

# **Canterbury Insurance Designated Activity Company**

Undertaking Identification Code: LEI/549300MJZ4EHFH61YM19

## **Solvency and Financial Condition Report**

**For the year ended 31 December 2019**

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## **Section A Business and Performance**

### **A.1 Business and Performance Summary**

#### **Introduction**

Solvency II, the harmonised EU-wide regulatory regime for Insurance Companies, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by insurers. This document is the Solvency and Financial Condition Report (“SFCR”) that is required to be published by Canterbury Insurance Designated Activity Company (“the Company”).

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. Ultimate responsibility for all these matters lies with the Company’s Board of Directors, with the help of various governance and control functions that it has put in place to monitor and manage the business.

The Company is required to hold sufficient assets to match its policyholder liabilities at all times and a primary responsibility of the Board is to ensure that the Company’s capital is adequate to cover the required solvency for the nature and scale of the business, and the expected operational requirements of the business. Several mechanisms are in place to evaluate those levels and the outcome of those assessments indicate that the Company’s capital is adequate at this time and for the expected requirements in the short to medium term.

The Company’s financial year runs to 31 December each year and it reports its results in United States Dollars (US\$). There have been no material changes to Canterbury’s business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

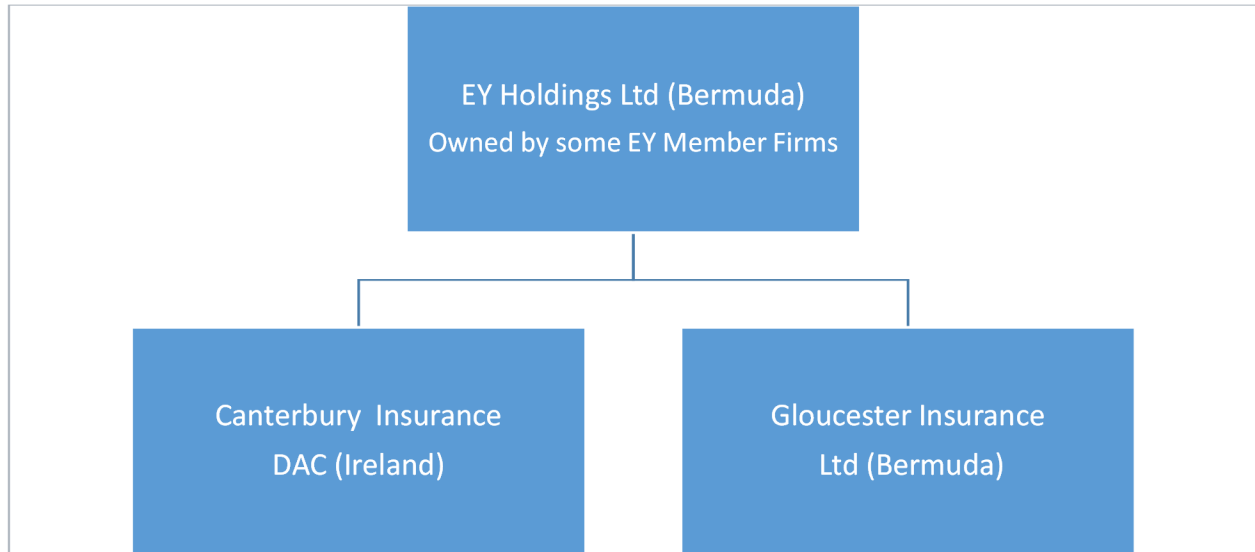
#### **Legal Name, Legal Form & Related Companies**

Canterbury Insurance Designated Activity Company was incorporated under the laws of Ireland on 30 April 1996. All shares are held by the Company’s parent EY Holdings, Ltd. (the “Parent”), a Bermuda entity owned by several members of Ernst & Young Global Limited. The Company is affiliated to Gloucester Insurance Ltd. (“Gloucester”) which is a captive insurer with all shares fully held by EY Holdings, Ltd. An affiliated company RAM IIC, Inc was liquidated in 2019.

#### **Principal Activity & Geographical Area**

The principal activity of the Company is to provide Professional Indemnity Insurance and Property and Casualty (P&C) to members of Ernst & Young Global Limited (EY member firms). The Company writes direct business primarily to firms within member nations of the European Union. The Company cedes a portion of risk to Gloucester and to a number of commercial reinsurers.

## Organizational structure



### **Significant Events within the reporting period**

None.

### **Business Strategy, Competitive Position, and Significant Regulatory & Legal Issues**

The business strategy of the Company is to provide EY member firms with insurance protection that leverages the insurance expertise and capital of the EY organisation to provide such cover on better terms than the member firms could obtain on a local basis from commercial carriers.

The Company operates in a regulated industry but does not face extraordinary significant regulatory and legal challenges.

### **Location of Business**

The Company's registered office and main place of business is situated at:

Block 1  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

### **Regulator**

The Central Bank of Ireland ("CBI") is responsible for the financial supervision of the Company and of the Group.

The address of the CBI is:

Central Bank of Ireland  
PO Box 559  
New Wapping Street  
North Wall Quay  
Dublin 1  
Ireland

General insurance queries for the CBI should be addressed to [insurance@centralbank.ie](mailto:insurance@centralbank.ie)

### **External Auditor**

Canterbury appointed Grant Thornton as independent auditor of the Company in 2019 to replace EisnerAmper.

The address of the independent auditor of the Company is:

Grant Thornton,  
13-18 City Quay,  
Dublin 2, D02 ED70,  
Ireland.

### **A.2 Financial Performance**

The financial performance of the Company for the year ended 31 December 2019 and 2018 (as determined using IFRS accounting principles) was as follows:

|                                                      | 2019          | 2018          |
|------------------------------------------------------|---------------|---------------|
|                                                      | US\$ 000      | US\$ 000      |
| Profit for the year, after taxation                  | 18,079        | 734           |
| Retained profit at the beginning of the year         | 56,860        | 56,126        |
| <b><u>Retained profit at the end of the year</u></b> | <b>74,939</b> | <b>56,860</b> |

The Company has an expected loss plus cost underwriting pricing model. While some volatility in underwriting results is anticipated (constrained by the intra-group and commercial reinsurance programs), over the medium-term premiums are expected to match losses incurred and operating expenses – net income is expected to consist of the return on the conservatively-managed investment portfolio less tax.

The Company made a profit in 2019, driven by underwriting performance and investment gains. The directors are satisfied with the performance of the Company during the year. The directors do not envisage any change in the principal activity of the Company.

## **Underwriting Performance**

### **Key Performance Indicator**

The Company seeks to ensure that it collects enough premium income to meet the cost of potential claims over time. Underwriting performance for the year ended 31 December 2019 and 2018 was as follows:

|                                                    | 2019       | 2018       |
|----------------------------------------------------|------------|------------|
|                                                    | US\$ 000   | US\$ 000   |
| Net earned premium for the year                    | 12,364     | 10,767     |
| Net losses incurred for the year                   | 4,619      | 3,922      |
| <b><u>Loss ratio expressed as a percentage</u></b> | <b>37%</b> | <b>36%</b> |

The claims experience in the 2019 financial year has been better than expected due to lower anticipated losses on older claims years.

