UPS International Insurance dac

Solvency and Financial Condition Report ("SFCR") for the financial year ended 31 December 2019

Contents

EXECUTIVE SUMMARY **4**

A BUSINESS AND PERFORMANCE **7**

A.1 Business 7
A.2 Underwriting Performance 8
A.3 Investment Performance 11
A.4 Performance of Other Activities 12
A.5 Any Other Information 12

B SYSTEM OF GOVERNANCE **13**

B.1 General information on the system of governance 13
B.3 Risk management system including the own risk and solvency assessment 16
B.4 Internal Control System 21
B.5 Internal audit function 22
B.6 Actuarial function 23
B.7 Outsourcing 23
B.8 Assessment of the adequacy of the system of governance of the insurance ..... or reinsurance undertaking to the nature, scale and complexity of the risks 24
B.9 Any other material information regarding the system of governance of the Company 24

C RISK PROFILE **25**

C.1 Underwriting risk 25
C.2 Market risk 26
C.3 Credit risk 28
C.4 Liquidity risk 29
C.5 Operational risk 29
C.6 Other material risks 30
C.7 Amount of expected profit included in future premiums as calculated in accordance with Article 260(2) 31
C.8 Stress and sensitivity tests 31
C.9 Any Other Information 31

D VALUATION FOR SOLVENCY PURPOSES **32**

D.1 Assets 32
D.2 Technical Provisions 34
D.3 Other liabilities 37
D.4 Alternative Methods for Valuation for other liabilities 37
D.5 Any Other Information 37

E CAPITAL MANAGEMENT **38**

E.1 Own funds 38
E.2 Solvency Capital Requirement and Minimum Capital Requirement 40
E.3 Any use of the equity risk sub-module in the calculation of the Solvency Capital Requirement 41
E.4 Internal model information. 41

E.5 NON COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND SIGNIFICANT NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT 41
E.6 ANY OTHER INFORMATION 41

Executive Summary

The new, harmonized EU-wide regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by (re)insurers.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

Company Background

UPS International Insurance dac is a company incorporated in Ireland and authorised by the Central Bank of Ireland to carry out the following classes of non-life insurance business:

- Class 1: Accident
- Class 3: Land Vehicle
- Class 7: Marine Cargo
- Class 8: Fire and Natural Forces
- Class 9: Other Damage to Property
- Class 10: Motor Vehicle Liability
- Class 11: Aircraft Liability
- Class 13: General Liability
- Class 16: Miscellaneous Financial Loss

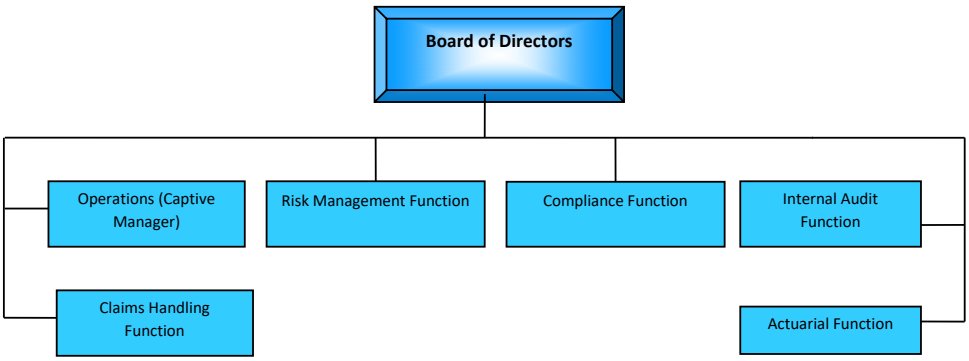
The Company is a non-life insurance captive whose principal activity is the provision of property damage, transit, motor vehicle liability, employer's liability and crime insurance for United Parcel Service Inc.

Business and Performance

The Company's financial year end is 31st December each year. The Company booked a pre-tax profit of €1.7m in the year ended 31st December 2019 (2018: loss of €0.05m). No dividends were paid during the year.

System of Governance

The Company has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines as summarised in the following organisation chart:



Outsourced Activities

The following is a list of the important outsourced operational functions together with the jurisdiction in which the service providers of such functions or activities are located:

Outsourced Provider	Service Outsourced	Internal/External	Jurisdiction	Outsourcing Oversight
Marsh Management Services (Dublin) Limited	Captive Manager	External	EU	Chairman (PCF-3)
	Compliance Function			
	Internal Audit Function			
	Risk Management Function			
Barnett Waddingham LLP	Head of Actuarial Function	External	EU	
Crawford & Company	Claims Administration	External	EU	

Risk Profile

Risk	Capital Charge €'000 2019	Capital Charge € '000 2018
Market Risk	7,039	6,054
Counterparty Default Risk	7,283	11,055
Non-Life Underwriting Risk	8,764	8,949
Health Underwriting Risk	3,001	3,001

Valuation for Solvency Purposes

The Company assets and liabilities, under Solvency II methodology, are valued at best estimate. This differs in some respects from the GAAP valuations for financial statements. In particular, the technical provisions for the Solvency II balance sheet represent the present value of future claim payments. A risk margin is also included in technical provisions, which represents the cost of holding the solvency capital requirement. Section D of the SFCR shows the comparison between the Solvency II balance sheet and the Financial Statements.

Capital Management

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA contains a three year projection of funding requirements and helps focus actions for future funding.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt or issue new shares capital over the three year time horizon used for business planning.

The company solvency position including the individual risks is as follows:

Solvency	Capital requirement	Eligible capital	Solvency ratio
SCR	€18,475,679	€32,569,718	176%
MCR	€4,618,920	€23,331,878	505%

A BUSINESS and PERFORMANCE

A.1 Business

A.1.1 Name and legal form of the undertaking

UPS International Insurance dac (hereinafter “the Company”) is incorporated in the Republic of Ireland and is a private company limited by shares.

A.1.2 Name of the Supervisory Authority responsible for the financial supervision of the undertaking

The Company is regulated by the Central Bank of Ireland (CBI). The CBI can be contacted at:

Central Bank of Ireland, PO BOX 559, New Wapping Street, North Wall Quay, Dublin 1, Ireland.

