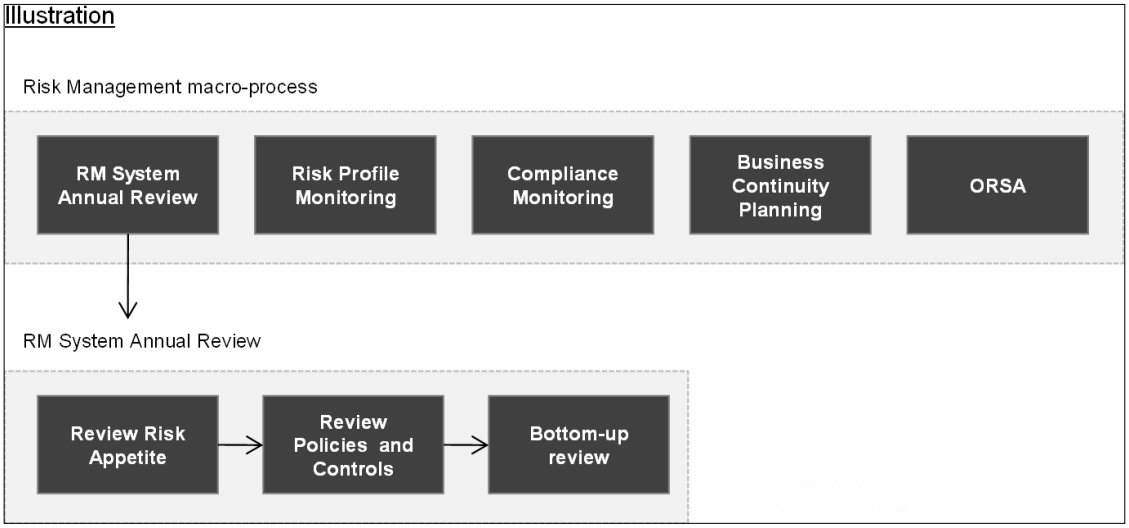
In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

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

Process Architecture

The purpose of the processes detailed hereafter is to define and formalise the key processes needed to manage the Company's activities and operations in accordance with the specified governance framework, policies, roles and responsibilities.

Each macro-process is then broken down in several key processes detailing the operational flow and embedding the relevant control activities formalizing the functioning of the Internal Control System of the Company.



Detailed Processes and Embedded Control Activities

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

These items are designed by the Risk Management Function, approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but, at a minimum, once a year.

Each of the aforementioned macro-processes is detailed in key processes and workflow processes aimed at describing how the tasks and actions composing the given process are shared between the key functions of the Company and at clarifying related roles, responsibilities and embedded control activities.

Compliance Function

The Compliance Function is an integral component of the Company's governance system. The Company has a dedicated Head of Compliance reporting to the Board of Directors, supported by a Compliance Officer who coordinates the activities of the Compliance Function.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- presentation of an annual compliance plan to the Board of Directors, outlining specific areas which it will focus on during a particular year;
- promotion of a culture of compliance within the organisation;
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the compliance risk faced by the Company;
- consideration of possible future changes in the legal environment and their potential effect on the Company as well as providing regular compliance and regulatory updates to the Board of Directors;

- identification and communication throughout the Company of the laws, regulations and codes of conduct to which the Company is subject and assisting to embed compliance with these in the way the Company does business; and
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board and in certain circumstances to outside bodies such as the CBI.

B.5 Internal Audit Function

The Board of Directors has established an Internal Audit policy as part of its governance documentation and this is reviewed annually for continued applicability. There were no significant changes to the policy during the reporting period. The policy sets out:

- The purposes and objectives of the Internal Audit Function;
- Requirements in relation to independence and objectivity;
- Scope and responsibilities including specific areas for assessment and review;
- Authority of Internal Audit in the performance of their duties;
- Reporting lines.

Purpose & Objectives

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

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

The Internal Audit Function and the appointed Head of Internal Audit report directly to the Board of Directors.

Independence and Impartiality

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function demands that the Internal Audit Function operates under the direct control of the Board of the Company.

B.6 Actuarial Function

The Actuarial Function is carried out by Aon Global Risk Consulting who provides a nominated individual to act as Head of Actuarial Function.