Underwriting performance for the year ended 31 December 2019 by line of business was as follows:

|                                                    | Professional Indemnity<br>Insurance | Property &<br>Casualty |
|----------------------------------------------------|-------------------------------------|------------------------|
|                                                    | US\$ 000                            | US\$000                |
| Net earned premium for the year                    | 12,220                              | 144                    |
| Net losses incurred for the year                   | 4,526                               | 93                     |
| <b><u>Loss ratio expressed as a percentage</u></b> | <b>37%</b>                          | <b>65%</b>             |

The underwriting performance for the year ended 31 December 2018 by line of business was as follows:

|                                                    | Professional Indemnity<br>Insurance | Property &<br>Casualty |
|----------------------------------------------------|-------------------------------------|------------------------|
|                                                    | US\$ 000                            | US\$000                |
| Net earned premium for the year                    | 10,525                              | 242                    |
| Net losses incurred for the year                   | 3,923                               | (1)                    |
| <b><u>Loss ratio expressed as a percentage</u></b> | <b>37%</b>                          | <b>(0.4%)</b>          |

The Directors are satisfied with the underwriting performance of the Company during the year which was within expected parameters. The underwriting results have been stress tested as part of the ORSA process.

### **A.3 Investment Performance**

#### **Key Performance Indicator**

The Company follows a capital preservation investment strategy.

Investment income/(loss) for the year ended 31 December 2019 and 2018 shows that there have been gains during the year which are a result of strong market performance of all asset classes held in 2019. :

|                                                     | 2019          | 2018           |
|-----------------------------------------------------|---------------|----------------|
|                                                     | US\$ 000      | US\$ 000       |
| Net realized gains (losses)                         | 1,365         | 3,222          |
| Fair value gains and foreign exchange               | 13,082        | (7,787)        |
| Interest income                                     | 2,039         | 1,508          |
| <b><u>Investment income/income for the year</u></b> | <b>16,486</b> | <b>(3,057)</b> |

Investment (loss)/income for the year ended 31 December 2019 and 2018 by asset class was as follows:

|                                                     | 2019          | 2018           |
|-----------------------------------------------------|---------------|----------------|
|                                                     | US\$ 000      | US\$ 000       |
| Sovereign Debt                                      | 6,421         | 2,265          |
| Emerging Market Debt                                | 4,510         | (1,756)        |
| Equities                                            | 2,576         | (1,038)        |
| Corporate Debt                                      | 2,683         | (1,377)        |
| Other                                               | 296           | (1,151)        |
| <b><u>Investment income/(loss) for the year</u></b> | <b>16,486</b> | <b>(3,057)</b> |

No unrealized gains or losses were recognized directly in equity.

The Directors are satisfied with the investment performance of the Company during the year which was in the high range of expected parameters and benchmarks.

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval.

Canterbury invests in some commingled fund vehicles that can hold securitised assets, but this is not the core strategy for these funds. It is expected that Canterbury's total exposure to securitised assets via fund ownership would be low.

### **Transactions with the Sole Shareholder**

There were no material transactions with the sole shareholder (EY Holdings, Ltd.) during the period under review.

### **A.4 Other Activities**

There were no other material sources of income during the year.

## **Section B System of Governance**

### **B.1 General Information on the System of Governance**

The Canterbury Board always retains primary responsibility for corporate governance within the Company. The Company has robust governance arrangements and processes to identify, manage, monitor and report on risk to which it might be exposed. The systems of governance are subject to regular review.

#### **Board of Directors**

The Board is responsible for the effective, prudent and ethical oversight of the Company, setting the business strategy and ensuring that risk and compliance are properly managed in the Company. The Board has established risk and investment sub-committees and the Board is responsible for the oversight of these sub-committees. The Board believes the current system of governance is adequate to manage the risks inherent to the Company's business.

The members of the Board of Directors receive no remuneration for their services as directors to the Company.

#### **Board of Directors**

|                   |                                      |
|-------------------|--------------------------------------|
| Dargan FitzGerald | Chairperson & non-executive director |
| Lisa Cameron      | Non-executive director               |
| Alisdair Mann     | Non-executive director               |
| Gareth Harman     | Non-executive director               |
| Rob Scullion      | Executive director                   |
| Aidan Walsh       | Non-executive director               |

#### **Officers**

|                |                                          |
|----------------|------------------------------------------|
| Rob Scullion   | Chief Executive Officer and Head of Risk |
| Fionnuala Fahy | Chief Operating Officer                  |
| Fionnuala Fahy | Company Secretary                        |

#### **Control Function Positions**

|                            |                                                   |
|----------------------------|---------------------------------------------------|
| Captive Manager            | Aon Insurance Managers Limited (Ireland)          |
| Claims Manager             | Lucy Myres                                        |
| Head of Compliance         | Aon Insurance Managers Limited (Ireland) Employee |
| Head of Internal Audit     | Gareth Harman                                     |
| Head of Actuarial Function | Alex Lee                                          |

### **Investment Committee**

Rob Scullion  
Alisdair Mann  
Gregory Davies

### **Risk Committee**

Lisa Cameron  
Fionnuala Fahy  
Pamela Roye  
Lucy Myres  
Rob Scullion

### **Roles & Responsibilities of the Risk Committee**

The Risk Committee assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems
- The implementation of the Company's risk strategy and maintenance thereof
- The oversight of Solvency II developments
- The timely reporting of material deviations from defined risk appetite
- Monitoring the effectiveness, independence and objectivity of the ERM framework

### **Roles & Responsibilities of the Audit Committee**

The Canterbury Board performs the Audit Committee role and ensures:

- The integrity of the Company's financial statements
- The effectiveness of the Company's internal controls
- The effectiveness of the Company's Internal Audit function
- Monitoring the effectiveness, independence and objectivity of the external auditor.

### **Roles & Responsibilities of the Investment Committee**

The Company's Investment Committee assists the Board in discharging responsibility for the prudent management of the Company's investment portfolio.

### **Control Functions**

### **Roles & Responsibilities of the Chief Operations Officer (CEO)**

The CEO is the top executive responsible for the Company, with ultimate responsibility for the Company's operations, compliance and performance.

### **Roles & Responsibilities of the Chief Operations Officer (COO)**

The Chief Operations Officer is the sole employee of Canterbury and oversees the day to day activities of the Company.

### **Roles & Responsibilities of the Head of the Actuarial Function (HoAF)**

The Head of Actuarial Function is responsible for the oversight of the Company's Actuarial Function in line with guidance from the CBI and professional actuarial standards.

The responsibilities of the Head of Actuarial Function include:

- Coordinating the calculation of the Company's technical provisions
- Assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- Reporting on the solvency position of the Company
- The provision of advice and support to the Company on the ORSA (Own Risk and Solvency Assessment) process, including the financial consequences of stresses and scenarios and the impact of management actions

### **Roles & Responsibilities of the Head of Internal Audit**

The Head of Internal Audit assesses the adequacy of the governance, risk management and internal control framework. Internal Audits are conducted within a Board approved audit plan. The Head of Internal Audit reports to the Board.

Internal Audit Reports 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. In addition to its regular reporting, the Internal Audit Department reports to the Audit Committee.

### **Roles & Responsibilities of the Head of Risk**

The Head of Risk is responsible for the implementation of the Company's Risk Management Policy, reporting to the Board's Risk Committee and the Board.

