TCS Insurance Company of Ireland DAC

Solvency & Financial Condition Report (SFCR)

31 December, 2018

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INTRODUCTION

TCS Insurance Company of Ireland DAC ("TCS" or "the Company") has prepared the below Solvency and Financial Condition Report in accordance with the regulations set out in Articles 292 –298 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 TCS Insurance Company of Ireland 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 TCS 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 TCS can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals.

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

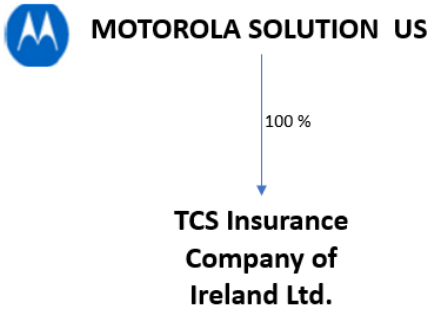
As at 31 December 2018, the Company had eligible own funds of $8,583,416 available to meet its Solvency Capital Requirement (SCR) of $2,035,716 and Minimum Capital Requirement (MCR) of $4,236,500, resulting is a Solvency Ratio of 203% (eligible own funds over the MCR) which is in line with the Company's risk appetite. The Board of Directors is satisfied that the Company has adequate and appropriate capital to support its business plans. There were no instances of non-compliance with the capital requirements during the period.

A. BUSINESS & PERFORMANCE

A.1 Business

TCS Insurance Company of Ireland DAC has not renewed any insurance policies since 2 December 2014. When it was actively trading, the Company was engaged exclusively in the underwriting of insurance risks of various firms in the Motorola Corporation network.

The ownership structure of TCS is as below.



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

The Company is incorporated in Ireland and is licensed by the Central Bank of Ireland ("CBI") as an 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.

The Company conducts all of its significant business activities from its offices in Ireland. As such the Company strives to ensure compliance with all relevant Irish laws and regulations.

The Company has no employees and no remuneration was therefore paid.

The Company's external auditor is KPMG, which is located at Harbourmaster Place, Dublin 1.

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

A.2 Underwriting Performance

The Company does not write any business but holds reserves to cover any future claims that could occur on previous business.

The analysis of premiums and incurred claims and operating expenses are as follows:

	2018 Gross Premiums Written US$	2018 Gross Premiums Earned US$	2018 Gross Claims Incurred US$	2018 Gross Operating Expenses US$	2018 Gross Reinsurer's Balance US$
Direct Insurance					
Property	-	-	-	-	-
General Liability	-	-	-	-	-
Reinsurance					
Property	-	-	(237,995)	71,807	-
General Liability	-	-	(210,705)	251,364	-
	-	**-**	**(448,700)**	**323,171**	**-**
	2017 Gross Premiums Written US$	**2017 Gross Premiums Earned US$**	**2017 Gross Claims Incurred US$**	**2017 Gross Operating Expenses US$**	**2017 Gross Reinsurer's Balance US$**
Direct Insurance					
Property	-	-	-	-	-
General Liability	-	-	-	-	-
Reinsurance					
Property	-	-	(450,365)	107,862	-
General Liability	-	-	(116,309)	234,102	-
	-	**-**	**(566,674)**	**341,964**	**-**

The total reserve held amounts to $808,347 as at 31 December 2018 (2017: $1,323,977). This amount is split by Outstanding loss reserves and Incurred But Not Reported reserves between both lines of business.

In 2018, the Company paid $66,928 (2017: $50,213) in claims.

A.3 Investment Performance

As at 31 December 2018, the Company allocates its investment portfolio between Cash and short term deposits and loan to group undertaking.

Cash and short term deposits amounted to $2,006,794 (2017: $2,097,535) which the Company deems to be very liquid.

The Company has a loan to Group in the amount of $ 7,330,587 (2017: $7,719,907).

The Company sold its debt securities investment during the year 2017.

The net investment income for the year amounted to $174,008 compared to a net investment income of $78,895 in 2017.