Roles and Responsibilities of the Actuarial Function include:

- coordination of the calculation of technical provisions;

- ensuring the appropriateness of the methodologies, underlying models and assumptions made in the calculation of technical provisions;
- assessment of the sufficiency and quality of the data used in the calculation of technical provisions. Where relevant, the Actuarial Function will provide recommendations on internal procedures to improve data quality;
- estimation of Solvency II technical provisions (both claims and premium provisions)
- comparison of best estimates against experience;
- reporting to the Board of Directors on the calculation, reliability and adequacy of technical provisions;
- calculation of the Solvency and Minimum Capital Requirements at the balance sheet date;
- ensuring results of technical provisions can efficiently feed into solvency capital calculations and Quantitative Reporting Templates (QRTs) on both a quarterly and annual basis;
- contributing to the effective implementation of the Risk Management System, in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency and Minimum Capital Requirements; and
    ii. the application of stress scenarios to the solvency calculations as part of the Company's ORSA process.
- provision of opinions on:
    - Technical provisions
    - Solvency position
    - Underwriting Policy
    - Reinsurance arrangements
    - ORSA

Responsibility

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

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

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

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

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

B.7 Outsourcing

All functions and activities of the Company are eligible to be outsourced provided that specific criteria are satisfied in each instance.

The Board is responsible for the approval and termination of all outsourcing arrangements of critical or important functions or activities. Critical or important functions or activities include key functions relating to the Company's System of Governance and all functions within the Company that are fundamental to carry out its core business. The Board is responsible for ensuring notification to the CBI is made in a timely manner prior to the outsourcing of critical or important functions or activities, and thereafter where there have been material developments in relation to the service provider.

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

- Reduction in the Board's responsibility for, or influence over, key functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non-adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

The Board is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities, carrying out the appropriate due diligence on the outsourced service provider and for reviewing the performance of outsourced service providers against their agreed and documented Service Level Agreements ('SLA').

The management of the Company is coordinated and carried out at its place of business in Ireland. NIDAC engages outsourced service providers in order to access the expertise and strength and depth of resources necessary to manage the specific requirements of a regulated captive insurance company operating on a global basis.

The following critical or important functions / activities are outsourced:

Critical or important function	Outsourced Service Provider	Jurisdiction
Underwriting Administration	Aon Insurance Managers (Dublin) Limited (AIMD) – under advisement from Underwriting & Claims Committee	Ireland
Claims Administration	AIMD – under advisement from Newell Brands Risk Management team	Ireland
Finance and Accounting	AIMD	Ireland
Compliance Function	AIMD	Ireland
Risk Management Function	Aon Insurance Managers (Dublin) Limited (supporting Chief Risk Officer)	Ireland
Actuarial Reserving	Aon Global Risk Consulting	Ireland
Actuarial Function	Jason Noronha (Head of Actuarial Function), Aon Global Risk Consulting	Ireland
Internal Audit Function	Emmanuel de Paepe (Head of Internal Audit Function), Aon Commercial Services Ireland Limited	France

B.8 Any other information

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

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

C. RISK PROFILE

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

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

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

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

C.1 Underwriting Risk

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided insurance cover. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company sought to ensure that it collected sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in the loss reserve estimation and recording process and to detail the Company's approach to the calculation of technical provisions.

As the Company is a captive insurer, the Company is effectively insuring the risks of one customer, its parent group, and thus is exposed to risk concentration. However, diversification is achieved through the number of unrelated lines of business, and, the varying geographical locations of the underlying risks. The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

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

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates. The claims reserves have been subject to independent review by a professional actuary.

The primary risk mitigation technique utilised is the purchase of reinsurance as this provides balance sheet protection, from both claims severity and frequency, in an economically and administratively efficient manner. The effectiveness of these reinsurance arrangements is assessed on a quarterly basis through the preparation of the Company's financial accounts and has been reviewed at an overall level as part of the considerations for premium pricing on past policies. The primary focus of the Company's reinsurance strategy is on the security and financial stability of reinsurers selected.

Annual support and certification is provided by the Company's Actuarial Function. The Head of Actuarial Function is required to provide, annually, their opinion on the Company's technical provisions; solvency position, underwriting policy, reinsurance arrangements, and its ORSA.