The responsibilities of the Head of Risk include:

- Oversight the Company's Enterprise Risk Management framework
- Identify risk events and identification of new and emerging risks
- To ensure that the annual 'Own Risk and Solvency Assessment' (ORSA) is prepared and submitted to the Board Risk Committee and Board

## **Roles & Responsibilities of the Head of Compliance**

The Head of Compliance was appointed, via a formal outsourcing arrangement with Aon Insurance Managers Limited (Ireland), with responsibility for the implementation of the Company's Compliance Policy and effective processes. The Head of Compliance reports to the Board. The responsibilities of the Head of Compliance include:

- To report on significant instances of non-compliance to the Board
- To monitor Compliance within the Company and its service providers, making recommendations where change is required, and to maintain the Company's Breach Register
- To monitor regulatory change and to inform the Company and its service providers where such changes have implications for the Company's processes

## **B.2 Fit & Proper Requirements**

The Company has adopted a Fitness and Probity Policy, which sets out the due diligence checks that must be performed and which aligns with the Central Bank of Ireland's Guidance on Fitness and Probity Standards.

The following criteria must be satisfied:

- possesses the necessary skills, knowledge, expertise, diligence, relevant qualification and soundness of judgment to undertake and fulfill the duties and responsibilities of the particular position
- has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously in their professional career
- possesses the competence, character, diligence, honesty, integrity and judgment to perform properly their duties
- the person does not have a conflict of interest in performing the duties or recuses themselves if a conflict arises
- has not been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding the person's honesty, integrity, or business conduct
- has not been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management
- has sufficient time to devote to the role and associated responsibilities
- financially sound

### **B.3 Risk Management System & ORSA**

The Company has established a Risk Committee which reports to the Board. The Company's principal risk management tools are the ORSA, Risk Register and Risk Appetite Statement. The ORSA is updated and approved annually (or more frequently if an ORSA is required due to significant changes in the Company's risk environment) by the Board. Through the processes undertaken to prepare the ORSA, management is able to confirm that the Company's risk profile is understood and appropriate for the nature of its business and within the risk appetite established by the Board. The Company's regulatory capital requirements and technical provisions during the historical period covered by the ORSA have continuously been met, and its capital and solvency positions as of 31 December 2019 were appropriate.

#### **The main objectives of the ORSA are as follows:**

- Assessment of the Company's risk profile in the short and medium term
- Review the overall solvency position of the Company, in compliance with regulatory capital requirements and technical provisions
- Enable the integration of risk strategy into the operating business and into the decision making process
- Enhance a common risk understanding within the company's system of governance
- Facilitate a comprehensive ORSA process that is flexible, reactive and able to detect and evaluate changes to the Company's risk profile and the system of governance on an on-going process.
- Enable own risk and solvency assessment
- Support the Company making appropriate forward-looking assessments and analysis
- Enhance understanding of industry wide risks
- Ensure adequate documentation is in place to record these processes in an effective and efficient manner

Updating the ORSA involves an iterative process involving:

- Management and Board input
- A discussion of insurance industry risk with EY insurance partners
- A discussion of both organisational and captive risk by the Risk Committee
- A review and updating of the Risk Register
- A review by Internal Audit
- A review of the ORSA by the Board
- A review of the Company's risk tolerance by the Board

In addition, capital scenarios created through various modeling and benchmarking exercises were reviewed and discussed at the Company's Summer Strategy Meeting.

The principal risks and uncertainties that the Company face are, by the very nature of the business, those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgement is involved, the directors adopt a prudent approach to the provision and valuation of adequate insurance provisions, with annual support and certification being provided by an external actuary.

#### **B.4 Internal Control System**

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board or Committee.

#### **Governance Process and Control Framework Review**

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board, or Committee.

#### **Risk Committee**

The Risk Committee supports the Head of Risk in performing his responsibilities of identifying risks to the Board and ensuring that mitigation strategies and techniques are created with respect to those risks and previously-identified mitigation techniques and strategies are examined for their effectiveness.

#### **Tax review**

An annual tax review is conducted and a transfer pricing report is prepared periodically.

#### **Compliance Function**

The Compliance function identifies, assesses, monitors, and reports on the fulfillment by the Company of its legal and regulatory performance as well as such other obligations or responsibilities as requested by the regulator and other relevant parties. The Compliance function maintains a Compliance Plan that identifies its annual compliance activities and which is updated annually.

#### **B.5 Internal Audit Function**

The nature of the work of Internal Audit is to support the Board in their assessment of whether the risk management, control, and governance processes are adequate and functioning in an appropriate manner. The Internal Audit function is outsourced to EY Bermuda and is independent of the management of the

Company. A three year rolling Internal Audit plan is based upon the risks outlined in the risk register and input from Internal Audit and the Boards.

## **B.6 The Actuarial Function**

The Actuarial services to support the Company are outsourced to Aon. In addition, EY Bermuda provides support with the preparation of Solvency II calculations, while the role of Head of Actuarial Function is held by Alex Lee, an employee of Ernst & Young LLP (UK). Collectively, they provide assistance to management as follows:

- The calculation of expected losses (used for premium setting), losses reserves, and the technical provisions including assessing the uncertainty in the estimates and justifying the differences between successive periods
- Review of the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience
- The Actuarial function must produce an annual report for the Board. The report should cover all of the information necessary for the Board to form its own opinion on the adequacy of technical provisions and on the underwriting and reinsurance arrangements
- In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the Head of Actuarial contributes to the effective implementation of the risk management system of the Company. In particular:
  - In relation to the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR), the Head of Actuarial reviews the output of the model used by the Company to calculate the SCR and MCR. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised.
  - The preparation of the ORSA including the stress testing of the capital model

## **B.7 Outsourcing**

The Company outsources various functions when there is a sound commercial basis for doing so. As detailed in the Outsourcing Policy, various due diligence reviews are conducted to ensure that outsourced functions are performed appropriately.

The Company defines Outsourcing as an arrangement of any form between itself and a third party service provider, whether a supervised entity or not and whether related or not, by which that service provider performs a process, a service, or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

The Company's outsourcing policy establishes the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important functions and activities. A function or activity is critical or important if the Company would be unable to deliver its services to policyholders without the function or activity.

The Board is responsible for the approval of all outsourcing arrangements of critical or important functions or activities, and any early termination of such agreements where termination of the arrangement is due to performance issues or breach of contract. The Board is also responsible for assessing the risks

associated with the outsourcing of critical or important functions or activities. The Board is responsible for ensuring appropriate notification is made to the supervisory authorities with respect to the outsourcing of critical or important functions or activities, and thereafter where there are material developments or changes with respect to those outsourced functions or activities, including in relation to the service provider.

Management provides an annual report to the Board of its review of the performance of the outsource provider and compare against the required performance as prescribed in the agreed service agreement.

#### **Critical or Important Functions or Activities ("CIFA")**

|                      |                                                                               |
|----------------------|-------------------------------------------------------------------------------|
| Actuarial Function   | Aon (US) & EY (UK)                                                            |
| Claims Management    | EY Professional Services Limited (Canada)                                     |
| Compliance           | Aon Insurance Managers Limited (Ireland) and EY PII Services Limited (Canada) |
| Financial Accounting | Gloucester Insurance Limited (Bermuda)                                        |
| Independence         | Gloucester Insurance Limited (Bermuda)                                        |
| Internal Audit       | EY (Bermuda)                                                                  |
| IT Services          | EY Global Services (UK)                                                       |

#### **B.8 Any Other Information & Adequacy of the System of Governance**

The Company has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company which is closed to new business.

#### **Material Internal Audit Findings & Recommendations**

There were no material internal audit findings and recommendations in the year.