A.1.3 External auditor of the undertaking

The independent auditors of the Company are:

Deloitte, Chartered Accountants & Statutory Audit Firm, Deloitte & Touche House, Earlsfort Terrace, Dublin 2.

A.1.4 Holders of Qualifying Holdings in the Undertaking

The Company is wholly owned by United Parcel Service of Ireland Limited, a company incorporated in Ireland.

A.1.5 Legal Structure of the Group

The ultimate parent undertaking is United Parcel Service, Inc, a company incorporated in the United States of America.

A.1.6 Material lines of business and geographical areas

The Company is a non-life insurance captive whose principal activity is the carrying out of direct insurance and reinsurance business in respect of group companies of United Parcel Service Inc.

The Company is authorised by the Central Bank of Ireland to write property damage, transit, motor vehicle liability, employer’s liability, general liability, personal accident and crime insurance.

The material geographical areas in which the Company operates are

As an insurer: across the European Economic Area, including the EU member state of its Head Office (Ireland) and a small number of countries outside the EEA;

As a reinsurer: Worldwide, including Eastern and South-Eastern Asia and North and South America.

A.1.7 Significant Business events during the reporting period

No material events occurred during the year that would merit disclosure.

A.2 Underwriting Performance

The Company writes property damage, transit, motor vehicle liability, employer's liability, general liability, personal accident and crime insurance.

For the purposes of capital reporting these are categorised as:

Class of Business as per Irish GAAP	Solvency II Class of Business
Fire and Other Damage to Property	Fire & Other Damage to Property
General Liability	General Liability
Employers' Liability	General Liability
Personal Accident	Medical Expenses
Motor Vehicle Liability	Motor Vehicle Liability
Transit	Marine, Aviation & Transport
Crime	Miscellaneous Financial Loss
Directors & Officers Liability	General Liability

The Company has determined that the Euro ("€") is the functional currency.

The tables below show a summary of the technical (underwriting) account for the year ended 31 December 2019 by material Line of Business and Geographical area (based on Irish GAAP):

Underwriting performance for the main Solvency II Geographical.

2019	Europe	Rest of World	Total
	€'000	€'000	€'000
Written Premiums	3,770	1,512	5,282
Earned Premiums	3,764	1,510	5,274
Reinsurer's Share of premium	-	(915)	(915)
Gross Claims Incurred	(1,363)	(1,368)	(2,731)
Underwriting Expenses	39	15	54
Allocated Investment Return	-	-	-
Net Technical Result	2,440	(758)	1,682

2018	Europe	Rest of World	Total
	€'000	€'000	€'000
Written Premiums	3,660	1,718	5,378
Earned Premiums	3,562	1,755	5,317
Reinsurer's Share of premium	-	(893)	(893)
Gross Claims Incurred	(603)	(3,213)	(3,816)
Underwriting Expenses	(446)	(210)	(656)
Allocated Investment Return	-	-	-
Net Technical Result	2,513	(2,561)	(48)

Underwriting performance for the main Solvency II Lines of Business.

2019	Gross Premium Written €'000	Gross Premium Earned €'000	Gross Claims incurred €'000	Gross Operating Expenses €'000	Gross Reinsurance Balance €'000
Fire & Other Damage to Property	2,193	2,192	181	(15)	606
General Liability	1,053	1,053	1,001	(7)	70
Medical Expenses	12	12	-	-	-
Motor Vehicle Liability	1,806	1,808	1,549	(30)	239
Miscellaneous Financial Loss	218	209	-	(2)	-
Total	**5,282**	**5,274**	**2,731**	**(54)**	**915**

2018	Gross Premium Written €'000	Gross Premium Earned €'000	Gross Claims incurred €'000	Gross Operating Expenses €'000	Gross Reinsurance Balance €'000
Fire & Other Damage to Property	2,405	2,351	550	293	588
General Liability	1,042	1,042	204	127	68
Medical Expenses	7	7	-	1	-
Motor Vehicle Liability	1,728	1,727	3,062	211	237
Miscellaneous Financial Loss	196	190	-	24	-
Total	**5,378**	**5,317**	**3,816**	**656**	**893**

A.3 Investment Performance

A.3.1 Income and expenses arising by asset class

The Company has an investment strategy which complies with the requirements of "the prudent person principle".

As at 31 December 2019 the Company's cash deposits comprised the following material asset classes:

Asset Class	31/12/2019		31/12/2018	
	Amount €'000	% of portfolio	Amount €'000	% of portfolio
Cash & cash equivalents	33,694	100%	31,092	100%
Total	33,694	**100%**	31,092	**100%**

The table below sets out the investment returns by asset class:

Asset Class	31/12/2019	31/12/2018
	Total €'000	Total €'000
Cash & cash equivalents	-	-
Total	**-**	-

All investments are in Euro and the interest rate return is low due to poor prevailing market rates for short term investments.

A.3.2 Gains and losses recognised directly in equity

No gains and losses have been recognised directly in equity.

A.3.3 Investments in securitisation

There are no investments in securitisation.

A.4 Performance of Other Activities

A.4.1 There have been no other significant activities undertaken by the company other than its reinsurance and related activities.

A.5 Any Other Information

The Company is closely monitoring developments relating to the COVID-19 pandemic which emerged in Quarter 1 2020. The Company has deployed business continuity plans to ensure that the business continues to operate. The Directors have reviewed the composition of its current assets and believe that the Company has sufficient liquid assets to meet its liabilities. Furthermore, the Directors have also assessed the security and recoverability of the Company's assets and, at this time, they consider that they are not at risk.

At the time of signing these financial statements, the impact of COVID-19 is uncertain due to ever changing circumstances, but the Company will continue to monitor developments and respond as appropriate. The Directors have also reviewed the potential impact of COVID-19 on the Company's underwriting performance and at the date of approval of the financial statements, the Directors are satisfied that Company's estimated solvency ratio under Solvency II remains within the Company's risk appetite range..

B SYSTEM of GOVERNANCE

B.1 General information on the system of governance

B.1.1 Role and responsibilities of the administrative, management or supervisory body and key functions

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

Board of Directors:

The Company's Board of Directors carries responsibility for the effective, prudent and ethical oversight of the business and set it business strategy and risk appetite. The Board of Directors is also responsible for ensuring that risk and compliance are properly managed in the company.