A.4 Performance from other activities (as shown in the Financial Statements)

TCS does not engage in any other activities.

A.5 Other Information

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

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

B. SYSTEM OF GOVERNANCE

B.1 General information on the System of Governance

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

The Board of the Company acknowledges its responsibility to ensure that risks are fully understood and appropriately managed and has taken appropriate steps to ensure that risk management, reporting and control processes have been put in place in a manner which reflects the nature and scale of the captive's activities.

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 escalation and reporting channels.

2) Risk Management Framework 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.

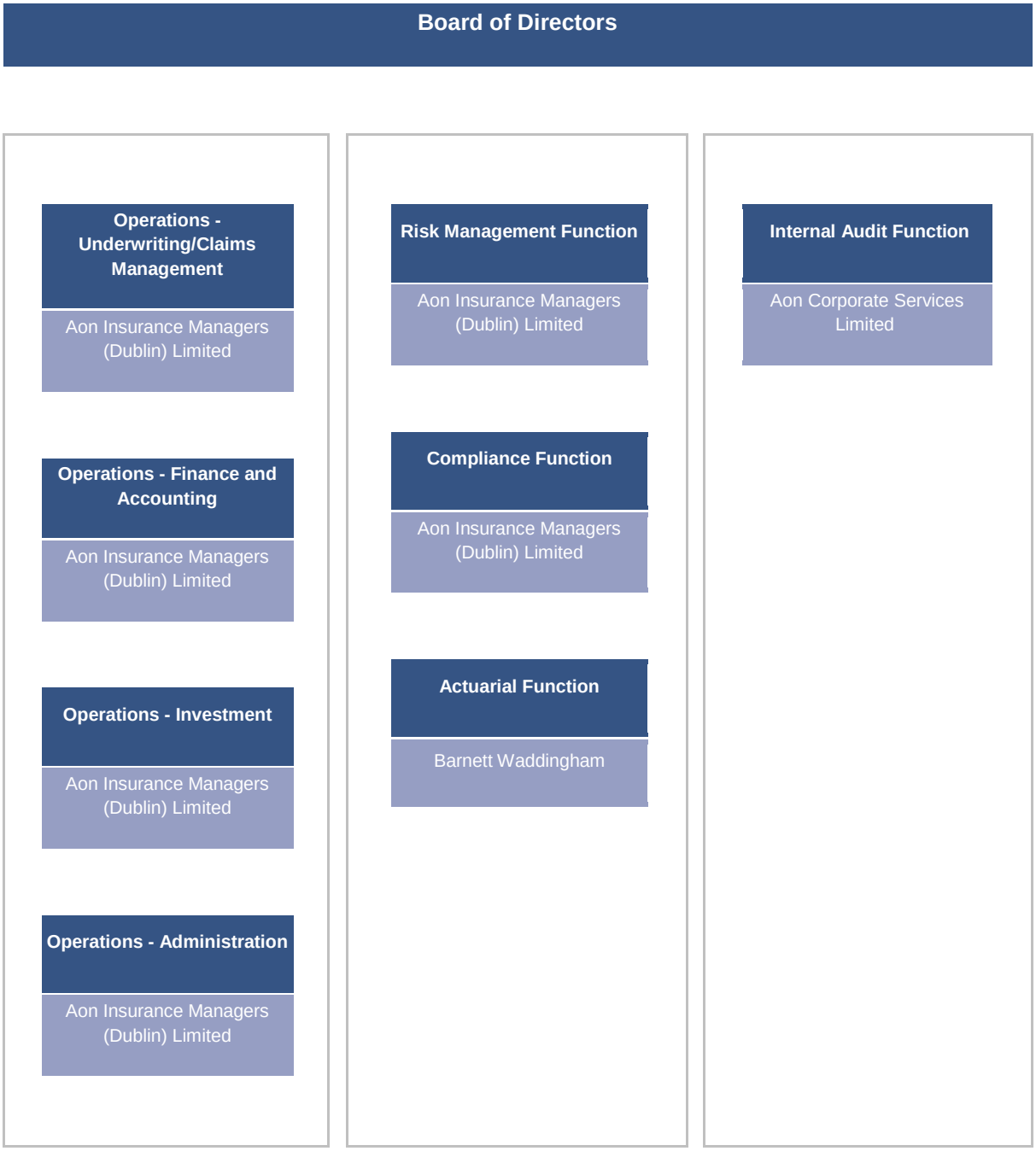
There have been no material changes to this structure in the period. TCS implemented the above system in advance of the inception of Solvency II.