#### **Prudent Person Principle**

The Company and Directors comply with the Prudent Person Principal in all aspects of management of the business.

#### **Use of External Credit Assessment**

The Company utilizes external credit assessments (rating agency financial strength ratings) of its reinsurance counterparties augmented with guidance from its Risk Committee and advisors. The Company requires its commercial reinsurers to have a minimum of an A- rating and the Directors are satisfied with the appropriateness of such assessments.

## **C. Risk Profile**

### **C.1 Underwriting Risk – including Claims Management**

The Company seeks to mitigate underwriting risk by only writing cover to EY member firms, maintaining a stop loss program with Gloucester, buying commercial reinsurance, and Gloucester's obligation to protect the Company against failures by its reinsurers.

With respect to the premium charged for the risk it underwrites, the Board operates on a prudent basis. In terms of premium, the Board monitors the process for the determination of the premium for the PII program to be charged to member firms. Changes to that program cannot take place without the approval of the Board. The Board satisfies itself that the determination of premium is based upon a determination by an independent actuary of the expected losses of the member firms and that the allocation of that amount amongst member firms is based upon a prudent risk-based methodology overseen, again, by an independent third party. The Board reviews and approves the pricing of the P&C program generally by reference to similar cover offered in the commercial markets which is more readily comparable.

With respect to claims management, the Company has a low tolerance for claims not being managed in an appropriate fashion. The Company delegates claims management authority to Gloucester who in turn delegates responsibility to EY PII Services Limited. Management of claims as well as strategic decisions is overseen by the Claims Committee (a sub-committee of the Gloucester board). Settlement payments are approved in accordance with a Claims Manual. Significant settlement and payment decisions are also considered by the Board.

### **C.2 Market Risk**

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval. Canterbury's Investment Policy expresses the company's risk appetite as follows - to minimize the probability of experiencing asset declines of 10% or greater due to investment losses in any one-year period.

### **C.3 Credit Risk**

The Company's risk appetite with respect to counterparty/supplier risk is moderate given that is part of a captive group insuring long-tail business for a multi-billion dollar organization and holds collateral to eliminate credit risk exposure to its principal counterparty. The Company is prepared to accept some risk associated with a supplier providing services which are material or significant to the enterprise; supplier risk in such a case is to be identified and to the extent possible, mitigated. It also has a greater willingness to rely upon one primary reinsurer - Gloucester - than might otherwise be the case, both because of the captive nature of the business, but as well because of the familiarity that the Company's Board has with the operations and management of Gloucester. Having said that, the Company regularly reviews the Gloucester financial statements as well as their critical decisions, to continuously monitor its comfort with Gloucester as counterparty. The Company carries out an annual review of all outsourced services deemed by the Board to be critical and/or important.

With respect to commercial reinsurers, all reinsurers must have at least an A- rating, as described in the Reinsurance Policy.

All reinsurance decisions are approved by the Board.

#### **C.4 Liquidity Risk**

In conjunction with its conservative investment strategy, the Company manages its liquidity on a prudent basis.

The Directors will assess on a periodic basis (no less than annually) the desirability of matching assets with liabilities given the then-current economic circumstances, portfolio of risk written, claims portfolio, and the financial circumstances of the Company. This assessment will be made in the context of the Company's general time period associated with the book of liabilities funded with a conservatively-managed investment strategy founded on capital preservation.

The Board, though, has a low risk appetite for not being able to pay claims as they fall due. A liquidity assessment of the Company's portfolio strategy (the balance of short and longer-term assets) is prepared at least annually to ensure that a sufficiently large portion of the portfolio is held in assets that can be readily sold.

#### **C.5 Operational Risk**

The Board reviews the Company's operational risk annually to determine the risk appetite of the Company and in addition review whether decisions taken over the previous year were consistent with risk appetite as identified by the Board. A detailed review of the Company's risk register and risk appetite is contained in the ORSA.

The Board takes a broad view in relation to operational risk and considers it to include all risks that could have a material impact on the day to day infrastructural activities undertaken by management including privacy, succession planning and integrity of information platforms.

To manage and monitor risk, the widely known three lines of defence conceptual model is applied: Management is directed to deploy and apply suitable processes and controls; the Head of Risk is charged with a number of monitoring and oversight activities; and internal and external audit provide independent challenge and review.

- The first line of defence uses controls over day-to-day activities embedded in operations
- The second line of defence are committees and functions which provide oversight over the first line controls
- The third line of defence is the oversight provided by internal audit

While the Board is ultimately responsible for ensuring that controls and risk appetite have been followed, it is the responsibility of the Company's management and the individuals involved in the various control area to ensure that controls are being followed and to bring issues relating to the operation of controls to the most appropriate of management, the Board, or internal audit's attention.

## **C.6 Other Material Risks – Including Concentration Risk**

Due to the nature of the business of the Company (i.e. the writing of EY risk) and the number of employees of the Company, the Company has several “concentration” risks. Given the nature of these risks, the Company identifies concentration concerns within its risk categories rather than as a standalone risk so concentration risk is embedded in the underwriting risk taken on by the Company as it only provides insurance covers to the EY organization. Concentration risk also arises within the counterparty/supplier risk as the Company utilizes suppliers to provide material services to the Company.

## **Off-Balance Sheet Positions & Special Purpose Vehicles**

There are no off-balance sheet positions or special purpose vehicles.

## **Stress Testing & Scenario Testing**

As described in the Company’s ORSA, the Company stress tests its underwriting and investment portfolio on an annual basis. The Directors are satisfied that the Company’s Own Funds are sufficient to withstand the stresses modelled.

## **Expected Profits in Future Premiums (“EPIFP”)**

Future premium expected from earned and unearned exposures is included in technical provisions. This results in a decrease in the technical provision amounts, by the amount of premium expected to be received. This item is allowed for as an asset on the balance sheet under IFRS (i.e., the premium receivables) and so there is no change in the net asset position.

## **Dependencies between risks covered by Risk Modules and the Basic SCR**

The calculation of the SCR is based on the standard formula. This includes consideration of dependency both within each risk type (non-life underwriting risk, market risk, counterparty risk and operational risk) and between each of these risk types. This allows for some potential for adverse events impact different factors to which Canterbury is exposed, but also not assuming that every adverse shock modelled within the standard formula occurs simultaneously.

## **Other material information regarding the Risk Profile**

None.

## **D. Valuation for Solvency Purposes**

The Solvency II Standard Formula is used for calculating the Canterbury's capital requirements. The standard formula under Solvency II attempts to cover the key risks for an insurance company and includes amounts for underwriting risk, reserve risk, exposure to catastrophes (i.e. very large individual claims), counterparty default risk, market risk and operational risk.

The calibration of the model is intended to cover a variety of different types of insurers but it should be recognized that it is unlikely to be a "perfect fit" for every insurer. Where an insurer anticipates that the standard formula is not appropriate then they can build their own internal model to determine their capital requirement. Overall the standard formula is seen as appropriate for Canterbury.

