Western Captive Insurance Company DAC

Solvency and Financial Condition Report

For Financial Year Ending 31 December 2018 (the "reporting period")

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Executive Summary

Western Captive Insurance Company DAC ("the Company" or "the undertaking") is a captive insurance company domiciled in Ireland and is regulated by the Central Bank of Ireland.

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations.

The primary strategic objective and purpose of the Company is to support the risk management operations of its shareholder. The Company is an efficient mechanism to retain risk and plays an important role in managing the insurance market's perception of the shareholder's business.

This report provides the reader with a more in depth look at the Company's business and performance, systems of governance, risk profile and solvency and capital positions.

The Company reported an operating loss in the period of €1,866,218, this being primarily due to claims deterioration during the reporting period and reinsurance premiums incurred. The Company has also complied with all aspects of the Solvency II Regulations.

There have been no other material changes to the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period. However subsequent to the year-end, the Company was sold to Randall & Quilter II Holdings Limited, a company registered in the UK. The primary objective will remain to support the risk management operations of its shareholder. Further details on the new corporate governance structure is detailed in section B.1 of this report.

Where there is limited detail provided in a particular section, a proportionate approach has been taken due to the scale, nature and complexity of the Company.

Section A: Business and performance

A.1 - Business

(a) the name and legal form of the undertaking is Western Captive Insurance Company DAC.

(b) the name and contact details of the supervisory authority responsible for financial supervision of the undertaking is the Insurance Supervision Division of the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Ireland. Telephone: +353 1 224 6000

(c) the name and contact details of the external auditor of the undertaking is PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD, United Kingdom. Telephone +44 20 7516 2200.

(d) the undertaking was a wholly owned subsidiary of Coffey Construction (I) Limited at 31st December 2018.

(e) the undertaking's position within the legal structure of its group was that it was a wholly owned subsidiary throughout the reporting period.

(f) the Company's material geographical area where it carries out its business is Ireland and its material line of business is credit and suretyship.

(g) the Company has had no other significant business or other events that have occurred over the reporting period that have had a material impact on the Company. However subsequent to the year-end, the Company was sold to Randall & Quilter II Holdings Limited, a company registered in the UK.

A.2 Underwriting Performance

The underwriting performance of the Company was negative with an underwriting loss reported of (€1,866,218) over the reporting period, compared to a loss of (€49,826) over the previous reporting period. This loss reflects reinsurance premiums incurred and claims deterioration during the reporting period. The Company is no longer underwriting. In recent years, the Company wrote a small number of construction bonds to a single client, and also has a small Employer's Liability book which has been in run-off since 2012 and an analysis of the performance is summarised as follows:

	2018	2017
Underwriting Income	(1,727,996)	67,905
Net Operating Expenses	(138,222)	(117,731)
	(1,866,218)	**(49,826)**

A.3 Investment Performance

(a) the Company maintains its investments in cash equivalents and short term deposits with EU regulated credit institutions. The income on these investments over the reporting period was €607 compared to €3,005 over the previous reporting period.

The below table summarizes the deposits by counterparty together with interest income as reported in the financial statements.

	2018	2017	Variance
Cash at Bank			
Bank A	2,032,725	239,707	1,793,018
Bank B	(5)	22	(27)
Bank C	-	63,061	(63,061)
Deposits			
Bank B	1,743,602	2,343,074	(599,472)
Bank C	-	1,820,731	(1,820,731)
Investment Income	607	3,005	(2,398)

(b) no gains or losses were recognized directly in equity.

(c) the Company had no investments in securitisation, during the reporting period or previous reporting period.

A.4 Performance of other activities

There have been no other significant activities undertaken by the Company other than its captive insurance activities.

A.5 Any other information

There have been no other material developments regarding the business and performance of the Company during the reporting period.

Section B: System of governance

B.1 General information on the system of governance

(a) As a captive insurance entity, the Company has no direct employees and all key functions, whilst outsourced, are the responsibility of the Board – refer to further paragraphs within this section for additional information on outsourcing. The Board consists of very senior individuals from within the group. Given the size, nature and complexity of the Company, the establishment of Board Sub-committees has not been necessary.

The Company is classified as a Low Impact firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM (Probability Risk and Impact SysteM). The Company is subject to the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Board also has responsibility for ensuring that an adequate and effective system of internal controls is maintained in the Company. The Company is committed to high standards of Corporate Governance. The Company takes a risk based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

The Board has four directors who meet formally at least twice annually and there is additional interaction between members of the Board throughout each financial year:

Mr Sean Coffey, Non-Executive Director and Chairman (resigned 29th March 2019)
Mr Gareth Coffey, Non-Executive Director (resigned 29th March 2019)
Ms Olivia Coffey, Non-Executive Director (resigned 29th March 2019)
Mr Simon Coffey, Non-Executive Director (resigned 29th March 2019)

Effective the date of sale of the Company (29th March 2019) the following Directors were appointed:

Mr. Ken Randall, Non-Executive Director
Mr. Michael Glover, Executive Director
Mr. Mark Langridge, CEO & Executive Director
Mr. Damien Woods, Independent Non-Executive Director (pending approval)
Mr. Tanguy Gaidoni, Independent Non-Executive Director (pending approval)

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit function.