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

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

- structured reporting processes to enable an appropriate escalation of risks and issues to the Board of Directors in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

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



1st line of defence	2nd line of defence	3rd line of defence
Risk and control embedded in the business	**The oversight functions**	**Provides independent assurance**
Primary accountability within the context of day-to-day operations. The first line of defence ensures that operations are carried out correctly and that risk exposures are managed, controlled and reported in accordance with the risk appetite and risk policies set out by the board.	The 2nd line is in charge of defining, developing, implementing and maintaining risk frameworks, policies and procedures. It defines the business guidelines and oversees the operations. It monitors and ensures that operations, policies and strategies are adequately aligned.	The 3rd line challenges the design and effectiveness of risk management, compliance, control and governance processes. In order to achieve the necessary independence and objectivity, Internal Audit is an independent function that reports directly to the Board.

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 TCS's inward premium flows, if any, and claims payments relate to insured risks of the shareholder group. Also as mentioned at A.2 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.

TCS has documented its Fitness & Probity policy setting out the Company's approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions. In selecting individuals as directors or function holders, the Company takes account of the following factors:

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

The Company is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

The Compliance function adopts appropriate controls in the registration of 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	Tanya Vasylevska Aidan Pyke Mary Roche
Risk Management Function	Yes (External)	Aon Insurance Managers (Dublin) Limited
Compliance Function	Yes (External)	Head of Function – Mr. John McNamara
Internal Audit Function	Yes (External)	Head of Internal Audit Function
Actuarial Function	Yes (External)	Barnett Waddingham - Head of Function – Ms. Cherry Chan

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

The Company's Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;

- ensures the risk management framework is implemented in day-to-day business processes; and
- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

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

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

In addition to these, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been determined. Information as to how the Company invests its assets in accordance with the prudent person principle is provided in Section C.5 below.

Detailed ORSA Process

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

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in both expected and stressed situations. 3 year business projections, stresses and scenarios are compiled by the Operations Functions with input and agreement from the Board of Directors to ensure that these are appropriate for the Company.

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

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

The ORSA report will bring clarity over projected risk assessments and solvency needs to 3 different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	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 ensures that risk exposures are measured on a regular basis triggering exception reports for the Board.

The capital risk appetite for the Company is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times.

Motorola would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in The Company so that SCR compliance can be demonstrated. Motorola is expected to continue to have ample capacity to provide this support to the Company.

B.4 Internal Control System

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

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

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the 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 the Company to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Detailed Processes and Embedded Control Activities

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

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

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

Compliance Function

The Company has a dedicated Head of Compliance reporting directly into the Board of Directors.

The mission of the Compliance Function is:

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

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements of the internal control system are laid out in the Corporate Governance Framework document.
- The Compliance Function will identify and communicate throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function will seek to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.

- The Compliance Function will maintain a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- Any violation of relevant law by the Company will be investigated and followed up by the Compliance Function and reported to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- The Compliance Function will consider possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function will present an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function will promote a culture of compliance throughout the Company

The Company has a Compliance Charter and Compliance Plan in place for the year 2018 which was reviewed and approved during the year.

B.5 Internal Audit Function

Purpose & Objectives

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

It assists the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company.