The current composition of the Board of Directors is as follows:

Michael Fenlon (Chairperson)

Patrick Power

Raoul Stewardson

Ronald Chang

Michael Kenny

Independent Control Functions:

The Company has established the four key control functions in line with Solvency II requirements: risk management, actuarial, compliance and internal audit. These functions, each possessing distinct responsibilities, are tasked with providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Risk Management Function

The role of the Company's risk management function is to identify and evaluate the major risks facing The Company and to facilitate the implementation of the risk management system. Having considered the nature, scale and complexity of the Company the Board have determined that the role of the Risk Manager can be carried out by a member of the Board.

The roles and responsibilities of the risk management function are set out within the risk management policy.

Compliance Function

In order to effectively monitor and report on The Company's requirement to be in compliance with all applicable laws and regulatory requirements the Board of Directors has outsourced the compliance function to the Captive Manager, Marsh Management Services (Dublin) Limited ("the Manager") and an employee of the Manager has been appointed as Compliance Officer. The Compliance Officer reports to the Board.

Actuarial Function

To ensure compliance with Solvency II obligations, the role of the Head of Actuarial Function ("HoAF") is outsourced to a third party provider. The HoAF reports to the Board.

Internal Audit Function

The internal audit function is outsourced to the Manager. The scope of internal audit activities includes the examination and evaluation of the effectiveness of the internal control, risk management and governance systems and processes of the entire licensed entity, including the Company's outsourced activities. The Internal Audit function reports to the Board.

B.1.2 Material changes in the system of governance that have taken place over the reporting period.

Mr. Gary Barth resigned his position as a Director of the Company during the period.

B.1.3 Remuneration policy for the administrative, management or supervisory body and employees

B.1.3.1 Remuneration policy for the administrative, management or supervisory body and employees

The Company does not have any employees. Day to day running of the Company is handled by the Manager under a third party administrative agreement.

Hence the Company's remuneration policy refers only to the remuneration of non-group executive directors should circumstances dictate that it is necessary to appoint external Executive Directors to the Board.

The Board of Directors of the Company includes group Directors who are remunerated via their service agreements with United Parcel Service Inc. companies.

B.1.3.2 Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body.

The Company is a non-life insurance captive whose principal activity is the carrying out of direct insurance and reinsurance business in respect of group companies of United Parcel Service Inc.

The Company did not enter into any transactions with key management personnel in the United Parcel Service Inc. during the year ended 31 December 2019.

B.2 Fit and Proper requirements

B.2.1 Requirements for skills, knowledge and expertise

On 1 October 2010, Part 3 of the Central Bank Reform Act 2010 introduced a harmonised statutory system for the regulation by the CBI of persons performing Controlled Functions ('CFs') and Pre-Approval Controlled Functions ('PCFs') in regulated financial service providers.

On 1 December 2011 the CBI issued the Fitness & Probity Standards under Section 50 of the Central Bank Reform Act 2010 which all persons performing Controlled Functions or Pre-Approval Controlled Functions should, at a minimum, comply with.

Guidance for (Re)Insurance Undertakings on the Fitness & Probity Amendments 2015 further assist companies in complying with their obligations brought in by the Solvency II (European Union (Insurance and Reinsurance) Regulations 2015 S.I. 485 of 2015).

The Company has adopted a Fitness and Probity Policy (reviewed by the Board on an annual basis) with the purpose of ensuring that:

- persons holding key positions within the Company are assessed in terms of their fitness and probity in relation to a proposed role and on an ongoing basis;
- effective procedures are in place to undertake this assessment;
- the results of such an assessment are documented;
- the Board is satisfied that it can conclude that persons holding key positions are fit and proper;
- responsibility is assigned to ensure fitness and probity is monitored on a continuous basis;
- approval is sought from the Central Bank of Ireland ('CBI') prior to the appointment of persons performing Pre-Approval Control Functions.

B.2.2 Process for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

The Policy outlines the procedures that must be followed for assessing the fitness and probity of persons performing CFs and PCFS while also stipulating the requirements for instances when either of these functions are outsourced to a regulated or unregulated entity.

It also focuses on the documentation, controls and governance that are required to be in place to ensure compliance with the abovementioned Regulations.

This is achieved in the main by means of internal checklists, documentary evidence of qualifications proving suitability for the role in question, references, regulatory authority, companies' office and police authority checks and self-certifications from the applicant in the form of Curricula Vitae and the CBI Individual Questionnaires.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

The Company's risk management system is set out as follows:

1. The Board sets the Company Strategy.
2. The Board sets the Risk Strategy. The Risk Strategy describes and addresses the management of all material risks that the Company is exposed to in pursuit of the Company Strategy.
3. The Board sets the Risk Appetite. The Risk Appetite sets out the desired level of risk and the maximum level of variation from its risk appetite that it is willing to accept.
4. The Board has approved a Risk Policy and other individual risk policies necessary for the implementation of it Risk Strategy, consistent with its Risk Appetite.

The Company uses the Standard Formula to assess the solvency and capital requirements.

The Company performs an Own Risk and Solvency Assessment ("ORSA") at least annually. The main purpose of performing the ORSA is to ensure that the Company engages in a process of assessing all risks inherent in the business and determining the corresponding capital needs.

In order to ensure effective risk governance, the system has been designed to identify, assess, manage and monitor and report exposure to risk. This is a continuous process subject to continuous review and development.

Identify

The board reviews the risk profile of the Company at least annually and the Risk Management Function reviews the risk profile on an ongoing basis to ensure that the material risks of the Company are identified and recorded in the risk register.

Assess

Risks identified in the risk register are then quantified by the Board with input from the Risk Management Function and tolerances are established through the development of a risk appetite statement.

Manage

The Board determines the minimum standards to be maintained by the Company in order to manage the risks in a way that is consistent with its risk appetite by developing suitable individual risk policies.

Monitor/Report

Monitoring and reporting to the Board is undertaken at least quarterly from a number of sources including the Risk Management Function, Compliance Officer and the Internal Audit Function.

Findings from the development of the risk register are considered by the Board in the preparation of the annual internal audit plans.