Sensitivity analysis is also performed for underwriting risks based on 10% movement in the loss reserves and holding all other assumptions constant.

The resultant impact on Gross and Net claims reserves and Profit before Tax ('PBT') for the financial period is shown below:

	Gross TPs For Claims Outstanding	**Net TPs For Claims Outstanding**	**Impact on PBT for the year**
	US$	US$	US$
Increase in claims provision by 10%	2,409,242	869,805	(79,073)
Decrease in claims provision by 10%	1,971,198	711,658	79,073

As mentioned above the Company ceased writing insurance business effective September 2018.

C.2 Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. The Company diversifies its portfolio to reduce the exposure to market fluctuations and market risk concentrations.

The Company's principal transactions are carried out in US Dollars and its exposure to foreign exchange risk arises primarily with respect to Euro and GBP. The main foreign exchange risk arises from the receipt of premium and Insurance Premium Tax (IPT) in other currencies.

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

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;

- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

Interest rate risk arises on the return on the Company's investments including cash and deposits with credit institutions. The sensitivity analysis of net income to fluctuation in interest rate is shown below:

The sensitivity analysis below is performed based on a 1% movement in interest income:

	2018	2017
	US$	US$
Shift up 100 basis points	112,363	114,225
Shift down 100 basis points	(112,363)	(114,225)

C.3 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has identified credit risks associated with the cash and deposits it has placed with third party financial institutions. All investments undertaken are in line with the Company's Investment Policy, which is regularly reviewed by the Board. The requirements of the Company's Investment Policy were met at all times during the financial year.

The Company also recognised the credit risks associated with its reinsurance arrangements. The Company managed its reinsurance risks by establishing a reinsurance strategy and this strategy set out the required security ratings of its reinsurers and the procedures to follow if a financial strength rating of a minimum of A- is not met.

The Company does not anticipate materially changing its exposure to credit risk or the manner in which the Board of Directors assesses and manages this risk over the business planning period.

C.4 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations. The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has all of its investments held either in bank deposits or an intercompany loan which is supported by a parental guarantee.

The Company does not anticipate materially changing its exposure to liquidity risk or the manner in which the Board of Directors assesses and manages this risk over the business planning period.

C.5 Operational Risk

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

The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes. In addition, NIDAC is subject to Internal and External Audit review.

NIDAC uses expert, industry leading, service providers to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, NIDAC puts in place service level agreements outlining key performance indicators against which its outsourced service providers can be monitored and assessed.

The Company does not anticipate materially changing its exposure to operational risk or the manner in which the Board of Directors assesses and manages this risk over the business planning period.

C.6 Other Material Risk

Strategic Risk

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

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

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified. The Board of Directors will ensure continuing appropriateness, at least annually and revisions shall be affected where necessary.

- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.

- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total. Compare actual versus target performance on a regular basis (as defined for each objective) and produce a variance analysis explaining reasons for deviations.

Sensitivity Risk

The actuarial function assesses the impact of varying the underlying assumptions with respect to initial average severity and expected reported loss development on their Best Estimate of NIDAC's unpaid claim liabilities and vary severity of -50%/+200% around the selected average severity as well as varying the paid and reported loss development patterns.

C.7 Any other information

No other material risks have been identified.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

The recognition and valuation basis are in accordance with Solvency II Directives. NIDAC has prepared its financial statements on a going concern basis as the Directors' have a reasonable expectation that the Company will continue in operational existence of a period of at least 12 months from the date of approval of the financial statements. The financial statements have been prepared in compliance with Irish GAAP issued by the Financial Reporting Council and promulgated for use in Ireland by the Institute of Chartered Accountants Ireland. The Company is also subject to the requirements of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements Regulations 2015).

NIDAC uses the historical cost convention. NIDAC has 5 classes of assets.

- Cash and cash equivalents $2,550,940

Cash and cash equivalents comprise cash at banks. Carrying amounts approximate fair value due to the liquid nature of the assets. There are no valuation adjustments for solvency purposes.

- Deposits other than cash equivalents $4,925,332

This amount represents short term deposits with an original maturity of three months or less and is stated at market value for both solvency and financial statement purposes, the only difference being the inclusion of accrued interest in the above balance. Accrued interest is disclosed as a separate line item in the financial statements.