### **D.1 Assets**

The following table analyses the Company's financial assets at fair value at 31 December 2019 and 2018.

|                                 | 2019           | 2018           |
|---------------------------------|----------------|----------------|
|                                 | US\$ 000       | US\$ 000       |
| Financial Assets at Fair Value  | 204,211        | 178,849        |
| Funds Withheld                  | 3,765          | 11,145         |
| Reinsurance Balances Receivable | 165,476        | 159,322        |
| Deferred Tax                    | 2,198          | 1,527          |
| Cash & Cash Equivalents         | 30,206         | 16,610         |
| Other Assets                    | 404            | 6,054          |
| <b><u>Total Assets</u></b>      | <b>406,260</b> | <b>373,507</b> |

### **Financial Assets**

Financial assets at fair value include debt securities and other fixed income securities and are held within collective investment undertakings. These financial instruments are designated on the basis that their fair value can be reliably measured, and their performance has been evaluated on a fair value basis in accordance with the investment strategy of the Company.

### **Derivatives**

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments. The forward foreign currency exchange contracts are classified as held for trading as the financial risk management objective does not qualify for hedge accounting as outlined in IAS 39. When entering into a forward currency exchange contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily, and the Company's net equity therein, representing unrealised gain or loss on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of financial position. Fair values are determined by using quoted market

values. Change in unrealised and realised gains and losses are recognized in the statements of comprehensive income.

### **Cash and cash equivalents**

Cash is comprised of demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For these short-term investments, the carrying value approximates the fair value.

### **Premiums receivable**

Premium receivable represents amounts outstanding from individual insured firms. The Company classifies these financial assets as loans and receivables and records them initially at the amount invoiced, being the fair value. Subsequent to initial recognition, the Company reviews individual receivable balances at each statement of financial position date to assess whether any of the balances may be uncollectible and, if so, establishes a provision for doubtful accounts, which is recognized in the statements of comprehensive income. The carrying amount is equal to the outstanding receivable balance, which approximates fair value.

### **Deferred taxation**

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

## **D.2 Technical Provisions**

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position dates and for the expected ultimate cost of claims incurred but not yet emerged at the statement of financial position dates. It can take a significant period of time before the ultimate claims cost can be established with certainty. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The Company cedes insurance risk in the normal course of business. Reinsurance recoverable amounts are estimated in a manner consistent with the respective outstanding claims provision and in accordance with the reinsurance contracts. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. Any impairment loss is recorded in the statements of comprehensive income. No impairment losses were recorded for the years under review.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such,

these methods extrapolate the development of paid and incurred losses, average costs per claim, and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by loss years, but can also be further analyzed by geographical area, as well as by significant claim types. The assumptions used are those implicit in the historic claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, changes in foreign currency rates, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as policy conditions and claims handling procedures), in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking into account all of the uncertainties involved.

A risk margin is added under Solvency II to bring the technical provisions up to the amount that an undertaking would require in order to take over and meet the insurance and reinsurance obligations. The risk margin is calculated using a cost of capital approach. The SCR used for the calculation of this risk margin consists of:

- Underwriting risk with respect to existing business
- Counterparty default risk with respect to ceded reinsurance
- Unavoidable market risk, excluding interest rate risk

Technical provisions (gross of reinsurance) at 31 December 2019 and 2018 were as follows:

|                                        | 2019           | 2018           |
|----------------------------------------|----------------|----------------|
|                                        | US\$ 000       | US\$ 000       |
| Best Estimate                          | 236,935        | 221,925        |
| Risk Margin                            | 10,299         | 8,836          |
| <b>Technical Provisions (Non-Life)</b> | <b>247,234</b> | <b>230,760</b> |

The Company does not apply matching adjustments, volatility adjustments, or any transitional arrangements to the determination of the risk-free interest rate structure used. The liabilities nearly all relate to the professional indemnity business written.

### **D.3 Other Liabilities**

#### **Contingent liabilities**

The Company does not have any such contingent liabilities.

### **All other liabilities**

Other liabilities at 31 December 2019 and 2018 were as follows:

|                                 | 2019         | 2018         |
|---------------------------------|--------------|--------------|
|                                 | US\$ 000     | US\$ 000     |
| Derivatives                     |              | -            |
| Payables                        | 7,893        | 4,976        |
| <b><u>Other Liabilities</u></b> | <b>7,893</b> | <b>4,976</b> |

### **Derivatives**

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments. The forward foreign currency exchange contracts are classified as held for trading as the financial risk management objective does not qualify for hedge accounting as outlined in IAS 39. When entering into a forward currency exchange contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily, and the Company's net equity therein, representing unrealised gain or loss on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of financial position. Fair values are determined by using quoted market values. Change in unrealised and realised gains and losses are recognized in the statements of comprehensive income.

### **Payables**

These comprise of balances payable to related parties, tax, and accrued expenses. No adjustment is required to these valuations for the valuation for solvency purposes as the amounts held under IFRS measurement principles are deemed to be approximations of fair value.

### **D.4 Alternative Methods for Valuation**

The Company does not use any alternative methods for valuation.

### **Assumptions on future management actions and policy behavior**

Management assumes that in the event of unexpected and material financial underperformance, additional capital support from the parent company would be provided. There are no explicit undertakings from the parent in this regard. Management assumes that in the event of unexpected and material financial underperformance, the Company would be able to adjust premiums charged to EY member firms.

### **Simplifications**

The Standard Formula calculation is complex, requiring many items of data. Within the calculation there are some minor items which are approximated but which we believe will not make a significant impact on the overall capital requirement and therefore such methodologies are reasonable to adopt:

- After looking through to the underlying investments within the fund holdings there are large number of investments (over 5,000 individual investments). Information provided on these individual investments does not always include the modified asset duration and this has then been estimated based on the maturity date of the investment.
- Within the interest rate risk element of the calculation an approximation has been made to determine the impact of the interest rate shock on the investments based on their duration, rather than explicitly determining the cash flows on all the investments.
- For the man-made catastrophe risk for property there would be a very small exposure from the new property business written since 2016. This has not been separately calculated on the grounds of materiality, it is very small and is net nil to Canterbury so the impact on the capital requirement would be immaterial.

In these cases we believe the adopted approach to be proportional to the nature and scope of the business being modelled and the outcomes would not be materially different should no simplifications be used. These simplifications are monitored by the Actuarial Function for appropriateness on an ongoing basis.

## **E. Capital Management**

### **E.1 Own Funds**

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 primarily invested in debt securities and other fixed income securities. There is no intention to change the disposition of own fund items.

The Company has a low risk appetite with respect to its financial requirements. The Company maintains capital at levels in excess of its SCR and it has low tolerance for errors in its financial records, or in the financial reporting to regulators. The Company monitors its SCR ratio on a quarterly basis and would increase its level of scrutiny in the event that the ratio fell below 150% - in the event that the ratio were to fall below 125%, the Company would implement measures to either bolster Own Funds or measures to reduce capital needs. A five-year time horizon is used for business planning.

Own funds at 31 December 2019 and 2018 were comprised of the following:

|                                     | 2019           | 2018           |
|-------------------------------------|----------------|----------------|
|                                     | US\$ 000       | US\$ 000       |
| Ordinary Share Capital              | 1,600          | 1,600          |
| Other Own Funds                     | 90,000         | 90,000         |
| Reconciliation Reserve              | 57,335         | 44,645         |
| Net Deferred Tax Assets             | 2,200          | 1,527          |
| <b><u>Total Basic Own Funds</u></b> | <b>151,136</b> | <b>137,772</b> |

For the Company, all basic Own Funds are also eligible own funds. There are no ancillary Own Funds items.

There was no issuance of Own Funds in the years ended 31 December 2019 or 2018.