The result is a risk management strategy, which is led by the Board of Directors whilst being embedded in the Company's business systems, strategy and policy setting processes and the activities of the Company.

B.3.2 Implementation of the Risk management system

The Company recognises the need to have appropriate governance, monitoring and reporting processes and procedures which enable the Company to identify, assess, manage, monitor and report the risks it is or might be exposed to.

Responsibility for risk management is spread throughout the Company and the wider United Parcel Service group. Appropriate internal reporting procedures and feedback loops ensure that information on the risk management framework is actively monitored and managed by all relevant functions and the Board.

The Company adopts a "3 lines of defence" approach for the overall governance of its risk management system.

The Board of Directors is ultimately responsible for the risk management framework and internal control, including approval of the Company strategy and business planning.

1st Line of Defence – Day to Day:

Operations – the Manager: The Manager provides day to day operations, accounting, financial reporting and administrative support services and company secretarial and regulatory reporting services on an outsourced basis to the Company.

2nd Line of Defence – Oversight:

Risk Management Function ("RMF"): The RMF is responsible for the oversight of the ongoing development, implementation and operation of the risk management framework, strategy, related resource plan and making recommendations to the Board thereon.

Having considered the nature, scale and complexity of the Company, the Board has determined that the role of the RMF and Chief Risk Officer can be carried out by an assigned Board member, who possesses the requisite expertise and skills to perform this role.

Compliance Function: The Compliance Function is recognised as a key part of the Company's internal control system which should identify, assess, monitor and report on the compliance risk exposure of the Company. The Compliance Function also shares its responsibilities with other Company Functions which are responsible for their specific areas.

In order to help achieve its compliance objective the Board has appointed a Compliance Officer. The role of the Compliance Officer is set out in the Company's Board approved Compliance Policy.

3rd Line of Defence – Independent Assessment:

Internal Audit Function: The Board has established an Internal Audit Function that is an independent function within the Company with a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and other elements of the system of governance of the Company.

The responsibilities of the Internal Audit function are set out in the Company's Board approved Internal Audit Policy. The Internal Audit Function reports to the Board.

Actuarial Function: The role of the Actuarial Function is outsourced to third party provider via the terms of a written SLA.

B.3.3 ORSA

B.3.3.1 ORSA process

The Company prepares an ORSA on an annual basis and on an ad-hoc basis, if circumstances materially change. The objective of the ORSA process is to enable the Board to assess its capital adequacy in light of the assessments of its risks and the potential impacts of its risk environment, and to enable the Company to make appropriate strategic decisions.

The ORSA process is a rolling project plan of how the ORSA is completed, the interaction and contributions from different stakeholders, the process timetable, the audit trail and the monitoring and reporting cycle.

The Company has adopted the following approach for the conduction of the ORSA process:

Risk Management System: Board puts in place an effective risk management framework comprising of strategies, tolerances, policies, governance, monitoring and reporting procedures necessary to identify, measure, monitor, manage and report, on a continuous basis, the risks to which the company is or could be exposed in pursuing its Company strategy.

Risk Identification: Board initiates an organised identification of all actual risks as well as emerging risks, taking into account the Company's strategy and business planning horizon.

Risk Appetite: Appetites and tolerance limits for the risks identified are set by the Board, which provide a basis for allocating risk capacity against the Company's exposure to particular risk categories.

Current Business Activities, Risk Profile, Capital and Solvency: Analysis of the current business activities, risk profile (quantitative and qualitative), calculation and analysis of regulatory and economic capital, analysis of solvency margin cover and description and assessment of risk mitigation techniques.

Forecast Business Activities, Risk Profile, Capital and Solvency: Analysis of the forecast business activities, risk profile (quantitative and qualitative), calculation and analysis of regulatory and economic capital, analysis of solvency margin cover and description and assessment of risk mitigation techniques.

Stress and Scenario Analysis: Board assesses the effect of different stresses (including reverse stress testing) and scenarios.

Impact on Strategy: Output of the ORSA process is reviewed and challenged by the Board and is being continuously embedded into the Company strategy and system of governance.

B.3.3.2 ORSA review and approval process

The risk management process and ORSA is performed on an annual basis, after the SCR calculation or when there is a significant shift in The Company's business plan. The risk monitoring is performed on an on-going basis and the Risk Register is annually reviewed and updated during the ORSA review process.

The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and that it includes risk sensitivities that can be used in shaping strategy and risk appetite.

The Board reviews the ORSA report and considers appropriate action for the business such as:

- Decisions in relation to capital;
- Reassessment of risk profile and appetite;
- Additional risk mitigation actions;
- Reassessment of investment strategy.

Under the following circumstances, a non-scheduled ORSA shall be performed immediately (in addition to the scheduled ORSA):

- Significant change in the risk profile of the Company which can be defined as a major change to the business strategy/business activity/insurance program etc. (i.e. business activities other than the Company's current underwriting activity)
- Significant changes to Non-Financial matters - Operational/Regulatory and Legal/Strategic/Group Risks.
- Significant changes in other categories - Capital Shortage Risks/quality of capital etc.

B.3.3.3 Statement explaining how the undertaking has determined its own solvency needs given its risk profile and how its capital management activities and its risk management system interact with each other.

The Company determines the solvency capital and assesses the overall solvency needs using the Solvency II standard formula.

A three year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements position is produced using the standard formula, as well as actuarial assumptions. The results are subjected to a range of scenario testing that is reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted and conclusions drawn

The Company has sufficient capital to meet its base case SCR for its current and projected business activities over the 3 year business planning horizon. The Company also exceeds its strategic minimum SCR coverage over the period.

The results of the ORSA show that the Company has sufficient eligible capital own funds to:

• Maintain a comfortable margin over its Overall Solvency Needs for its current and projected business activities over the business planning horizon;
• Continue to meet internal and regulatory solvency targets for capital management;
• Continue its business on a going concern basis over the business planning horizon.

B.4 Internal Control System

B.4.1 Description of the internal control system

The Board of Directors is ultimately responsible for the internal control framework, including approval of the Company strategy and business planning. Board level controls include the Board charter, Company policies, reports and minutes of Board meetings.