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

- Loans and mortgages $4,512,754

Loans and mortgages comprise Loan to group undertaking. It is stated at market value for both solvency and financial statement purposes. There are no valuation adjustments for solvency purposes.

- Insurance and intermediaries receivables $15,486

Insurance and intermediaries receivables comprise premium and IPT Receivable. Under the Solvency II valuation basis, the future cashflow was discounted to derive a market value.

- Reinsurers recoverable $1,381,126

- Reinsurance receivables $1,990,888

Reinsurance recoverable and receivables are shown in the financial statement as ceded loss reserves. The valuation of the reinsurer share of technical provisions is detailed in the subsequent section, “Technical Provisions”. Reinsurance receivables were discounted under Solvency II valuation basis.

D.2 Technical Provisions

The table below shows the gross and net Technical Provisions as at 31 December 2018.

Solvency II gross technical provisions ($`000)

SII Class	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Liability	605	-	605	30	636
Property	1,563	-	1,563	9	1,572
Total	**2,168**	**-**	**2,168**	**40**	**2,207**

Solvency II net technical provisions ($`000)

SII Class	Claim Provision	Premium Provision	Best Estimate	Risk Margin	Technical Provisions
Liability	605	-	605	30	636
Property	181	-	181	9	191
Total	**787**	**-**	**787**	**40**	**826**

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

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

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

Best Estimate of Unpaid Claim Liabilities (Financial Statements)

The overall methodology for estimating NIDAC's unpaid claim liabilities is based upon a combination of several actuarial valuation methods that, based on the Actuary's opinion, are believed to accurately reflect the reserve requirement for the individual policy year and line of business:

The Chain Ladder ("CL") method: estimates the ratio by which cumulative claims to date will increase (or decrease) at annual intervals from the date of policy inception. The 12 to 24 month ratio (for example) is estimated by taking the average ratio observed in policies 24 months or more from their

date of inception. This approach assumes the earliest year of origin to experience no future movement. Claims experience is not adjusted for past inflation.

The Loss Ratio Method: an exposure based expected loss approach that often applies the average ultimate loss ratio for earlier years of the portfolio to more recent exposures (e.g. turnover). It is sometimes referred to as the Initial Expected Loss Ratio ("IELR") method.

The Incurred Bornhuetter-Ferguson Method ("IBF"): a blended method of claims development where estimates of ultimate claims derived using a loss development (or Chain Ladder) method is blended with the estimates derived using alternative methods. It is often blended with estimates using the IELR method. A blended approach is preferred for recent, less-developed policy periods because using the chain ladder method in isolation can be particularly unstable. In addition, the use of a blended approach helps provide a smooth and consistent transition from past policy periods to partially complete and future periods.

The Generalised Cape Cod Method ("GCC") : a Bornhuetter-Ferguson methodology in which the exposure based ultimate claims estimates are derived by considering the ratios of the Chain Ladder ultimates to exposure measures. An expected ratio is calculated for each policy period based on a weighted average adjusted for any significant trend, using a decay factor of 75%. The weights used reflect the exposure, the claims development and the proximity to the policy period in question. The proportions developed (Bornhuetter-Ferguson weights) are used to blend the Chain Ladder estimated ultimate claims with the exposure based estimates.

The Exposure method: estimates the ultimate value of claims in a given underwriting or accident year in proportion to the exposure measure in that year (e.g. premium or sum insured) compared to other similar years. This is most commonly done by applying an average of the ultimate loss ratio observed in earlier years. This approach gives no recognition to the current level of claims reported in the year under consideration. It is influenced only by claims experience and exposure levels in neighbouring years.

The Head of Actuarial Function estimates ground-up gross ultimates (the sum total of paid claims, case estimates, cost of claims function related overhead costs ("ULAE") and IBNR) by policy year, allocating an IBNR and ULAE for each line of business and policy year for future claim development.

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

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

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

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

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

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

The Company ceased writing business in September 2018 and is no longer exposed to prospective premium risk. Newell has established effective controls to ensure no future premium is written.

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

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

The resultant differences between the value of technical provisions for solvency purposes and the financial statements at 31 December 2018 are shown below.