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

Independence and Impartiality

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

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

B.6 Actuarial Function

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

- Coordination of the calculation of technical provisions;

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

  Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied.
- Contribute to the effective implementation of the Risk Management System in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and,
    ii. the ORSA process.

- Think critically and organize the execution of actuarial approaches.

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 Head of Actuarial Function reports to the Board on an annual basis.

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 TCS' 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. TCS 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)	Ireland
Finance and accounting	AIMD	Ireland
Compliance Function	AIMD	Ireland
Risk Management Function	AIMD	Ireland
Actuarial reserving	Barnett Waddingham	United Kingdom
Actuarial Function	Barnett Waddingham	United Kingdom
Internal Audit Function	Aon Commercial Services Ireland Limited	Ireland

B.8 Any other information

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

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

C. RISK PROFILE

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

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

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

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

C.1 Underwriting Risk

The Company has not written any business since 2 December 2014 and has no unexpired risk exposure.

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.

TCS 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.

The sensitivity analysis of net income to fluctuation in interest rate is shown in the table below.

	2018	2017
Increase by 5 basis points	36,876	29,251
Decrease by 5 basis points	(36,876)	(29,251)

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 assets that are exposed to credit risk are:

- Cash and cash equivalents
- Deposits by ceding undertakings

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

Investments and deposits are managed under the Investment strategy (market risk).

C.4 Liquidity Risk

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

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has its investments held in highly liquid assets which it can access immediately or within a very short time frame without incurring material costs or penalties. Investments are in compliance with the Company's investment guidelines.

Prudent person principle has been applied in assessing investment in the Company’s assets.

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, authorization and reconciliation procedures, staff education, and assessment processes.

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.

In addition, TCS is subject to Internal and External Audit review.

TCS maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using 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, TCS puts in place service level agreements outlining key performance indicators against which its outsourced service providers can be monitored and assessed.

C.6 Other Material Risk

Strategic Risk

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

The control and monitoring actions/principles underlying the strategic Risk Management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.
- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

C.7 Any other information

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

D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

The financial statements have been prepared in compliance with Financial Reporting Standards ("FRS") 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance contracts, being applicable UK and Irish GAAP accounting standards, and in accordance with the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

At the end of the current reporting period TCS has total assets valued at USD 9,370,380 for solvency purposes. This total comprises the following categories of assets:

- Loans and mortgages to individuals $7,330,587

  Loans and mortgages to individuals 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.

- Cash and cash equivalents $810,045

  Cash and cash equivalents comprise cash at banks. The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents, and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution. Carrying amounts approximate fair value due to the liquid nature of the assets. There are no valuation adjustments for solvency purposes.

- Other investments $1,196,748

  Other investments are equal to restricted cash. There are no valuation adjustments for solvency purposes.

- Any other assets $33,000

  Any other assets equivalents to funds withheld. It is stated at fair value for both solvency and financial statement purposes. There are no valuation adjustments for solvency purposes.

As at 31 December 2018, the Company has no other investments except for the loan to group undertaking, which is interest bearing and repayable.

There is no difference in the valuation of these assets between the Financial Statements and the Solvency II annual Quantitative Reporting Templates ("QRT's").

Prudent person principle has been applied in assessing investment in the Company's assets.

D.2 Technical Provisions

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

Line of business	Gross Best Estimate Liability	Risk Margin	Gross Technical Provisions	Recoverables from Reinsurance contracts	Total Technical Provisions net of Recoverables
Third-party liability	511,508	19,935	531,443	-	531,443
Fire and other property damage	150,185	5,792	159,977	-	155,977
Total	661,693	25,727	687,420	-	687,420

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. 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.

Claims projections have been carried out using Chain Ladder method (CL) and the Bornhuetter-Ferguson method (BF) method. The CL method involves analysis of historic losses to obtain development factors. BF method combines the CL ultimate loss estimates, with a second independent estimate known as the prior estimate. BF method is more suitable for recent years where there has been little claims development to date, and estimates produced by the CL method may be unreliable. The CL method has been used to estimate reserves for the earlier, more fully developed underwriting years.