The Internal Control Framework of the Company has three other elements, as previously detailed in section B3.2;

- First line of defence: “Day to day” operations and associated controls
- Second Line of defence: Oversight from Compliance, Risk Management functions
- Third Line of Defence – Independent Assessment, Internal Audit and Actuarial Functions.

B.4.2 Implementation of the compliance function

The Board of the Company has ultimate responsibility for its compliance objective.

To help achieve this aim the Board has established a Compliance Function, staffed by an appointed Compliance Officer, to supplement not supplant, the responsibilities of the Board to ensure compliance with legislation and applicable requirements.

The role of the Board appointed Compliance Officer is to:

- assist the Board with ensuring ongoing compliance with legislation and applicable requirements;
- enhancing the Company's awareness of compliance matters;
- monitor the Company's compliance with (re)insurance legislation and applicable requirements and guidelines;
- document any breaches identified, how they were addressed and whether any third party reporting of the breach is required;
- ensure that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company;
- provide opinions, recommendations, supervision and independent controls;
- provide reasonable assessment of the effectiveness and consistency of the internal processes used to control the compliance of the Company's operations and protect its reputation.

The Compliance Officer presents a Compliance Officer report to the Board at each board meeting which outlines the following:

- Details of regulatory correspondence with the Company
- Details of regulatory developments
- Details of which controls were tested since the last report and the results of the tests
- Conclusions and recommendations on the Company's compliance with reinsurance legislation and guidelines.

B.5 Internal audit function

B.5.1 Implementation of the internal audit function

The Company has outsourced its Internal Audit Function to the Manager. The internal audit function possesses a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance.

To this end, the Internal Audit Function is mandated to:

- establish, implement and maintain an audit plan setting out the audit work to be undertaken in the upcoming years, taking into account all activities and the complete system of governance of the Company;
- take a risk-based approach in deciding its priorities;
- report the audit plan to Board of Directors;
- issue recommendations based on the result of work carried out in accordance with the audit plan and submit a written report on its findings and recommendations to the Board of Directors on at least an annual basis.

B.5.2 Independence of the internal audit function

The internal audit function provides independent and objective assurance services, via an Internal Audit Agreement between the Company and the Manager.

B.6 Actuarial function

The role of the Actuarial Function is outsourced to third party provider, Barnett Waddingham LLP, via the terms of a written SLA.

The key role of the Head of Actuarial Function (HoAF) is to provide the following services:

- Opinion on Underwriting Policy
- Opinion on Technical Provisions
- Opinion on Reinsurance Arrangements
- Contribution to the Risk Management System
- Contribution to calculation of capital requirements
- Opinion on the ORSA process

B.7 Outsourcing

The Company has established an Outsourcing Policy which sets out the requirements for identifying, justifying and implementing material outsourcing arrangements. This Policy has been adopted by the Company and includes following:

- Definition of outsourcing and critical outsourcing;
- Risk Mitigation strategies;
- Board and Management responsibility;
- Due Diligence;
- Business Continuity Management (BCM);
- Contractual Arrangements;
- Management and control of the Outsourcing Relationship;
- Intra-Group Outsourcing;
- Final approval

The Company's outsourcing arrangements are subject to annual review and the findings of the report, along with the Outsourcing Policy are reviewed by the Board.

The following is a list of the important outsourced operational functions together with the jurisdiction in which the service providers of such functions or activities are located:

Critical Outsourcing Arrangements				
Outsourced Provider	**Service Outsourced**	**Internal/External**	**Jurisdiction**	**Outsourcing Oversight**
Marsh Management Services (Dublin) Limited	Captive Manager	External	EU	Chairman (PCF-3)
	Compliance Function			
	Internal Audit Function			
	Risk Management Function			
Barnett Waddingham LLP	Head of Actuarial Function	External	EU	
Crawford & Company	Claims Administration	External	EU	

B.8 Assessment of the adequacy of the system of governance of the insurance or reinsurance undertaking to the nature, scale and complexity of the risks

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 operations of the Company.

B.9 Any other material information regarding the system of governance of the Company

Nothing to report.

C RISK PROFILE

C.1 Underwriting risk

C.1.1 Key underwriting risks

Health (similar to Non-life) underwriting risk at 31 December 2019 comprises 12% of the undiversified basic SCR.

Non-Life (excluding Health) underwriting risk at 31 December 2019 comprises 34% of the undiversified basic SCR.

The key underwriting risks to which the Company is exposed to are set out below:

Non-life premium and reserve risk

Underwriting risk arises from two sources – premium risk (pricing) and adverse claims development (reserve risk).

For a non-life insurer, underwriting risk is the risk arising from non-life insurance obligations in relation to the perils covered and the processes used in the conduct of business.

There are a number of material risks that are considered as a result of the Company's insurance underwriting.

For premium risk, the Company has considered the risk of underpricing of premiums resulting in higher loss ratios than expected.

For reserve risk, the Company has considered the risk of over- and under-reserving of actual and expected claims.

Non-life catastrophe risk

The risk of a major natural or man-made event occurring, while not listed in the Company's risk register, is considered as part of its reinsurance strategy.

The Company writes a sizeable risk limit for Property damage and business interruption. The exposures to "acts of god" type losses can result are major losses for the Company. As a result, the Company's retrocession strategy is tailored to cap these risks to $5m any of loss.

A similar strategy is deployed relative to Motor Liability risk in certain EU countries where the law calls for an insurer to provided "unlimited" bodily injury coverage. As a result, the Company purchases reinsurance to cap its exposure to €5m any one loss.

C.1.2 Assessment and risk mitigation techniques used for underwriting risks

The Company monitors and controls risks via various methods, including:

- Having in place clear underwriting and reserving philosophies and procedures and controls in relation to pricing and reserving;
- Assessing (re)insurance risks with quality underwriting and claims expertise and information;
- Retaining risk within an approved risk appetite and solvency requirements;
- Transferring risk, through reinsurance
- Monitoring changing environment and market conditions that effect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions;
- Independent opinion on the reasonableness and adequacy of the overall underwriting policy is provided by the Head of Actuarial Function on an annual basis.

C.1.3 Material Risk Concentrations

The Company seeks to avoid concentration of risks by accepting insurance of risks which are sourced across a number of geographical areas.

C.2 Market risk

C.2.1 Material market risks

Market risk is the risk arising from the level of volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, real estate prices and exchange rates.