Source of change in reserves	$`000	Reserves after change
Net Booked reserve	791	791
Removal of prudence on reserves	(111)	680
Inclusion of unpaid claims and expenses	3	684
Change of expense basis	79	763
Allowance for Binary Events	52	815
Discounting of cashflows	(29)	786
Allowance for reinsurance default	1	787
Risk Margin	40	826
Solvency II Net Technical Provisions		826

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

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

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

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

D.3 Any Other Liabilities

Aside from Technical provisions, the valuation of which is detailed above, NIDAC has other classes of liabilities;

- Payables (trade, not insurance) $ 123,471

  The Payables covers the tax liabilities in the financial statements. Under the Solvency II valuation basis, the future cashflow was discounted to derive a market value.

- Any other liabilities $ 68,253

  Any other liabilities include Accrued Expenses and Insurance creditors from the financial statements. Under the Solvency II valuation basis, the future cashflow was discounted to derive a market value.

D.4 Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Information

There is no other information to report

E. CAPITAL MANAGEMENT

E.1 Own Funds

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

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

The Solvency II Directive and the Delegated Acts identify the criteria own funds items must possess in order to be classified in one of the three Tiers (Tier 1, Tier 2 and Tier 3) of eligible capital. The Delegated Acts provide lists of items that fall into each of the three Tiers. Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant balance sheet risks and regulatory requirements. As at 31 December 2018 the Company has adequate capital to meet these objectives.

The Company assesses material risks that may threaten the accomplishment of the Company's strategic objectives or might have a substantial impact on the available qualifying own funds; these risks could result from either internal or external events. Management has identified Reserve Risk and Investment Risk as the material risks to which NIDAC is exposed. Management has investigated the magnitude of each of these risks as well as sought to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

In relation to Investment Risk, a clear strategy has been developed to manage risk in a manner which limits exposure to investment volatility for those assets matching insured liabilities. All other risks are managed through a framework of internal controls supported by monitoring by management, internal audit, governance groups and the various functions of the board.

NIDAC's capital structure is composed of ordinary share capital and retained earnings, as below;

	2018	2017
	US$'000s	**US$'000s**
Authorised (20,000,000 ordinary shares of US$1 each)	20,000	20,000
Allotted, called-up and fully paid (1,400,001 ordinary shares of US$1 each)	1,400	1,400
Retained Earnings	11,533	10,695

The movement in basic own funds during the reporting period reflects the profitability of the Company as adjusted for the valuation of net technical provisions on a market consistent fair value basis under Solvency II. The reconciliation reserve represents the Company's retained profits as adjusted for Solvency II valuation principals. The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

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

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period. NIDAC declared a dividend in February 2019, details of which are included later in this report.

Solvency II own funds

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is US$ 7.422m (2017: US$ 10.09m). This is comprised solely of Tier 1 capital. The eligible own funds take into consideration the dividend declared by the Company subsequent to 31 December 2018.

NIDAC has no material ancillary own funds.

Capital management

The total capital of the Company as at 31 December 2018 consists of shareholder's equity of US$11.53m (2017: US$10.69m).

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

E.2 Solvency Capital Requirement & Minimum Capital Requirement

NIDAC's eligible capital has decreased by US$2.67m, mainly due to the dividend declared subsequent to 31 December 2018.

At the end of the current reporting period, NIDAC's SCR and MCR have been calculated as US$ 2.26m and US$ 4.24m respectively. This is reflective of the dividend outlined above. As the MCR is larger than the SCR, NIDAC is required to meet its MCR at all times. NIDAC's Solvency II recognized own funds totalling US$7.42m are sufficient to meet MRC and results in a Solvency Ratio of 175%.

Following is a reconciliation of NIDAC's balance sheet equity as of 31 December 2018 totalling US$12.93m and the Solvency II balance sheet equity.

	2018 US$'000s
Equity per the Company's financial statements	**12,932**
Adjustments to technical provisions and reinsurance recoverables	(61)
Discounting of debtors and creditors	(6)
Own funds (Excess of assets over liabilities for solvency purposes)	**12,877**
Dividend declared subsequent to 31 December 2018	(4,000)
Own funds that do not meet the criteria to be classified as own funds	(1,455)
Eligible Funds for solvency purposes	**7,422**

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. These adjustments are reflected in the Company's reconciliation reserve.