The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the next Board meeting for discussion and consideration.

(b) no material changes in the system of governance have taken place over the reporting period;

(c) due to the scale, nature and complexity of the Company, with no full-time employees, the Company has not required the establishment of a remuneration policy;

(d) as a captive insurance entity it is common to have material transactions with its shareholders. The Company has provided various surety bonds covering group companies and intercompany loans.

B.2 Fit and proper requirements

(a) the Company has adopted a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

Selection and recruitment process for Key Function Holders (referred to as Pre-Approval Control Functions or PCF's):

- A written job description outlining the duties and responsibilities for the role;
- An assessment of the level of fitness and probity required for the role;
- Interview process to match suitable candidates to the specific role;
- Capture fitness and probity due diligence referred to below; and
- Upon Central Bank of Ireland approval, letter of appointment issued, and training provided.

(b) the process for assessing the fitness and the propriety of the persons in PCF positions is summarised as follows:

- Interview and application
- The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The following is captured:

    - Evidence of a relevant professional qualification;
    - Confirmation of continuous professional development;
    - Evidence of professional membership of an organisation (where applicable);
    - Reference checks;
    - Review record of previous experience, including a review of curriculum vitae;

- Record of experience gained outside the State (where applicable) – consider the extent to which the person can demonstrate competency that relates specifically to the function within the State;
- Review of list of directorships and concurrent responsibilities;
- Checks are also undertaken with the Regulator, Companies House and a judgment debt check is performed;
- Signed Fitness and Probity declarations; and
- Individual Questionnaire.

- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.
- As part of the continuing obligations, annual declarations are sought from all PCF's, each PCF file is reviewed and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

B.3 Risk management system

(a) the Company has established a number of risk management policies including: Risk Appetite Statement which includes an escalation procedure, Operational Risk Policy and Capital Risk and Capital Management Policy. The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk and such operational risks of fraud risk, IT risk, market risk and reputational risk. It excludes quantifiable risks. Quantifiable risks are set out in the Company's Risk Appetite Statement. The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.

(b) the risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of the Company via:

- review and ongoing maintenance of risk related policies by the Board;
- adherence with and annual review of the Company's Risk Appetite Statement;
- adequately resourced critical functions of risk management, compliance and actuarial staffed by experienced professionals;
- adequately resourced internal audit function with a regular review cycle;
- business continuity planning;
- succession plan for key roles; and
- monthly underwriting and financial reporting.

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The Own Risk and

Solvency Assessment process referred to in the following paragraph is a key component in the Company's risk management and decision-making processes.

The primary strategic objective and purpose of the Company is to support the risk management operations of its shareholder. This objective has remained core to the business of the Company and there are no plans to change this business strategy.

B.4 Own risk and solvency assessment ("ORSA")

ORSA Process

In line with the Company's ORSA policy, a full ORSA is performed each year. A full or partial ORSA would also be performed in the event of a known or expected event that could cause the risk profile of the Company to change.

The objective of the ORSA process is to enable the Board to assess capital adequacy in light of the assessment of its risks and the potential impacts of its risk environment, and enable it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and risk sensitivities so that the output can be used in shaping future strategy and risk appetite.

Risk Identification

The first step in the ORSA process was to consider and identify which risks should be assessed.

Financial Projections

The Profit and Loss Account and Balance Sheet of the Company were projected – a short-term projection period was chosen as at the time of the ORSA process the sale process was underway. The accounts were projected on a GAAP basis and converted to Solvency II balance sheets to calculate the solvency capital requirements.

Using the projected Balance Sheet, the Company's capital requirements were also calculated on a Solvency II basis. The Board was then able to use these projections to see the short-term position of the Company in relation to their capital requirements over the period.

Stress & Scenario Testing

The third step of this ORSA process was for the Board and Management to examine the impact of a range of stresses and scenarios on the Company's solvency position. These included both quantitative and qualitative scenarios, and also a reverse stress test approach to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenario tests were circulated to the Board for consideration.

In its ORSA Process the Company considered a number of both quantitative and qualitative stress and scenarios, including reverse stress tests. These were as follows:

Qualitative Discussion of Risks

A qualitative consideration of Operational Risk was also considered.

Board and Management Discussion and Review

The final step in the ORSA Process was the presentation of the Draft Projections, Stress and Scenario Tests to the Board and Management.

Board Sign-off

Following this final iteration, the final ORSA Report was reviewed and approved by the Board.

Integration into Decision-making process

The results of the ORSA projections were used to inform, inter alia limit and retention structure, dividend payment, and investment policy including the level of inter-company lending.

Results

The results confirm that the Company is adequately capitalised over the reporting period, contingent on the sale process being completed (as subsequently occurred).

B.5 Internal control

(a) *Internal Control System*

The principal control framework for the Company is its controls set at Board level. These controls include the Board approved policies, reports, terms of reference, schedule of matters, minutes of board meetings. The policies describe the Boards approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the Compliance Officer. In practice, other Directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Compliance Officer is responsible for ensuring that all Company policies are fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. All amendments are submitted to the Board for approval. There is a compliance monitoring programme in place to review all of its regulatory requirements. This is completed by the Compliance Officer on a regular basis and forms part of the compliance report to the Board.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance

Undertakings 2015 - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Where any functions or activities are outsourced, the Company expects that any outsourcing entity manages its control framework to the same standards as the Company and to adhere to the Company's policies and procedures and to employ fit and proper people in its controlled functions. The Company has a Service Level Agreement in place with each outsourced entity with Key Performance Indicators set to ensure regular reporting to the Board. Attestations are also received from the Service Provider in respect to the ongoing fitness and probity of its Key Control Functions. Any significant or material event that occurs requires immediate reporting to the Board.