The small increase in basic own funds during the year has largely arisen from releases in the held reserves due to better than expected claims experience due to lower anticipated losses on older claims years offset by investment return losses.

The table below shows a reconciliation between the IFRS equity and Solvency II own funds.

|                                                                 | 2019           |
|-----------------------------------------------------------------|----------------|
|                                                                 | US\$ 000       |
| <b>IFRS Equity</b>                                              | <b>166,539</b> |
| Move from IFRS to Solvency II valuation of technical provisions | (19,180)       |
| Reinsurance Recoverables                                        | 1,703          |
| Deferred tax assets / liabilities                               | 2,200          |
| Other                                                           | (127)          |
| <b><u>Solvency II Basic Own Funds</u></b>                       | <b>151,136</b> |

This shows that the available capital under a Solvency II basis is lower due to the increase in the technical provisions under Solvency II (as a result of the inclusion of the SII risk margin and increased allowance for expenses).

## **E.2 Solvency Capital Requirement and Minimum Capital Requirement**

The Company's SCR ratio data at 31 December 2019 and 2018 was as follows:

|                                                   | 2019        | 2018        |
|---------------------------------------------------|-------------|-------------|
|                                                   | US\$ 000    | US\$ 000    |
| Eligible SCR Own Funds                            | 151,136     | 137,772     |
| Solvency Capital Requirement                      | 49,197      | 43,630      |
| <b><u>SCR Ratio expressed as a percentage</u></b> | <b>307%</b> | <b>316%</b> |

The Company's MCR ratio data at 31 December 2019 and 2018 was as follows:

|                                                   | 2019          | 2018          |
|---------------------------------------------------|---------------|---------------|
|                                                   | US\$ 000      | US\$ 000      |
| Eligible MCR Own Funds                            | 148,935       | 136,245       |
| Minimum Capital Requirement                       | 12,299        | 10,908        |
| <b><u>MCR Ratio expressed as a percentage</u></b> | <b>1,211%</b> | <b>1,249%</b> |

The overall SCR has reduced slightly during the year as a result of reduce market risk requirements (mainly as a result of improved recognition of the currency risk exposures).

The following table reconciles the differences (reconciliation reserve) between the equity in the financial statements and the excess of the assets over liabilities as calculated for solvency purposes:

|                                           | 2019           | 2018           |
|-------------------------------------------|----------------|----------------|
|                                           | US\$ 000       | US\$ 000       |
| <b>Total Shareholder's Equity</b>         |                |                |
| <b>per IFRS statements</b>                | <b>166,539</b> | <b>148,460</b> |
| Deferred Acquisition Costs                | (127)          | (131)          |
| Deferred Tax Asset                        | 2,200          | 1,527          |
| Reinsurance Receivables                   | 1,703          | (1,101)        |
| Technical Provisions                      | (19,180)       | (10,983)       |
| Other Liabilities                         |                | 4,071          |
| <b><u>Solvency II Basic Own Funds</u></b> | <b>151,136</b> | <b>137,772</b> |

**Table of SCR requirements split by risk modules at 31 December 2019 and 2018 (US\$ 000)**

|                                            | 2019          | 2018          |
|--------------------------------------------|---------------|---------------|
|                                            | US\$ 000      | US\$ 000      |
| Market Risk                                | 26,164        | 23,444        |
| Counterparty default Risk                  | 3,531         | 3,037         |
| Non-Life Underwriting Risk                 | 24,819        | 21,376        |
| Diversification                            | (12,424)      | (10,886)      |
| <b>Basic Solvency Capital Requirement</b>  | <b>42,089</b> | <b>36,972</b> |
| Operational Risk                           | 7,108         | 6,658         |
| <b><u>Solvency Capital Requirement</u></b> | <b>49,197</b> | <b>43,630</b> |

The overall SCR has increased during the year as a result of new policies written in different jurisdictions together with a growth in net of reinsurance reserves (mainly as a result of improved recognition of the currency risk exposures).

### **E.3 Any Other Information**

The Company applies the Standard formula model and does not use an internal model to calculate the Solvency Capital Requirement.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

### **E.4 Post balance sheet event**

The Covid-19 disease, caused by the SARS-CoV-2 virus, was first documented in humans in November 2019, with the first official death recorded on 11 January 2020. Following this, China imposed strict containment procedures in Wuhan on 23 January, where they believe the virus originally broke-out. There have been multiple subsequent “lockdowns” globally, resulting in significant economic shocks due to hesitancy in the general public regarding travel and leisure activities. It is currently unclear how this will affect the Company, but there is potential for increased claims as part of the wider economic impact of the virus. As of December 31, 2019, and through the date these financial statements were approved by the Board of Directors on March 31, 2020, no allowance for this event in its provision calculations has been made.

The potential impacts of the Covid-19 disease on the Solvency II capital position of the Company have been modelled, and the results show that the Company would continue to be adequately capitalized.

## **Appendix**

In relation to Canterbury's obligations to its policyholders on the basis of confidentiality and sensitivity of certain information and in accordance with Article 53(1) and (2) of Directive 2009/138/EC the Company has been granted a waiver from the Central Bank of Ireland from the public disclosure of Qualitative Reporting Template ("QRT") S.05.02.01 - Premium, claims and expenses by country.

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## ANNEX I - QUANTITATIVE REPORTING TEMPLATES

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The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.05.01.02 - Premiums, claims and expenses

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

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

|        |                                                                                        | C0010             |
|--------|----------------------------------------------------------------------------------------|-------------------|
|        |                                                                                        | Solvency II value |
| Assets |                                                                                        |                   |
| R0030  | Intangible assets                                                                      |                   |
| R0040  | Deferred tax assets                                                                    | 2,201             |
| 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)        | 204,211           |
| 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                                                    | 204,211           |
| R0190  | Derivatives                                                                            |                   |
| R0200  | Deposits other than cash equivalents                                                   |                   |
| R0210  | Other investments                                                                      |                   |
| R0220  | Assets held for index-linked and unit-linked contracts                                 |                   |
| R0230  | Loans and mortgages                                                                    | 0                 |
| R0240  | Loans on policies                                                                      |                   |
| R0250  | Loans and mortgages to individuals                                                     |                   |
| R0260  | Other loans and mortgages                                                              |                   |
| R0270  | Reinsurance recoverables from:                                                         | 165,476           |
| R0280  | Non-life and health similar to non-life                                                | 165,476           |
| R0290  | Non-life excluding health                                                              | 165,476           |
| 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                                                                    | 3,764             |
| 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                                                              | 30,206            |
| R0420  | Any other assets, not elsewhere shown                                                  | 404               |
| R0500  | <b>Total assets</b>                                                                    | <b>406,262</b>    |

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

|                    |                                                                                 | C0010<br>Solvency II value |
|--------------------|---------------------------------------------------------------------------------|----------------------------|
| <b>Liabilities</b> |                                                                                 |                            |
| R0510              | Technical provisions – non-life                                                 | 247,234                    |
| R0520              | Technical provisions – non-life (excluding health)                              | 247,234                    |
| R0530              | Technical provisions calculated as a whole                                      |                            |
| R0540              | Best Estimate                                                                   | 236,935                    |
| R0550              | Risk margin                                                                     | 10,299                     |
| 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)                                                 | 7,893                      |
| 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                                      |                            |
| R0900              | Total liabilities                                                               | 255,127                    |
| R1000              | <b>Excess of assets over liabilities</b>                                        | 151,136                    |