The SCR has been calculated using the standard formula and without the application of any undertaking specific parameters. The split of SCR by risk modules is shown below, together with the prior year comparative:

Risk Charge	31 Dec 2018	31 Dec 2017	Movement
Non-Life Underwriting Risk	194	2,196	(2,002)
Counterparty Default Risk	976	5,714	(4,738)
Market Risk	1,569	1,556	13
Operational Risk	127	529	(402)
Tax Adjustments	-	(1,023)	1,023
Diversification Benefit	(604)	(1,811)	1,208
SCR	**2,262**	**7,161**	**(4,899)**
MCR	**4,241**	**4,442**	**(201)**
Available Capital	7,422	10,088	(2,666)
Surplus/(Deficit)	3,181	2,927	254
Solvency Ratio	**175%**	**141%**	**34%**

The movement on the SCR from the prior year is mainly driven by decreases in the non-life underwriting risk and counterparty default risk modules. The decrease of US$2.0m in non-life underwriting risk is driven by the reduction in the catastrophe risk charge. As NIDAC has no active policies, this charge is now nil. The decrease of US$4.7m in the counterparty default risk charge is driven by the removal of prospective catastrophe risks and the reinsurance recoveries associated with these losses, which are exposed to default risk.

The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives. In the case of NIDAC, as a non-life captive insurer writing liability business, this absolute floor is EUR 3,700,000.

Data

Estimates are based on:

- Information contained in NIDAC's 31 December 2018 financial statements
- Actuarial estimates of NIDAC's unpaid claim liabilities as at 31 December 2018.

Methodology

The actuarial calculation of NIDAC's Solvency Capital Requirement is based on application of the Solvency II regulations as detailed in the Commission Delegated Regulation (EU) 2015/35 as published on October 10, 2014 ("Delegated Acts").

E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

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

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

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

E.5 Any non-compliance with MCR and SCR

There are no issues with non-compliance with the MCR and SCR.

E.6 Any Other Information

There is no other information to report.

E.7 Additional Voluntary Information

There is no additional voluntary information to report.

Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

APPENDICES

The following audited quantitative data has been added to Appendix 1:

S.02.01.02 – Balance sheet.

S.17.01.02 – Non Life technical provisions

S.19.01.21 – Claims Developments

S23.01.01 – Own Funds

S25.01.21 – SCR using standard formula

S28.01.01 – MCR

The following forms which are not in scope for audit are included in Appendix 2.

S05.01.02 – Premium, Claims & Expenses by line of business

S05.02.01 – Premium, Claims & Expenses by country

ANNEX I - QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.17.01.02 - Non Life technical provisions

S.19.01.21 - Claim development triangles

S.23.01.01 - Own funds

S.25.01.21 - SCR using standard formula

S.28.01.01 - MCR

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

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	4,825
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	4,825
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	4,513
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	4,513
R0270	Reinsurance recoverables from:	1,381
R0280	Non-life and health similar to non-life	1,381
R0290	Non-life excluding health	1,381
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	15
R0370	Reinsurance receivables	1,991
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	2,551
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	15,276

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

		C0010
		Solvency II value
Liabilities		
R0510	Technical provisions – non-life	2,208
R0520	Technical provisions – non-life (excluding health)	2,208
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	2,168
R0550	Risk margin	40
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	123
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	68
R0900	Total liabilities	2,399
R1000	**Excess of assets over liabilities**	12,877

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

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060												
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	0	0	0	0	0	0	0
Claims provisions													
Gross	R0160							1,563	605				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240							1,381					
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	182	605	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	0	0	0	1,563	605	0	0	0	0
Total Best estimate - net	R0270	0	0	0	0	0	0	182	605	0	0	0	0
Risk margin	R0280							9	30				
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	0	0	0	1,572	635	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	1,381	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	191	635	0	0	0	0

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

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0
Claims provisions						
Gross	R0160					2,168
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					1,381
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	787
Total Best estimate - gross	R0260	0	0	0	0	2,168
Total Best estimate - net	R0270	0	0	0	0	787
Risk margin	R0280					39
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	2,207
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	1,381
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	826