(b) Compliance Function

The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Compliance Officer has responsibility for the implementation of the Company's Compliance strategy and effective compliance processes and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements are sufficiently robust, proportionate, effective and efficient. The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficiency through Compliance monitoring.

Compliance auditing occurs to check that the Company is adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the Company. The activities of the Compliance function are subject to periodic review by Internal Audit.

On an ongoing basis, the Compliance Officer strives to ensure that there is an organisational culture in place which promotes a high standard of integrity and regulatory compliance.

B.6 Internal audit function

The Internal Audit Function is governed by the Company's internal audit policy and is an integral part of the Company's internal control framework. It is implemented on an outsourced basis with Control Solutions Limited.

- The function provides independent and objective assurance services through a formal outsourcing arrangement in respect of the Company's processes with due regard to the adequacy of the governance, risk management and internal control framework;
- Audits are conducted with a Board approved Internal Audit Plan;
- The Head of Internal Audit reports to the Board which oversees the risk based Audit Plan and outcomes thereof;
- Internal Audit Reports can highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them;
- Internal Audit prepare an annual report for the Board which provides a chosen assessment of the effectiveness of the Company's systems of risk management and internal controls during the reporting period.

It is the responsibility of the Internal Audit Function to independently, but proportionately, assess the effectiveness of the internal control system, governance and risk management systems and to provide to the Board an evaluation of the adequacy of such systems and controls. The Head of Internal Audit has a duty to highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them.

It is the objective of the Internal Audit Function to provide independent assurance that risk management processes are operating effectively and in accordance with required legislation and regulation. Another objective is to ensure that effective controls are in place to mitigate risks or reduce those risks to an acceptable level in accordance with the Company's defined risk appetite.

The Internal Audit Function has unrestricted access to senior management and the Board. It is independent from the day-to-day operations of the business which allows it to maintain its independence and objectivity from the activities it reviews. The current structure enables the Head of Internal Audit to provide an independent opinion regarding a system, process or control.

B.7 Actuarial function

The Actuarial Function is outsourced to Allied Risk Management. Allied Risk Management receives regular updates on claims activity. The Company's Technical Provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II Technical Provisions.

The responsibilities of the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to implementing/overseeing the following:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions in the cases set out in Article 82;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements; and
- contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment

B.8 Outsourcing

The Company has an outsourcing policy the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important operational functions or activities. This policy has been approved by the Board. The Board ensures that an outsourcing arrangement shall not diminish the Company's ability to fulfil its regulatory obligations.

The Outsourcing Policy sets out the following:

- Definition of outsourcing
- Outsourcing risks
- Risk mitigation
- Board and management responsibility
- Assessment and due diligence on Outsourced Service Provider
- Essential requirements for inclusion in Service Level Agreements
- Management and oversight of Outsourced activities
- Reporting requirements
- Table of Outsourced Service Providers
- Business continuity and contingency planning

The Company only enters into an Outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adhere to the Central Bank of Ireland Notification Process for (Re)Insurance Undertakings when Outsourcing Critical or Important Function or Activities under Solvency II Regulations.

The following is a list of the critical or important functions the Company has Outsourced and the jurisdiction in which the Outsourced Service Providers are located:

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	Allied Risk Insurance & Reinsurance Services Ltd.	Ireland
Internal Audit Function	CSI Chartered Accountants	Ireland
Compliance Function	Allied Risk Management Limited	Ireland
Risk Management Function	Allied Risk Management Limited	Ireland

B.9 Assessment of the adequacy of the system of governance

Considering the nature, scale and complexity of the risks inherent in the business, the Company is very satisfied with its assessment of the adequacy and appropriateness of its system of governance.

B.10 Any other disclosures

There is no other material information regarding the system of governance of the Company.

Section C: Risk Profile

C.1 - Risk Profile

The Company has a simple business model, writing a single line of business for group companies. At all times the Company limits its exposure.

The Company has a simple investment strategy, with assets being invested in bank deposits.

The Company uses the Solvency II Standard Formula as its measure of economic capital in the quantitative assessment of risk presented below.

(a) - Underwriting risk

Underwriting risk is limited to writing one line of business for group companies. At all times the Company limits its exposure on this line.

A quantitative breakdown of the underwriting risk as measured by the Solvency II Standard Formula is as follows. Lapse risk does not apply to the line of business that the Company writes.

Solvency Capital Charge (EUR 000)

	2018	2017
Premium and Reserve Risk	280	165
Catastrophe Risk	-	34
Non-life lapse	-	-
Diversification	-	(22)
Non-life Underwriting Risk SCR	**280**	**177**

(b) - Market risk

The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market currency risk, interest rate risk, credit risk and liquidity risk.

The Company's principal transactions are carried out in Euro and it has no business exposure to foreign exchange risks.