Market risk is arrived at using the assumptions and calculations methods contained in the Standard Formula.

Investment objectives are outlined in the Company's Investment and Asset Liability Policy.

The table below outlines the material components of the market risk module as at 31 December 2019.

Market Risk sub-module	€'000
Concentration	6,860

Concentration Risk: the risk that excessive exposure to counterparty will impact on the solvency of Company.

Concentration risk of €6.9 million is the most significant market risk charge and arises from the Company's current investment portfolio which sees funds invested in cash pooling facilities. It has increased from the prior year as a result increased assets.

The Board recognises that the financial rating of counterparties has a significant influence on the capital charge and that this is managed through the investment and Asset Liability Policy of the Company.

Spread Risk: the sensitivity of the value of investments, primarily bonds and deposits in respect of the Company, to changes in the level or in the volatility of credit spreads. Spread risk is linked to the credit rating of assets held and the effect of a market change in the credit curve.

Interest rate risk: the risk that the Company is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates.

The currency risk relative to the Company's business is as respect the premiums it takes in and the claims it pays out. While the majority of the Company's written premiums and claim payments are in Euro; there is exposure to a variety of other currencies, most notably Sterling, Swiss Francs and Canadian Dollars.

Interest rate risk is minimal as assets are in general short term in nature.

Although currency, spread and interest rate risk are not considered material given the nature and structure of the Company's business, the Company has considered it prudent to include these risks in its allocation of capital.

C.2.2 Prudent person principle applied to market risks

The high quality and conservative investments are a consequence of the investment assets being prudently invested, taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.2.3 Assessment and risk mitigation techniques used for market risks

The Company monitors and controls market risks via various methods, including:

- Compliance with the Investment and Asset Liability Policy as approved by the Company's Board of Directors;
- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit in with the Company's business objectives;
- Retaining risk within an approved risk appetite and solvency requirements;
- Monitoring changing environment and market conditions that affect risk;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.3 Credit risk

C.3.1 Material market risks

Credit risk at 31 December 2019 comprises 28% of the undiversified basic SCR.

Credit risk is the risk that the Company is exposed to lower returns or loss if another party fails to perform its financial obligations towards the Company.

Credit risk is considered a material risk by the Company and arises from a number of activities. The Company's investments comprising of bank deposits are exposed to credit risk whereby there is a risk that the Company's investment counterparty will default causing a partial or total loss in its investments. In addition, within the Company's underwriting there is a risk that reinsurers will be unable to respond to a claim or series of claims.

The financial ratings of the investment counterparties and reinsurers are taken into account in the SCR calculation.

C.3.2 Prudent person principle applied to credit risks

Counterparties are selected by taking into account the credit rating and reputation of each entity. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty.

C.3.3 Assessment and risk mitigation techniques used for credit risks

The Company monitors and controls credit risks via various methods, including:

- Minimum rating criteria for the placing of deposits and opening of bank accounts, in line with the Investment and Asset Liability Policy;
- Monitoring the credit ratings of counterparties;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process;
- Retaining risk within an approved risk appetite and solvency requirements;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.
- Independent opinion on the Company's reinsurance arrangements is provided by the Head of Actuarial Function on an annual basis.

C.4 Liquidity risk

C.4.1 Material liquidity risks

Liquidity risk refers to the risk that undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due.

It is the Company's policy that liquidity and concentration risk is minimised as much as possible

The Company has considered the risk of a lack of liquidity available to pay insurance liabilities in its risk register. No specific allocation of capital is considered necessary for this risk.

The Company's cash in-flow is generated from premium income. Its cash out-flow consists mainly of claims payments and a small volume of administration expenses.

C.4.2 Prudent person principle applied to liquidity risks

The investment assets are prudently invested taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.4.3 Assessment and risk mitigation techniques used for liquidity risks

The Company monitors and controls risks via various methods, including:

- Compliance with the Liquidity and Concentration Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process.

C.5 Operational risk

C.5.1 Material operational risks

Operational risk is the risk of loss resulting from failed internal processes, people and systems or from external events. Operational risks which can result in losses include internal fraud. External fraud, employments practices, system failures and disregard of company policies.

The Company has considered a number of operational risks in its risk register arising out of its activities. For example, the Company has considered the risk of fraud arising from the misappropriation of Company funds.

The Company has considered the risk that there is inadequate business continuity plans in place to support the business in the event of a disaster. The risk present would be that the Company would be unable to bill premiums/pay claims or produce management reports.

The Company has considered the risk of becoming overly reliant on key personnel for knowledge and control of operations. The risk present is that this could potentially lead to delays in collecting premiums, maintaining claims or producing financial reports.

The Board is satisfied that there are robust controls and procedures in place to mitigate the risk.

Operational risks are also addressed in the capital requirement as an addition to the BSCR to the extent that they have not been explicitly covered in other risk modules. The operational risk capital charge as at 31 December 2019 is €305k (2018: €289k).

C.5.2 Assessment and risk mitigation techniques used for operational risks

The Company monitors and controls operational risks via various methods, including:

- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit within the Company's business objectives;
- Implementing a robust system of internal controls and procedures;
- Segregation of duties;
- Monitoring and internal reporting;
- Outsourcing its management to an experienced management company;
- Setting a strategic surplus target of 15% above the SCR;
- Commitment of effective corporate governance.

C.6 Other material risks

The Company has included a range of non-quantifiable risks in its ORSA process. Documented associated actions exist for each of these risks and they are reviewed on a quarterly basis by the Board of Directors.

Sample risks include:

- Regulatory and Compliance;
- Loss of key personnel/director's resignation
- Outsourcing.

A failure to comply with company law, tax, accounting or insurance regulations is considered in the Company's risk register. The Board is of the belief that all material risks except for regulatory risk are quantified and captured within the ORSA. The aforementioned risk is mitigated by appointment of experienced local management company, tax advisors, Company Secretary and Compliance Officer.

The Board is satisfied that the Company has a succession plan in place and in the event that a director resigns or intends to resign the parent Company will provide a replacement nominee for that position as soon as possible.