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

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100												0	0
N-9	R0160	3	1						10				0	15
N-8	R0170	6	646	93	16			15					0	776
N-7	R0180	6	20	246	28	13	39	54					0	407
N-6	R0190	2											0	2
N-5	R0200	1	15										0	17
N-4	R0210	1	1,404	66									0	1,471
N-3	R0220	0		60									0	61
N-2	R0230		11,412	10,752									10,752	22,164
N-1	R0240	1	12										12	12
N	R0250												0	0
	R0260											Total	10,763	24,924

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

		0	1	2	3	4	5	6	7	8	9	10	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100												
N-9	R0160								0	0			
N-8	R0170							0	0				
N-7	R0180						84	0					
N-6	R0190					3	3						
N-5	R0200				0	0	0						0
N-4	R0210			35	1	1							1
N-3	R0220		454	1	3								3
N-2	R0230	1,139	18,638	1,824									1,795
N-1	R0240	419	386										369
N	R0250												
	R0260											Total	2,168

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	1,400	1,400			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	7,478	7,478			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	1,455				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	7,423	7,423	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	7,423	7,423	0	0	0
Total available own funds to meet the MCR	R0510	7,423	7,423	0	0	
Total eligible own funds to meet the SCR	R0540	7,423	7,423	0	0	0
Total eligible own funds to meet the MCR	R0550	7,423	7,423	0	0	
SCR	R0580	2,262				
MCR	R0600	4,241				
Ratio of Eligible own funds to SCR	R0620	3.2816092				
Ratio of Eligible own funds to MCR	R0640	1.7502947				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	12,878
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	4,000
Other basic own fund items	R0730	1,400
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	7,478
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	0

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

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	1,569		
Counterparty default risk	R0020	976		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	194		
Diversification	R0060	-604		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	2,135		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	127
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	2,262
Capital add-on already set	R0210	
Solvency capital requirement	R0220	2,262
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of USD)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	81

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	181	22
General liability insurance and proportional reinsurance	R0090	605	3
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

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

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

Overall MCR calculation		C0070
Linear MCR	R0300	81
SCR	R0310	2,262
MCR cap	R0320	1,018
MCR floor	R0330	565
Combined MCR	R0340	565
Absolute floor of the MCR	R0350	4,241
Minimum Capital Requirement	R0400	4,241

ANNEX II - QUANTITATIVE REPORTING TEMPLATES

The following reporting not audited templates are appended to this report:

S.05.01.02 - Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110							-46		
Gross - Prop reinsurance accepted	R0120							69	3	
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140							0		
Net	R0200	0	0	0	0	0	0	22	3	0
Premiums earned										
Gross - Direct Business	R0210							3,201	300	
Gross - Prop reinsurance accepted	R0220							603	130	
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240							3,582		
Net	R0300	0	0	0	0	0	0	221	430	0
Claims incurred										
Gross - Direct Business	R0310							-839	-62	
Gross - Prop reinsurance accepted	R0320							-4,988	44	
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340							-4,645		
Net	R0400	0	0	0	0	0	0	-1,181	-17	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550							817	282	
Other expenses	R1200									
Total expenses	R1300									

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								-46
Gross - Prop reinsurance accepted	R0120								71
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	0	0	0	0	0	25
Premiums earned									
Gross - Direct Business	R0210								3,501
Gross - Prop reinsurance accepted	R0220								733
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								3,582
Net	R0300	0	0	0	0	0	0	0	651
Claims incurred									
Gross - Direct Business	R0310								-901
Gross - Prop reinsurance accepted	R0320								-4,943
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								-4,645
Net	R0400	0	0	0	0	0	0	0	-1,199
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								1,099
Other expenses	R1200								
Total expenses	R1300								1,099

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

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

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

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			US	GB				
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110		-46					-46
Gross - Proportional reinsurance accepted	R0120		71					71
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140							0
Net	R0200	0	26	0	0	0	0	26
Premiums earned								
Gross - Direct Business	R0210		-46					-46
Gross - Proportional reinsurance accepted	R0220		71					71
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240							0
Net	R0300	0	26	0	0	0	0	26
Claims incurred								
Gross - Direct Business	R0310	24	-1,025	75				-926
Gross - Proportional reinsurance accepted	R0320		-4,824					-4,824
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340		-4,645					-4,645
Net	R0400	24	-1,204	75	0	0	0	-1,105
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	5	877	52				934
Other expenses	R1200							
Total expenses	R1300							934