Interest rate risk is that the value of future cashflows of a financial investment will fluctuate due to changes in interest rates. Due to the limited exposure, the Company considers it unnecessary to attempt to mitigate interest rate risk.

All of the Company's investment assets are on deposit with two banks.

(i) - Spread Risk & Concentration Risk

The Company has concentration risk because the majority of its assets are with two banks. However, these banks are well-rated and the risk is not considered significant.

(ii) - Currency Risk

The Company's principal transactions are carried out in Euro and its business exposure to foreign exchange risks is nil.

Solvency Capital Charge (EUR 000)

	2018	2017
Equity	-	-
Concentration	813	681
Spread	72	89
Interest Rate	1	16
Property	-	-
FX	-	-
Diversification	(70)	(99)
Market Risk SCR	**817**	**687**

(c) - Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation, thus causing the company to incur a financial loss.

Solvency Capital Charge (EUR 000)

	2018	2017
Default Risk (Type 1)	321	36
Default Risk (Type 2)	-	-
Diversification	-	-
Credit Risk SCR	**321**	**36**

(d) - Liquidity risk

The Company has financial investments of €3,776,322 during the reporting period (2017: €4,466,595), of which €2,032,725 (2017: €302,789) is available on demand and is in excess of the Company's total liabilities net of reinsurance of €996,203 (2017: €520,484). As such, the Company has determined that liquidity risk does not represent a significant risk to its business.

(e) - Operational risk

The Company's operational risk is considered low but is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

- outsourcing
- business continuity planning
- reputational
- compliance and regulatory

The Company writes a small number of bonds each year. There are no claims. As such the operational risk is very limited (compared to a retail insurer for example).

The Company is managed by Allied Risk Management, a professional captive management company with over twenty years' experience in captive management. The Company has a full suite of governance policies and processes which further limit operational risk.

The introduction of Solvency II with its governance requirements (including the requirement for Internal Control, Internal Audit, Actuarial and Risk functions) assists in further reducing operational risk.

(f) - Other material risks

There are no other material risks identified by the Company.

C.2 – Risk Exposure

(a) - Risk measures

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as detailed in the previous paragraphs. The Company also has an established Risk Appetite Statement to assess risks in the Company: there have been no material changes over the reporting period.

Green	Green represents the **Risk Appetite** of the Company, it represents the level of risk the Company is willing and able to accept to satisfy its strategic objectives
Amber	Amber represents **Risk Tolerances** and acceptable variances which will be brought to the attention of Board and will require monitoring
Red	Red represents the **Limit** for each risk, (where possible) it indicates when action needs to be taken to stop or change a situation which is may result in an unacceptable level of risk to the Company

(b) - The Nature of Material Risk Exposures

The Company is exposed to deterioration of existing claims or failure of a reinsurance counterparty. Neither of these risks are considered material.

(c) - Investments in Accordance with the 'Prudent Person Principle'

The Company is required to invest all assets and particularly assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the 'prudent person principle'. The prudent person principle defines that the assets must be invested in a manner acceptable to a 'prudent person' – that is that the decisions are generally accepted as being sound for the average person.

The Company maintains its assets in cash equivalents, short-term deposits with EU regulated credit institutions and an inter-company loan.

C.3 - The Nature of Material Risk Concentrations

The Company has concentration risk in its investment portfolio with the exposure to a small number of banks, and exposure to a single reinsurance counterparty.

C.4 - Risk mitigation practices

The Company has reinsurance in place to protect against deterioration of claims.

C.5 – Expected Profit in Future Premiums

The Expected Profit in Future Premiums calculated in accordance with Article 260(2) of the Delegated Acts is nil.

C.6 - Risk sensitivities

The company is sensitive to new claims or deterioration of existing claims; this is mitigated by reinsurance in place.

C.7 - Any Other Disclosures

There is no other material information regarding the risk profile of the Company during the reporting period.

Section D. Valuation for solvency purposes

D.1 - Assets

(a) - Valuation

As at 31st December 2018, the Company held the following assets:

Western Captive Insurance Company DAC Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill		
Deferred Acquisition Costs		
Intangible Assets		-
Deferred Tax Assets		-
Pension benefit surplus		-
Property, plant & equipment held for own use		-
Investments	1,744	1,744
Property (Other than Own Use)		-
Participations and related undertakings		-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed		-
Equities (Other than Participations) - Unlisted		-
Bonds	-	-
Government and Multilateral Banks		-
Corporate		-
Structured Notes		-
Collateralised Securities		-
Collective Investments Undertakings		-
Derivatives		-
Deposits other than cash equivalents	1,744	1,744
Other Investments		-
Mortgages and Loans Made	960	960
Mortgages & loans to individuals		-
Other Mortgages & loans	960	960
Loans on Policies		-
Reinsurance recoverables	1,500	1,505
Reinsurance share of TP - non-life excluding health	1,500	1,505
Reinsurance share of TP - health similar to non-life		-
Deposits to cedants		-
Insurance & Intermediaries Receivables		-
Reinsurance Receivables		-
Receivables (trade, not insurance)		-
Own Shares		-
Amounts due in respect of own fund items or initial fund called up but not yet paid in		
Cash & Cash Equivalents	2,033	2,033
Any Other Assets, Not Elsewhere Shown		-
Total assets	6,236	6,241