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. The best estimate is made up of a claims provision and a premium provision, relating to past and future exposures respectively. There are no unexpired risks hence there is no need to estimate premium provision for TCS. Claims payments in the claim provision have been projected at annual intervals using annual paid development patterns. The Company has a relatively high level of retention and no recoveries are projected because the claim amounts are well below this retention. As there is no projection for any reinsurance recoveries, an allowance for reinsurer default is not applicable.

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.

Estimates are "best estimates" in the sense that they are intended to be a probability-weighted average of all possible outcomes. TCS 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 TCS 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. For the Company the risk margin has been calculated as $36k.

The Solvency II regulations require firms to split contracts into "homogenous risk groups", that is, into groups of policies that share risk characteristics, when assessing Solvency II technical provisions. The Solvency II regulations impose a secondary requirement that the split must be at least as granular as the Solvency II "line of business".

The following table shows the mappings from TCS's lines of business to Solvency II lines of business.

TCS Reserving Class	**Solvency II lines of business**
Liability	Third-party liability
Property	Fire and other property damage

Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section 2.4 above.

TCS Solvency II technical provisions are given in the following table (in $):

	Total	Third-Party Liability	Fire and other Property Damage
Solvency II Claims Provision	661,693	511,508	150,185
Solvency II Premium Provision	-	-	-
Risk Margin	25,727	19,934	5,792
Solvency II Technical Provision	**687,420**	**531,443**	**155,978**

As the Company is in run-off, have no unexpired risks, hence there is no need to estimate premium provisions for TCS.

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, TCS has not applied any of the following items:

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

D.3 Other Liabilities

There are other liabilities of USD99,544 which relates to accrued expenses and income tax payable.

No difference between the Financial Statements and the Solvency II annual Quantitative Reporting Templates ("QRT's").

D.4 Alternative Methods of Valuation

No alternative methods were used.

D.5 Any Other Information

There is no other information to report.

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

E. CAPITAL MANAGEMENT

E.1 Own Funds

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

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

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

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

- Issued Share Capital $5,000,000,
- Retained Earnings $3,462,490

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

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

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

Own fund items at the end of reporting period and the prior year comparative period are as follows:

	2018 USD	**2017 USD**
Ordinary paid up share capital	5,000,000	5,000,000
Reconciliation reserve	3,583,416	3,403,126
Total Tier 1 capital	8,583,416	8,403,126

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.

At the end of the current reporting period eligible own funds available to meet the Company's SCR and MCR is $8,583,416, comprised solely of Tier 1 capital.

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

	2018 USD
Equity per the Company's financial statements	**8,462,490**
Adjustments to technical provisions	120,926
Own funds (excess of assets over liabilities for solvency purposes)	**8,583,416**

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.

TCS has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2 Solvency Capital Requirement (SCR) & Minimum Capital Requirement (MCR)

At the end of the current reporting period, TCS' SCR and MCR have been calculated as USD2,035,716 and USD4,236,500.

The SCR is intended to correspond to the capital the Company needs to hold in order to limit the probability of ruin, in the following 12 months, to 0.5%, i.e. ruin would occur less than once in every 200 years. The SCR calculated at the end of the current reporting period, relates to the capital required to support the business over the prospective 12 months; covering existing liabilities at the end of the period. Based on the Company's eligible own funds of USD 8,583,416, the Company has a solvency ratio at 31 December 2018 of 203% (own funds over MCR).