**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    |        |
| Premiums written                      |       |                                                                                                                              |            |                              |                                                             |          |                             |          |        |
| Gross - Direct Business               | R0110 |                                                                                                                              |            |                              |                                                             |          |                             |          | 26,962 |
| Gross - Prop reinsurance accepted     | R0120 |                                                                                                                              |            |                              |                                                             |          |                             |          | 0      |
| Gross - Non-Prop reinsurance accepted | R0130 |                                                                                                                              |            |                              |                                                             |          |                             |          | 0      |
| Reinsurers' share                     | R0140 |                                                                                                                              |            |                              |                                                             |          |                             |          | 13,888 |
| Net                                   | R0200 | 0                                                                                                                            | 0          | 0                            | 0                                                           | 0        | 0                           | 0        | 13,073 |
| Premiums earned                       |       |                                                                                                                              |            |                              |                                                             |          |                             |          |        |
| Gross - Direct Business               | R0210 |                                                                                                                              |            |                              |                                                             |          |                             |          | 25,980 |
| Gross - Prop reinsurance accepted     | R0220 |                                                                                                                              |            |                              |                                                             |          |                             |          | 0      |
| Gross - Non-Prop reinsurance accepted | R0230 |                                                                                                                              |            |                              |                                                             |          |                             |          | 0      |
| Reinsurers' share                     | R0240 |                                                                                                                              |            |                              |                                                             |          |                             |          | 13,616 |
| Net                                   | R0300 | 0                                                                                                                            | 0          | 0                            | 0                                                           | 0        | 0                           | 0        | 12,364 |
| Claims incurred                       |       |                                                                                                                              |            |                              |                                                             |          |                             |          |        |
| Gross - Direct Business               | R0310 |                                                                                                                              |            |                              |                                                             |          |                             |          | 8,337  |
| Gross - Prop reinsurance accepted     | R0320 |                                                                                                                              |            |                              |                                                             |          |                             |          | 0      |
| Gross - Non-Prop reinsurance accepted | R0330 |                                                                                                                              |            |                              |                                                             |          |                             |          | 0      |
| Reinsurers' share                     | R0340 |                                                                                                                              |            |                              |                                                             |          |                             |          | 3,718  |
| Net                                   | R0400 | 0                                                                                                                            | 0          | 0                            | 0                                                           | 0        | 0                           | 0        | 4,619  |
| 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 |                                                                                                                              |            |                              |                                                             |          |                             |          | 3,563  |
| Other expenses                        | R1200 |                                                                                                                              |            |                              |                                                             |          |                             |          |        |
| Total expenses                        | R1300 |                                                                                                                              |            |                              |                                                             |          |                             |          | 3,563  |



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

|                                                                                                                                                                   |       | Direct business and accepted proportional reinsurance |                                   |                                        |                                            |                          |                                                   |                                                         |                                   |                                       |                                |            |                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------|-----------------------------------|----------------------------------------|--------------------------------------------|--------------------------|---------------------------------------------------|---------------------------------------------------------|-----------------------------------|---------------------------------------|--------------------------------|------------|------------------------------------|
|                                                                                                                                                                   |       | Medical<br>expense<br>insurance                       | Income<br>protection<br>insurance | Workers'<br>compensatio<br>n insurance | Motor<br>vehicle<br>liability<br>insurance | Other motor<br>insurance | Marine,<br>aviation and<br>transport<br>insurance | Fire and<br>other<br>damage to<br>property<br>insurance | General<br>liability<br>insurance | Credit and<br>suretyship<br>insurance | Legal<br>expenses<br>insurance | Assistance | Miscellaneous<br>financial<br>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 |                                                       |                                   |                                        |                                            |                          |                                                   | 145                                                     | 11,343                            |                                       |                                |            |                                    |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default                                         | R0140 |                                                       |                                   |                                        |                                            |                          |                                                   | 94                                                      | 5,648                             |                                       |                                |            |                                    |
| Net Best Estimate of Premium Provisions                                                                                                                           | R0150 | 0                                                     | 0                                 | 0                                      | 0                                          | 0                        | 0                                                 | 51                                                      | 5,694                             | 0                                     | 0                              | 0          | 0                                  |
| Claims provisions                                                                                                                                                 |       |                                                       |                                   |                                        |                                            |                          |                                                   |                                                         |                                   |                                       |                                |            |                                    |
| Gross                                                                                                                                                             | R0160 |                                                       |                                   |                                        |                                            |                          |                                                   | 230                                                     | 225,217                           |                                       |                                |            |                                    |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default                                         | R0240 |                                                       |                                   |                                        |                                            |                          |                                                   | 224                                                     | 159,510                           |                                       |                                |            |                                    |
| Net Best Estimate of Claims Provisions                                                                                                                            | R0250 | 0                                                     | 0                                 | 0                                      | 0                                          | 0                        | 0                                                 | 6                                                       | 65,707                            | 0                                     | 0                              | 0          | 0                                  |
| <b>Total Best estimate - gross</b>                                                                                                                                | R0260 | 0                                                     | 0                                 | 0                                      | 0                                          | 0                        | 0                                                 | 376                                                     | 236,559                           | 0                                     | 0                              | 0          | 0                                  |
| <b>Total Best estimate - net</b>                                                                                                                                  | R0270 | 0                                                     | 0                                 | 0                                      | 0                                          | 0                        | 0                                                 | 57                                                      | 71,401                            | 0                                     | 0                              | 0          | 0                                  |
| <b>Risk margin</b>                                                                                                                                                | R0280 |                                                       |                                   |                                        |                                            |                          |                                                   | 8                                                       | 10,291                            |                                       |                                |            |                                    |
| 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                                                 | 384                                                     | 246,850                           | 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                                                 | 318                                                     | 165,158                           | 0                                     | 0                              | 0          | 0                                  |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total                                                                                | R0340 | 0                                                     | 0                                 | 0                                      | 0                                          | 0                        | 0                                                 | 66                                                      | 81,692                            | 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                                 |         |
| 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 |                                       |                                       |                                                             |                                       | 11,488  |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default                                         | R0140 |                                       |                                       |                                                             |                                       | 5,743   |
| Net Best Estimate of Premium Provisions                                                                                                                           | R0150 | 0                                     | 0                                     | 0                                                           | 0                                     | 5,745   |
| Claims provisions                                                                                                                                                 |       |                                       |                                       |                                                             |                                       |         |
| Gross                                                                                                                                                             | R0160 |                                       |                                       |                                                             |                                       | 225,447 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default                                         | R0240 |                                       |                                       |                                                             |                                       | 159,733 |
| Net Best Estimate of Claims Provisions                                                                                                                            | R0250 | 0                                     | 0                                     | 0                                                           | 0                                     | 65,713  |
| Total Best estimate - gross                                                                                                                                       | R0260 | 0                                     | 0                                     | 0                                                           | 0                                     | 236,935 |
| Total Best estimate - net                                                                                                                                         | R0270 | 0                                     | 0                                     | 0                                                           | 0                                     | 71,458  |
| Risk margin                                                                                                                                                       | R0280 |                                       |                                       |                                                             |                                       | 10,299  |
| 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                                     | 247,234 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total                              | R0330 | 0                                     | 0                                     | 0                                                           | 0                                     | 165,476 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total                                                                                | R0340 | 0                                     | 0                                     | 0                                                           | 0                                     | 81,757  |