While the Board recognise that the Company operates on a basis of an outsourced model, whereby the day to day operations and number of key functions are outsourced, the Board is satisfied that all outsourcing agreements include an appropriate period notice. This would provide the Company with sufficient time to find an alternative professional services provider. Additionally, performance of outsourced providers is reviewed on an annual basis and such review would flag any potential deficiencies of the individual service provider.

It was concluded that no additional capital except for the previously mentioned buffer is required in respect of the above potential qualitative risks.

C.7 Amount of expected profit included in future premiums as calculated in accordance with Article 260(2)

The amount of expected profit included in future premiums is Nil.

C.8 Stress and sensitivity tests

The Company's ORSA contains three scenarios and a reverse stress test. Stress testing is based on the largest risks per the Company's risk register, which have been determined to be:

1. the impact of a downgrade in the rating of bank/investment counterparties (one-step downgrade);
2. a downgrade in the rating of the Company's reinsurance panel (one-step downgrade).
3. Adverse claims development with a downgrade in the rating of the Company's reinsurance panel (one-step downgrade).

Robust risk mitigation practices and remediation plans are in place to address these risks.

One case was identified within the ORSA (reverse stress test) that could potentially result in the SCR cover falling below the strategic surplus target. This was:

The Company considered a reverse stress test under scenario 3. This can be defined as a stress test that requires assessment of scenarios and circumstances that would render its business model unviable, thereby identifying potential business vulnerabilities.

C.9 Any Other Information

The Company has identified all material risks through its risk register and there is no other material information regarding the risk profile of the Company that warrants disclosure.

D VALUATION for SOLVENCY PURPOSES

D.1 Assets

D.1.1-2 Local GAAP and Solvency II Valuations

The table below sets out the value of the Company's material assets:

	31/12/2019		31/12/2018	
	Assets per GAAP	Assets per Solvency II	Assets per GAAP	Assets per Solvency II
	Total €'000	Total €'000	Total €'000	Total €'000
Cash & cash equivalents	33,694	15	31,092	2,341
Other Mortgages and Loans	-	33,679	-	28,751
Debtors arising out of insurance operations	2,179	-	2,008	-
Insurance and Intermediaries Receivables	-	2,179	-	2,008
Reinsurance recoverables	237	-	228	-
Deferred Acquisition Costs	-	-	-	-
Deferred Tax Asset		-	-	-
Corporation Tax Recoverable	-	-	-	-
Other Assets	-	-	1	1
Total assets	**36,110**	**35,873**	**33,229**	**33,101**

The Company's assets are recognised and valued using the following principles:

Cash and cash equivalents

Cash and cash equivalents consist of deposits with credit institutions with a maturity of less than 3 months. Cash and cash equivalents are initially measured at fair value.

Adjustment for solvency purposes relates to the re-class of cash pooling arrangements to "Other Mortgages and Loans" in accordance with Annex II of The Eiopa Implementing Technical Standards on Solvency II reporting.

Reinsurance recoverables

Reinsurance recoverables are comprised of the reinsurer's share of unearned premiums.

Adjustments for solvency purposes relate to the application of the Solvency II best estimate valuation. The fair value of the combined technical provisions (reinsurer's share of unearned premiums and a provision for amounts recoverable from the related reinsurance contracts) is calculated by discounting estimated future cash-flows (best estimates) based on estimated duration of each provision (payment pattern), using the risk-free interest rates curve. An adjustment for reinsurer default is then applied.

Deferred acquisition costs

Commissions, which are related to the acquisition of new insurance contracts and the renewal of existing insurance contracts, are deferred in the balance sheet to the extent that they are attributable to premiums unearned at the balance sheet date.

Adjustment for solvency purposes relates to the removal these deferred acquisition costs as there is no concept of deferred acquisition costs in Solvency II; future acquisition cost cash flows are valued in Solvency II technical provisions.

Debtors arising out of insurance operations

Debtors arising out of insurance operations comprising of premium or recoveries due from entities or third parties are valued at fair value in accordance with Solvency II principles.

Adjustment for solvency purposes relates to the re-class of arrangements to “Insurance & Intermediaries Receivables” and “Other Assets”.

D.2 Technical Provisions

D.2.1 Local GAAP and Solvency II Valuations

The table below shows an analysis of the technical provisions as at 31 December 2019:

Insurance Class	31/12/2019		31/12/2018	
	TPs per Irish GAAP Financial Statements	TPs per Solvency II	TPs per Irish GAAP Financial Statements	TPs per Solvency II
	USD'000	USD'000	USD'000	USD'000
General liability insurance				
Best estimate of liabilities (BEL)	915	2,182	272	1,042
Risk margin	-	269	-	212
Motor vehicle liability insurance				
Best estimate of liabilities (BEL)	8,534	6,136	7,301	6,148
Risk margin	-	523	-	637
Fire and other damage to property insurance				
Best estimate of liabilities (BEL)	1,912	1,788	2,723	2,349
Risk margin	-	214	-	307
Miscellaneous financial loss				
Best estimate of liabilities (BEL)	84	49	75	87
Risk margin	-	27	-	70
Medical expense insurance				
Best estimate of liabilities (BEL)	-	9	-	11
Risk margin	-	1	-	1
Total technical provisions	**11,445**	**11,198**	**10,371**	**10,864**

The GAAP accounts of the Company include provisions for claims incurred and claims incurred but not reported, which consider all reasonably foreseeable best estimates. An unearned premium reserve is also included, relating to gross premiums written that have not yet expired by the end of the financial period by reference to the full term of the insurance policies to which such premiums written relate.

The Solvency II technical provisions are made up of a best estimate of the claims, premiums and expenses cash flows that are discounted to give an estimate of the provisions. A risk margin is then added.

A number of adjustments were made to the GAAP provisions in order to obtain the Solvency II technical provisions. Key points to note are as follows:

Cash-flows and discounting: Cash-flows have been discounted using the Euro risk free yield curve as at 31 December 2019 as published by the European Insurance and Occupational Pensions Authority ("EIOPA").

Inclusion of unearned business: The expected claims on unearned business have been calculated using an expected loss ratio applied to the unearned premium reserve.

Expenses: An allowance has been made for claims handling expenses.

ENID ("Events not in Data – allowance for possible events that have not historically occurred, but could impact the claims experience) loadings are considered to be implicitly included in the best estimate reserves.