As at 31st December 2017:

Western Captive Insurance Company DAC Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill		
Deferred Acquisition Costs		
Intangible Assets		-
Deferred Tax Assets		-
Pension benefit surplus		-
Property, plant & equipment held for own use		-
Investments	4,164	4,164
Property (Other than Own Use)		-
Participations and related undertakings		-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed		-
Equities (Other than Participations) - Unlisted		-
Bonds	-	-
Government and Multilateral Banks		-
Corporate		-
Structured Notes		-
Collateralised Securities		-
Collective Investments Undertakings		-
Derivatives		-
Deposits other than cash equivalents	4,164	4,164
Other Investments		-
Mortgages and Loans Made	360	360
Mortgages & loans to individuals		-
Other Mortgages & loans	360	360
Loans on Policies		-
Reinsurance recoverables	-	-
Reinsurance share of TP - non-life excluding health		-
Reinsurance share of TP - health similar to non-life		-
Deposits to cedants		-
Insurance & Intermediaries Receivables		-
Reinsurance Receivables		-
Receivables (trade, not insurance)		-
Own Shares		-
Amounts due in respect of own fund items or initial fund called up but not yet paid in		-
Cash & Cash Equivalents	303	303
Any Other Assets, Not Elsewhere Shown		-
Total assets	4,827	4,827

Recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

All financial assets are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

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

(b) – Material Differences from the Financial Statements

There are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

D.2 - Technical provisions

(a) - Valuation

Technical Provisions as at 31st December 2018:

	General Liability	Credit & Suretyship	Total
Gross Best Estimate Liability	2,354	-	**2,354**
Risk Margin	46	-	**46**
Recoverables from Reinsurance Contracts and SPVs	1,505	-	**1,505**
Total Technical Provisions Net of Recoverables	**895**	**-**	**895**

As at 31st December 2017:

	General Liability	Credit & Suretyship	Total
Gross Best Estimate Liability	441	30	**471**
Risk Margin	17	4	**21**
Recoverables from Reinsurance Contracts and SPVs	-	-	**-**
Total Technical Provisions Net of Recoverables	**458**	**34**	**492**

The General Liability Technical Provisions consist of open claims; these are valued based on a review of the case reserves for each open claim.

(b) - Uncertainty

There is uncertainty that the liability reserves will settle for an amount higher or lower than the current reserves. However, the claims are mature and close to settlement so this risk is lower than might normally be the case for this class. Reinsurance mitigates the risk of deterioration of existing claims.

(c) - Material Differences from the Financial Statements

The same methodology is applied to value the technical provisions in the financial statements. There is additional margin for prudence in the valuation in the financial statements.

(d) – Matching Adjustment

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

(e) – Volatility Adjustment

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

(f) – Transitional Risk-free Interest Rate Term Structure

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

(g) – Transitional Deduction

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

(h) – Description of

(i) - Recoverables

The recovery from reinsurance is calculated by applying the treaty terms to the case reserves.

(ii) – Material Changes in the Calculation of Technical Provisions

There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to the prior year Technical Provisions calculations.

D.3 - Other liabilities

(a) - Valuation

As at 31st December 2018, the Company recorded the following liabilities for solvency purposes:

Western Captive Insurance Company DAC Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Other Technical Provisions		
Contingent Liabilities		-
Provisions Other Than Technical Provisions		-
Pension Benefit Obligations		-
Deposits from Reinsurers		-
Deferred Tax Liabilities		-
Derivatives		-
Debts owed to credit institutions		-
Financial liabilities other than debts owed to credit institutions		-
Insurance & intermediaries payables		-
Reinsurance payables		-
Payables (trade, not insurance)	37	37
Subordinated liabilities	-	-
Subordinated liabilities not in BOF		-
Subordinated liabilities in BOF		-
Any other liabilities, not elsewhere shown	-	-
Other Liabilities	**37**	**37**

As at 31st December 2017:

Western Captive Insurance Company DAC Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Other Technical Provisions		
Contingent Liabilities		-
Provisions Other Than Technical Provisions		-
Pension Benefit Obligations		-
Deposits from Reinsurers		-
Deferred Tax Liabilities		-
Derivatives		-
Debts owed to credit institutions		-
Financial liabilities other than debts owed to credit institutions		-
Insurance & intermediaries payables		-
Reinsurance payables		-
Payables (trade, not insurance)	63	63
Subordinated liabilities	-	-
Subordinated liabilities not in BOF		-
Subordinated liabilities in BOF		-
Any other liabilities, not elsewhere shown	-	-
Other Liabilities	**63**	**63**

(b) – Material Differences from the Financial Statements

There are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

D.4 - Alternative Methods for Valuation

Not applicable

D.5 - Any Other Information

There is no other material information regarding valuation for solvency purposes for the Company.

Section E: Capital management

E.1 - Own funds

(a) – Objectives, Policies, and Processes

The Company has a documented Capital Management Policy and there is no appetite for losses resulting from a breach of the solvency margin. In addition, the ORSA process is an integral part of the Company's Capital Management process. The outputs of the Actuarial Function Report are also used in the Company's decision making process in respect of capital management.

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing, nor does it have any plans to raise debt or issue new shares in the short or medium term.