#### 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 |       |       |       |       |        |       |       |       |       |       | 559   | 559          | 559       |
| N-9   | R0160 |       |       |       |       |        |       |       |       |       |       |       | 0            | 0         |
| N-8   | R0170 |       | 2,034 | 1,951 | 4,582 | 19,983 | 9,956 | 396   | 316   |       |       |       | 0            | 39,218    |
| N-7   | R0180 |       |       |       |       | 275    | 611   | 65    | 55    |       |       |       | 55           | 1,006     |
| N-6   | R0190 |       |       |       |       |        |       |       |       |       |       |       | 0            | 0         |
| N-5   | R0200 |       |       |       | 5,178 | -485   |       |       |       |       |       |       | 0            | 4,692     |
| N-4   | R0210 |       |       |       | 676   |        |       |       |       |       |       |       | 0            | 676       |
| N-3   | R0220 |       |       |       |       |        |       |       |       |       |       |       | 0            | 0         |
| N-2   | R0230 |       | 2,394 | 427   |       |        |       |       |       |       |       |       | 427          | 2,821     |
| N-1   | R0240 |       |       |       |       |        |       |       |       |       |       |       | 0            | 0         |
| N     | R0250 |       |       |       |       |        |       |       |       |       |       |       | 0            | 0         |
| Total |       |       |       |       |       |        |       |       |       |       |       |       | 1,042        | 48,972    |

**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  |                            |
| Prior | R0100 |        |        |        |        |        |        |        |        |        |       | 57,125 | C0360                      |
| N-9   | R0160 |        |        |        |        |        |        | 2,606  |        | 188    | 7     |        | 57,194                     |
| N-8   | R0170 |        |        |        |        |        | 33,041 | 17,911 | 17,552 | 11,700 |       |        | 7                          |
| N-7   | R0180 |        |        |        |        | 28,878 | 25,311 | 36,893 | 31,702 |        |       |        | 11,715                     |
| N-6   | R0190 |        |        |        | 17,430 | 11,863 | 9,162  | 5,206  |        |        |       |        | 31,740                     |
| N-5   | R0200 |        |        | 26,112 | 22,497 | 14,588 | 13,962 |        |        |        |       |        | 5,212                      |
| N-4   | R0210 |        | 28,278 | 26,719 | 12,897 | 11,635 |        |        |        |        |       |        | 13,979                     |
| N-3   | R0220 | 19,906 | 24,523 | 14,465 | 10,802 |        |        |        |        |        |       |        | 11,649                     |
| N-2   | R0230 | 20,495 | 25,324 | 32,153 |        |        |        |        |        |        |       |        | 10,815                     |
| N-1   | R0240 | 27,997 | 27,253 |        |        |        |        |        |        |        |       |        | 32,192                     |
| N     | R0250 | 23,629 |        |        |        |        |        |        |        |        |       |        | 27,286                     |
| Total |       |        |        |        |        |        |        |        |        |        |       |        | 225,447                    |

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

|                                                                                                                                                                                    |       | Total   | Tier 1 -<br>unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|--------------------------|---------------------|--------|--------|
|                                                                                                                                                                                    |       | C0010   | C0020                    | C0030               | C0040  | C0050  |
| <b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35</b>                                     |       |         |                          |                     |        |        |
| Ordinary share capital (gross of own shares)                                                                                                                                       | R0010 | 1,600   | 1,600                    |                     |        |        |
| 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 | 147,335 | 147,335                  |                     |        |        |
| Subordinated liabilities                                                                                                                                                           | R0140 | 0       |                          |                     |        |        |
| An amount equal to the value of net deferred tax assets                                                                                                                            | R0160 | 2,201   |                          |                     |        | 2,201  |
| Other own fund items approved by the supervisory authority as basic own funds not specified above                                                                                  | R0180 | 0       |                          |                     |        |        |
| <b>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</b> |       |         |                          |                     |        |        |
| 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 |         |                          |                     |        |        |
| <b>Deductions</b>                                                                                                                                                                  |       |         |                          |                     |        |        |
| Deductions for participations in financial and credit institutions                                                                                                                 | R0230 | 0       |                          |                     |        |        |
| <b>Total basic own funds after deductions</b>                                                                                                                                      | R0290 | 151,136 | 148,935                  | 0                   | 0      | 2,201  |
| <b>Ancillary own funds</b>                                                                                                                                                         |       |         |                          |                     |        |        |
| 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       |                          |                     |        |        |
| <b>Total ancillary own funds</b>                                                                                                                                                   | R0400 | 0       |                          |                     | 0      | 0      |

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

|                                           |       | Total       | Tier 1 -<br>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 | 151,136     | 148,935                  | 0                   | 0      | 2,201  |
| Total available own funds to meet the MCR | R0510 | 148,935     | 148,935                  | 0                   | 0      |        |
| Total eligible own funds to meet the SCR  | R0540 | 151,136     | 148,935                  | 0                   | 0      | 2,201  |
| Total eligible own funds to meet the MCR  | R0550 | 148,935     | 148,935                  | 0                   | 0      |        |
| SCR                                       | R0580 | 49,197      |                          |                     |        |        |
| MCR                                       | R0600 | 12,299      |                          |                     |        |        |
| Ratio of Eligible own funds to SCR        | R0620 | 3.072052717 |                          |                     |        |        |
| Ratio of Eligible own funds to MCR        | R0640 | 12.10929325 |                          |                     |        |        |

Reconciliation reserve

|                                                                                                             |       | C0060   |
|-------------------------------------------------------------------------------------------------------------|-------|---------|
| Reconciliation reserve                                                                                      |       |         |
| Excess of assets over liabilities                                                                           | R0700 | 151,136 |
| Own shares (held directly and indirectly)                                                                   | R0710 |         |
| Foreseeable dividends, distributions and charges                                                            | R0720 |         |
| Other basic own fund items                                                                                  | R0730 | 3,801   |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 |         |
| Reconciliation reserve                                                                                      | R0760 | 147,335 |
| 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 | 26,164                             |       |                 |
| Counterparty default risk          | R0020 | 3,531                              |       |                 |
| Life underwriting risk             | R0030 |                                    |       |                 |
| Health underwriting risk           | R0040 |                                    |       |                 |
| Non-life underwriting risk         | R0050 | 24,819                             |       |                 |
| Diversification                    | R0060 | -12,424                            |       |                 |
| Intangible asset risk              | R0070 |                                    |       |                 |
| Basic Solvency Capital Requirement | R0100 | 42,089                             |       |                 |

| Calculation of Solvency Capital Requirement                                                 |       |        |
|---------------------------------------------------------------------------------------------|-------|--------|
|                                                                                             |       | Value  |
|                                                                                             |       | C0100  |
| Operational risk                                                                            | R0130 | 7,108  |
| 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 | 49,197 |
| Capital add-on already set                                                                  | R0210 |        |
| Solvency capital requirement                                                                | R0220 | 49,197 |
| 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 | 9,068          |

| 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 | 57                                                                  | 75                                                          |
| General liability insurance and proportional reinsurance                 | R0090 | 71,401                                                              | 12,998                                                      |
| 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 | 9,068  |
| SCR                         | R0310 | 49,197 |
| MCR cap                     | R0320 | 22,139 |
| MCR floor                   | R0330 | 12,299 |
| Combined MCR                | R0340 | 12,299 |
| Absolute floor of the MCR   | R0350 | 3,608  |
| Minimum Capital Requirement | R0400 | 12,299 |