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:

Solvency Position	**31/12/2018**	**31/12/2017**
SCR		
Market Risk	1,968,654	14,826
Interest	*14,700*	*14,744*
Equity	-	-
Property	-	-
Spread	*200,019*	-
Currency	*68,506*	*315*
Concentration	*1,954,581*	-
Diversification	*(119,031)*	*(233)*
Health Risk	-	-
Counterparty Risk	21,895	1,183,539
Life Underwriting Risk	-	-
Non life Underwriting Risk	144,347	235,962
Intangible Asset	-	-
Diversification	(118,111)	(112,792)
BSCR	2,015,865	1,321,535
Adj	-	-
Operational Risk	19,851	32,309
SCR	2,035,716	1,353,844
Total eligible own funds to meet the SCR	8,583,416	8,403,126
Surplus	7,295,223	7,049,282
OF/SCR	422%	621%
MCR	4,236,500	4,437,410
Total eligible own funds to meet the MCR	8,583,416	8,403,126
Surplus	4,346,916	3,965,716
OF/MCR	203%	189%

The movement on the SCR from the prior year is mainly driven by the change in the way the risk charge of the intercompany loan was calculated. Previously, the risk charge for the intercompany loan was calculated under counterparty default risk but upon review of the guidelines, it was agreed that it is more appropriate to calculate the risk charge under market risk.

The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives. In the case of TCS, as a non-life captive insurer writing liability business, this absolute floor is EUR 3,700,000. Having carried out the calculations and applied the relevant limits, the resultant MCR for the Company is USD4,236,500

(equivalent of the absolute floor translated at the period-end exchange rate). The movement in MCR from the prior year reflects the change in EUR/USD exchange rates over the period.

Solvency II Balance Sheet Restatement

The only difference between the financial statement basis under current accounting standards and the Solvency II valuation rules is the restatement of technical provision.

The restatement of the balance sheet leads to a change in the available capital under Solvency II. The table below displays the components which make up the difference between the 31 December 2018 local GAAP reserves and Solvency II best estimate.

SII Technical Provisions as at (31/12/2018) USD	Total	Third-party liability	Fire and other property damage
Booked Local GAAP Claims Reserves	**808,345**	**628,735**	**179,610**
Removal of margin	(276,712)	(250,995)	(25,716)
Expenses	16,666	12,818	3,847
Events Not in Data	135,000	135,000	-
Discounting	(21,606)	(14,050)	(7,556)
SII Claims Provision	**661,693**	**511,508**	**150,185**
SII Premium Provision	**-**	**-**	**-**
Gross SII Best Estimate	**661,693**	**511,508**	**150,185**
Net Solvency II Best Estimate	**661,693**	**511,508**	**150,185**
Risk Margin	25,727	19,934	5,792
Solvency II Technical Provisions	**687,420**	**531,443**	**155,978**

Noted below are the adjustments to convert The Company's Ireland-GAAP balance sheet to a Solvency II balance sheet:

Balance Sheet Discounting – The timing of the cashflow of the Solvency II best estimate reserves have been projected using payment patterns estimated from TCS' claim experience.

Technical Provision Adjustments - The Solvency II Technical Provisions consist of a claim provision, Premium provision and a risk margin as outlined previously. Some other specific changes:

Expenses: Technical Provisions are expected to allow for all future expenses that would be incurred in running-off the existing business. Under Solvency II these expense provisions would include additional items such as an allocation of investment manager's costs and other overheads; it is therefore expected that expense provisions will be higher under Solvency II than under the current Technical Provision basis.

Events Not In Data: Solvency II Technical Provisions should be the best estimate of all future possible outcomes. An adjustment is therefore to be made to allow for items not captured within the undertaking's data, e.g. latent claims or extremely high severity, low probability events. These items have been termed 'Events Not in Data' ("ENID").

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

The Company 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 Material Information

There is no other information to report.

E.7 Additional Voluntary Information

There is no additional voluntary information to report.