The Company's own funds are invested in cash and short term money market deposits.

The medium-term capital management plan set by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of the SCR (or MCR where relevant), as per the Company's Risk Appetite Statement, as informed by the ORSA;
- No capital is planned to be issued in the short or medium term;
- No dividends are anticipated in the short or medium term; and
- Own fund items are to be invested in external bank deposits, cash or loaned to its parent group in accordance with the Board's approved counterparty limits as set out in the Company's Investment Policy.

(b), (c), (d) – Own Funds

Western Captive Insurance Company DAC Liabilities (EUR 000's)	SII Valuation Principles 2018	SII Valuation Principles 2017
Tier 1 - Unrestricted	3,804	4,271
Tier 1 - Restricted	-	-
Tier 2 - Basic	-	-
Tier 2 - Ancillary	-	-
Tier 3	-	-
Tier 3 - Ancillary	-	-

As at 31st December 2018:

Western Captive Insurance Company DAC Basic Own Funds (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Ordinary share capital (net of own shares)	635	635
Ordinary share capital (gross of own shares)		635
Share premium account related to ordinary share capital		-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings		-
Subordinated mutual member accounts		-
Surplus funds	3,105	
Preference shares		-
Share premium account related to preference shares		-
Reconciliation reserve		3,169
Excess of assets over liabilities		3,804
Own shares (included as assets on the balance sheet)		-
Foreseeable dividends and distributions		
Other basic own fund items		635
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds		
Subordinated liabilities		-
An amount equal to the value of net deferred tax assets		-
Other items approved by supervisory authority as basic own funds not specified above		-
Total Basic own funds	**3,740**	**3,804**

As at 31st December 2017:

Western Captive Insurance Company DAC Basic Own Funds (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Ordinary share capital (net of own shares)	635	635
Ordinary share capital (gross of own shares)		635
Share premium account related to ordinary share capital		-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings		-
Subordinated mutual member accounts		-
Surplus funds	3,671	
Preference shares		-
Share premium account related to preference shares		-
Reconciliation reserve		3,636
Excess of assets over liabilities		4,271
Own shares (included as assets on the balance sheet)		-
Foreseeable dividends and distributions		
Other basic own fund items		635
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds		
Subordinated liabilities		-
An amount equal to the value of net deferred tax assets		-
Other items approved by supervisory authority as basic own funds not specified above		-
Total Basic own funds	**4,306**	**4,271**

(e) – Material Differences from the Financial Statements

The equity as shown in the undertaking's financial statements is **EUR 64k** more than the excess of assets over liabilities as calculated for solvency purposes; the causes of this difference are illustrated in the following table.

Reconciliation (EUR 000)	2018	2017
Available Capital - Financial Statements	**3,740**	**4,306**
+ UPR	-	13
- Premium Provision from UPR	-	(5)
- Expense Provision	-	(20)
+ Margin for Uncertainty	114	-
- Adjustment for Reinsurer Default	(1)	-
- Risk Margin	(46)	(21)
- Discounting	(3)	(2)
Available Capital - Solvency II	**3,804**	**4,271**

(f) – Transitional Arrangements

The Company has no own-fund items subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

(g) – Ancillary Own Funds

The Company has no items of ancillary own funds.

(h) – Items Deducted from Own Funds

The Company has no items deducted from own funds.

E.2 - Solvency Capital Requirement and Minimum Capital Requirement

(a) - Solvency Capital Requirement and Minimum Capital Requirement

As at 31st December 2018:

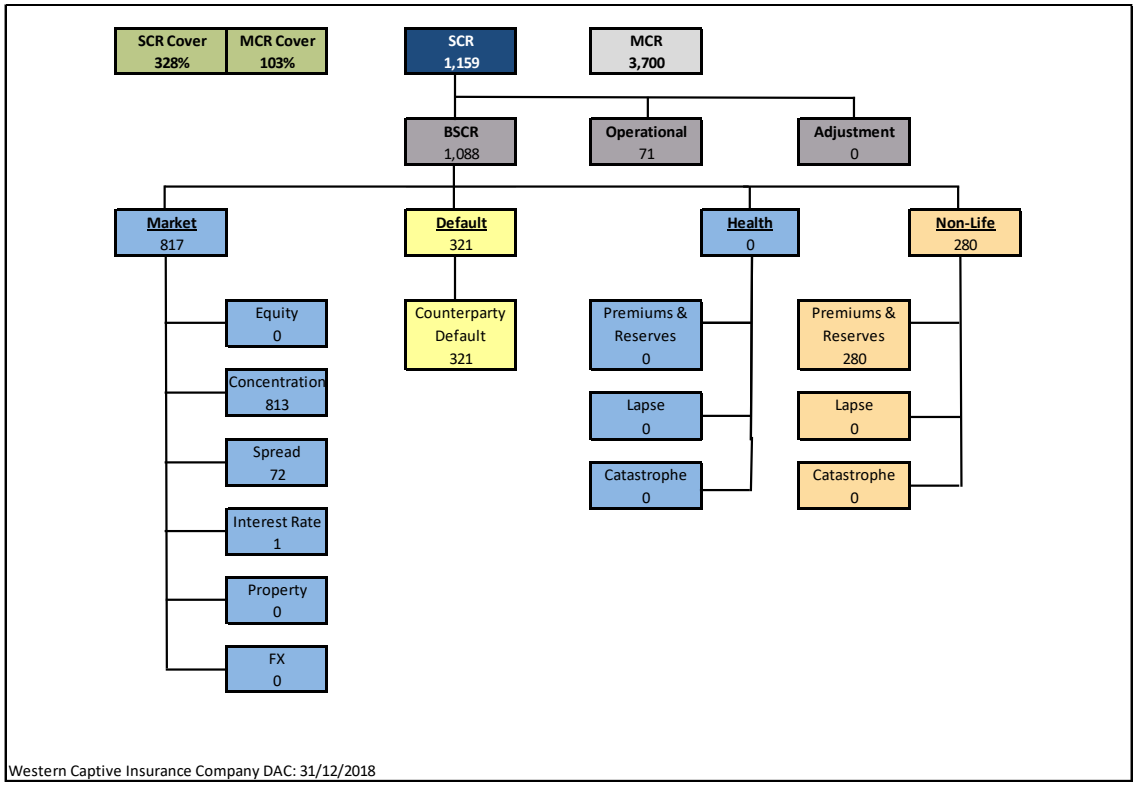
	Eligible Capital	Capital Requirement	Solvency Ratio
Solvency Capital Requirement	3,804	1,159	328.3%
Minimum Capital Requirement	3,804	3,700	102.8%

As at 31st December 2017:

	Eligible Capital	Capital Requirement	Solvency Ratio
Solvency Capital Requirement	4,271	778	548.9%
Minimum Capital Requirement	4,271	3,700	115.4%

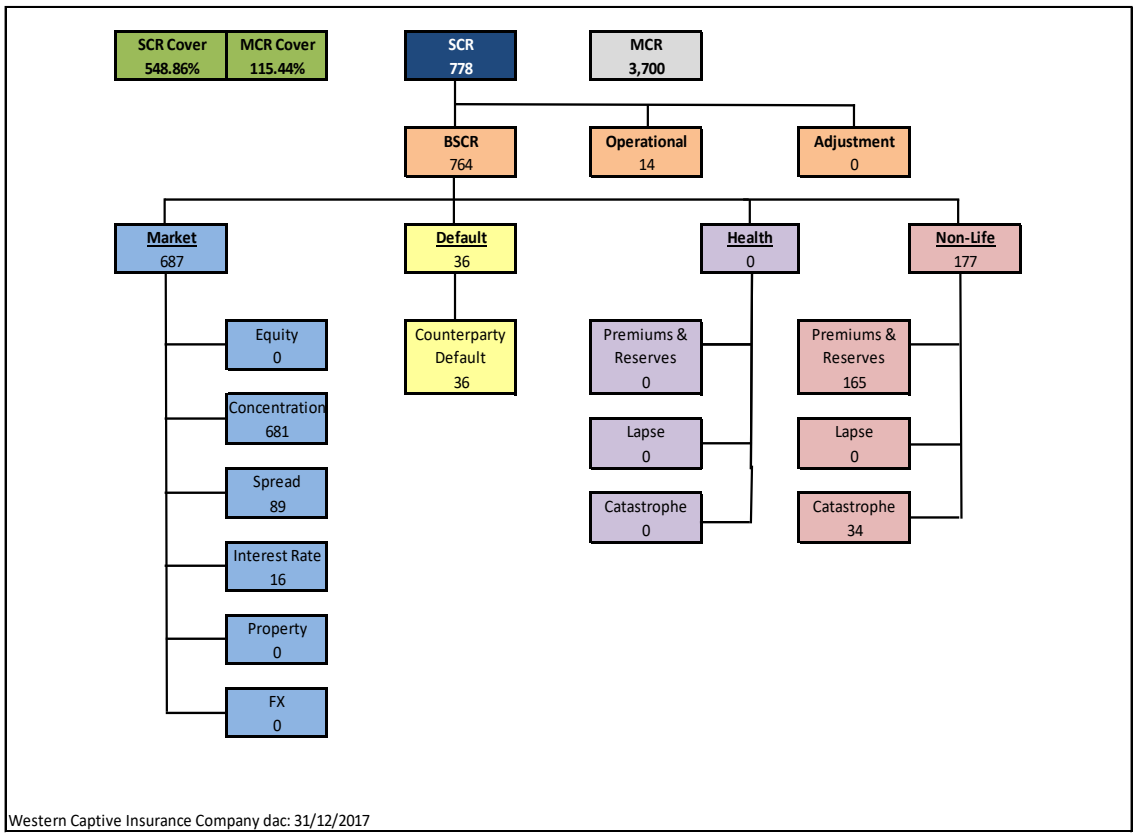
(b) – Split by Risk Module

As at 31st December 2018:



Western Captive Insurance Company DAC: 31/12/2018

As at 31st December 2017:



Western Captive Insurance Company dac: 31/12/2017

(c) – Simplified Calculations

The Company does not use simplified calculations for any risk modules or sub-modules of the Standard Formula.

(d) – Undertaking-specific Parameters

The Company does not use undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

(e), (f) – Required Specific Parameters

The Company is not required to apply any undertaking-specific parameters in accordance with Article 110 of Directive 2009/138/EC and is not subject to any capital add-on.