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

ANNEX I - QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.05.01.02 - Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

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)	1,197
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	1,197
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	7,331
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	7,331
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
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	
R0370	Reinsurance receivables	
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	810
R0420	Any other assets, not elsewhere shown	33
R0500	**Total assets**	9,371

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

		C0010
		Solvency II value
Liabilities		
R0510	Technical provisions – non-life	688
R0520	Technical provisions – non-life (excluding health)	688
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	662
R0550	Risk margin	26
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	100
R0900	Total liabilities	788
R1000	**Excess of assets over liabilities**	8,583

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									
Gross - Prop reinsurance accepted	R0120									
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140									
Net	R0200	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross - Direct Business	R0210									
Gross - Prop reinsurance accepted	R0220									
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240									
Net	R0300	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross - Direct Business	R0310									
Gross - Prop reinsurance accepted	R0320							-238	-211	
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400	0	0	0	0	0	0	-238	-211	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							72	251	
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								0
Gross - Prop reinsurance accepted	R0120								0
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	0	0	0	0	0	0
Premiums earned									
Gross - Direct Business	R0210								0
Gross - Prop reinsurance accepted	R0220								0
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								0
Net	R0300	0	0	0	0	0	0	0	0
Claims incurred									
Gross - Direct Business	R0310								0
Gross - Prop reinsurance accepted	R0320								-449
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	0	0	0	0	0	-449
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								323
Other expenses	R1200								
Total expenses	R1300								323

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					
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110							0
Gross - Proportional reinsurance accepted	R0120							0
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140							0
Net	R0200	0	0	0	0	0	0	0
Premiums earned								
Gross - Direct Business	R0210							0
Gross - Proportional reinsurance accepted	R0220							0
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240							0
Net	R0300	0	0	0	0	0	0	0
Claims incurred								
Gross - Direct Business	R0310							0
Gross - Proportional reinsurance accepted	R0320							0
Gross - Non-proportional reinsurance accepted	R0330		-449					-449
Reinsurers' share	R0340							0
Net	R0400	0	-449	0	0	0	0	-449
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		323					323
Other expenses	R1200							
Total expenses	R1300							323

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							150	512				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	0	150	512	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	0	0	0	150	512	0	0	0	0
Total Best estimate - net	R0270	0	0	0	0	0	0	150	512	0	0	0	0
Risk margin	R0280							6	20				
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	156	532	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	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	0	0	156	532	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					662
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	662
Total Best estimate - gross	R0260	0	0	0	0	662
Total Best estimate - net	R0270	0	0	0	0	662
Risk margin	R0280					26
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	688
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
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	688

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	4	1										0	5
N-8	R0170	7	10	0					50	67			67	135
N-7	R0180	3				9	5						0	16
N-6	R0190				6								0	6
N-5	R0200					0							0	0
N-4	R0210												0	0
N-3	R0220												0	0
N-2	R0230												0	0
N-1	R0240												0	0
N	R0250												0	0
	R0260											Total	67	162

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											146	142
N-9	R0160										121		117
N-8	R0170									307			298
N-7	R0180								2				2
N-6	R0190							20					19
N-5	R0200						88						84
N-4	R0210												
N-3	R0220												
N-2	R0230												
N-1	R0240												
N	R0250												
	R0260											Total	662

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	5,000	5,000			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	3,583	3,583			
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					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	8,583	8,583	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	8,583	8,583	0	0	0
Total available own funds to meet the MCR	R0510	8,583	8,583	0	0	
Total eligible own funds to meet the SCR	R0540	8,583	8,583	0	0	0
Total eligible own funds to meet the MCR	R0550	8,583	8,583	0	0	
SCR	R0580	2,036				
MCR	R0600	4,236				
Ratio of Eligible own funds to SCR	R0620	4.2156189				
Ratio of Eligible own funds to MCR	R0640	2.0262040				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	8,583
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	5,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,583
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	1,969		
Counterparty default risk	R0020	22		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	144		
Diversification	R0060	-119		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	2,016		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	20
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	2,036
Capital add-on already set	R0210	
Solvency capital requirement	R0220	2,036
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	67

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	150	
General liability insurance and proportional reinsurance	R0090	512	
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	67
SCR	R0310	2,036
MCR cap	R0320	580
MCR floor	R0330	322
Combined MCR	R0340	322
Absolute floor of the MCR	R0350	4,236
Minimum Capital Requirement	R0400	4,236