(g) – Minimum Capital Requirement

The MCR as calculated using premium volume is as follows (EUR 000):

As at 31st December 2018:

Line of Business	Net Technical Provision	Net Premium Written	Parameters		MCR NL
			α	β	
General liability insurance	849	-	10%	13%	87
Credit & Suretyship	-	-	18%	11%	-
Total	**849**	**-**			**87**

As at 31st December 2017:

Line of Business	Net Technical Provision	Net Premium Written	Parameters		MCR NL
			α	β	
General liability insurance	441	-	10%	13%	45
Credit & Suretyship	30	67	18%	11%	13
Total	**471**	**67**			**58**

Since the figure of EUR 87k is less than the floor of 25% of the SCR, the floor of 25% of the SCR is applied – i.e. EUR 290k. Since this figure is less than the absolute floor of the MCR for non-life insurance undertakings of EUR 3.7M, it is the absolute floor of EUR 3.7M that applies.

(h) – Material Changes over the Reporting Period

There has been no material change in the Company's SCR or MCR over the period.

E.3 – Duration-based Equity Risk

The Company does not use the duration-based equity risk sub-module as set out in Article 304 of Directive 2009/138/EC in the calculation of the Solvency Capital Requirement.

E.4 - Differences between the standard formula and any internal models used

An internal model is not used by the Company.

E.5 - Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement

There has been full compliance with Minimum Capital Requirement and the Solvency Capital Requirement.

E.6 - Any other information

There is no other material information regarding the capital management of the Company.

Means of Disclosure

The Company does not own or maintain a website related to its business, nor is it a member of a trade association. The Company will provide an electronic copy of this report to any person who requests a copy of this report.

Appendix

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	1,744
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	1,744
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	960
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	960
Reinsurance recoverables from:	**R0270**	1,505
Non-life and health similar to non-life	**R0280**	1,505
Non-life excluding health	**R0290**	1,505
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet	**R0400**	
Cash and cash equivalents	**R0410**	2,033
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	6,241

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	2,400
Technical provisions – non-life (excluding health)	**R0520**	2,400
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	2,354
Risk margin	**R0550**	46
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	37
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	2,438
Excess of assets over liabilities	**R1000**	3,804

S.05.01.02.01

Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**								1,200									1,200
Net	**R0200**								-1,200									-1,200
Premiums earned																		
Gross - Direct Business	**R0210**									13								13
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**								1,200									1,200
Net	**R0300**								-1,200	13								-1,187
Claims incurred																		
Gross - Direct Business	**R0310**								2,012									2,012
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**								1,500									1,500
Net	**R0400**								512									512
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**								162	7								169
Other expenses	**R1200**																	
Total expenses	**R1300**																	169

S.17.01.02

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
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 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																	
Claims provisions																		
Gross	R0160								2,354									2,354
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								1,505									1,505
Net Best Estimate of Claims Provisions	R0250								849									849
Total Best estimate - gross	R0260								2,354									2,354
Total Best estimate - net	R0270								849									849
Risk margin	R0280								46									46
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								2,400									2,400
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								1,505									1,505
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340								895									895

S.19.01.21

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

		Development year												
Year		1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											R0100		
2008	R0160	8	45	164	4	96	0	9				R0160		326
2009	R0170	3	20	138	88	0	46	1				R0170		296
2010	R0180	4	22	39	55	80	26	30	27			R0180	27	283
2011	R0190											R0190		
2012	R0200											R0200		
2013	R0210											R0210		
2014	R0220											R0220		
2015	R0230											R0230		
2016	R0240											R0240		
2017	R0250											R0250		
												Total R0260	27	904

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year											Year end (discounted data)
Year		1	2	3	4	5	6	7	8	9	10 & +		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											R0100	
2008	R0160											R0160	
2009	R0170							329	428	2,336		R0170	2,345
2010	R0180						30	12	9			R0180	9
2011	R0190											R0190	
2012	R0200											R0200	
2013	R0210			3								R0210	
2014	R0220		4									R0220	
2015	R0230	23	1									R0230	
2016	R0240	23										R0240	
2017	R0250											R0250	
												Total R0260	2,354

S.23.01.01

Own funds

		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 (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	635	635			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3,169	3,169			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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					
Total basic own funds after deductions	R0290	3,804	3,804			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	3,804	3,804			
Total available own funds to meet the MCR	R0510	3,804	3,804			
Total eligible own funds to meet the SCR	R0540	3,804	3,804			
Total eligible own funds to meet the MCR	R0550	3,804	3,804			
SCR	R0580	1,160				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	327.87%				
Ratio of Eligible own funds to MCR	R0640	102.80%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	3,804
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	635
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,169
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	

S.25.01.21

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	817		
Counterparty default risk	R0020	321		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	280		
Diversification	R0060	-330		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	1,088		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	71
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	1,159
Capital add-on already set	R0210	
Solvency capital requirement	R0220	1,159
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	87

		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		
General liability insurance and proportional reinsurance	R0090	849	
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
MCR_{L} Result	R0200	

		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	87
SCR	R0310	1,159
MCR cap	R0320	521
MCR floor	R0330	290
Combined MCR	R0340	290
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	3,700