Solvency II classes of business: Classes of business have been allocated to Solvency II line of business on the following basis:

Class of Business as per Irish GAAP	Solvency II Class of Business
Fire and Other Damage to Property	Fire & Other Damage to Property
General Liability	General Liability
Employers' Liability	General Liability
Personal Accident	Medical Expense
Motor Vehicle Liability	Motor Vehicle Liability
Transit	Marine, Aviation & Transport
Crime	Miscellaneous Financial Loss
Directors & Officers	General Liability

Risk Margin

The Solvency II Guidance states that the Risk Margin shall be such as to ensure that the value of the technical provisions is equivalent to the amount insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations. The risk margin as been calculated on the basis of a simplified approach, taking into account the nature, scale and complexity of the Company and its underlying risks.

The Company has used simplification Method 1 from Guideline 61 of the Solvency II "Guidelines on the valuation of technical provisions" (EIOPA-BoS-14/166 EN). This involves approximating the individual risks or sub-risks within some or all modules and sub modules to be used for the calculation of future Solvency Capital Requirements as referred in Article 58 (a) of Commission Delegated Regulation 2015/35.

This method has been deemed appropriate based on the future cash flow pattern of the company and the stable nature of its risk profile.

D.2.2 Uncertainty associated with the value of Technical Provisions

All estimates of unpaid loss reserves are inherently uncertain. The key areas of uncertainty of the technical provisions are driven by the uncertainty of the underlying booked reserves. Hence, the key area of particular uncertainty relating to the Company's liabilities is the value of the technical provisions.

The best estimate projections of future claim payments are based upon the Company's historical experience. It is possible that the historical data will not necessarily be predictive of future claim development.

In determining the Solvency II technical provisions, assumptions are made about future experience, however, actual experience could have a significant effect on actual results.

D.2.3 Solvency II and local GAAP valuation differences of Technical Provisions by material line of business

See analysis in Section D2.1.

D.2.4 The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

D.2.5 The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

D.2.6 The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

D.2.7 The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.2.8 Recoverables from reinsurance and special purpose vehicles

There were no recoverables from reinsurance or special purpose vehicles at 31 December 2019 (2018: USD Nil).

D.2.9 Material changes in relevant assumptions made in the calculation of technical provisions

There are no material changes in the relevant assumptions made in the calculation of the technical provisions compared to the previous reporting period.

D.3 Other liabilities

Other liabilities at 31 December 2019 were €1,342k (2018: €1,107k) and are composed of losses payable, corporation tax payable and accrued expenses and are considered to be held at fair value in accordance with Solvency II principles. A deferred tax liability has been created under the Solvency II basis in the current year as a result of the Technical Provision adjustments.

	31/12/2019		31/12/2018	
	Liabilities per GAAP	Liabilities per Solvency II	Liabilities per GAAP	Liabilities per Solvency II
	Total €'000	Total €'000	Total €'000	Total €'000
Insurance & intermediaries payable	-	844	-	645
Creditors arising out of direct insurance operations	844	-	645	-
Payables (trade, not insurance)	-	498	-	462
Accruals and deferred income	498	-	462	-
Corporation Tax Liability	-	-	-	-
Deferred Tax Liability	-	-	-	-
Total liabilities	**1,342**	**1,342**	**1,107**	**1,107**

Reclassifications are for the purpose of the applicable headings under the varying reporting formats.

D.4 Alternative Methods for Valuation for other liabilities

The Company does not use any alternative methods for valuation other liabilities. A deferred tax liability has been generated on the Solvency II Balance Sheet as a result of the different valuation of the Technical Provisions as per section D2.1 above.

D.5 Any Other Information

There are no other material matters in respect of the valuation of assets and liabilities.

E CAPITAL MANAGEMENT

E.1 Own funds

E.1.1 Objective, policies and processes for managing own funds

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA contains a three-year projection of funding requirements and helps focus actions for future funding.

The Company is a single shareholder entity whose ordinary shares are fully paid up. It has no debt financing nor does it have plans to raise debt or issue new share capital over the three year time horizon used for business planning. The medium-term capital management plan set by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of the SCR, target solvency margin cover is currently set at 115% of the SCR;
- The Company has put in place a Capital Commitment Deed which is classified as Tier 2 capital, thus uplifting the eligible capital by a value equal to 50% of the SCR. This Ancillary Own Fund Tier 2 Capital was approved by the CBI in June 2017.
- Dividends will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the abovementioned target SCR cover;
- The Company's own funds are primarily invested in in cash or cash equivalents.

E.1.2 Own funds analysed by tiers

An analysis of own funds is shown below:

Date	Description	Tier 1 €'000	Tier 2 €'000	Total €'000
1 January 2019	Opening balance comprising: Ordinary share capital Reconciliation Reserve	 3,000 18,129	 -	 **3,000** **18,129**
	Movement in the Reconciliation reserve for the year ended 31 December 2019	2,203	-	**2,203**
	Ancillary Own Funds		9,238	**9,238**
31 December 2019	Closing balance	23,332	9,238	**32,570**
	Represented by:			
	Ordinary share capital	3,000		**3,000**
	Reconciliation reserve (comprising retained earnings and Solvency II adjustments)	20,332		**20,332**
	Ancillary Own Funds		9,238	**9,238**
	Total available own funds	23,332	9,238	**32,570**

The Company's ordinary share capital, capital contribution and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a)(1) of the Delegated Regulation. The positive reconciliation reserve equals the excess of assets over liabilities less other basic own fund items, as at the reporting date. There are no foreseeable dividends or own shares held.

The Company has put in place a Capital Commitment Deed, which was approved by the Central Bank of Ireland, as Tier 2 capital thus uplifting the eligible capital by a value equal to 50% of the SCR.

E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The eligible amount of own funds to cover the Solvency Capital Requirement is €32.7m (2018: €31.7m). This is comprised of Tier 1 unrestricted Basic Own Funds of €23.3m (2018: €21.1m) plus Tier 2 Ancillary Own Funds of €9.4m (2018: €10.6m).

E.1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The eligible amount of own funds to cover the Minimum Capital Requirement is €23.3m (2018: 21.1m). This is comprised of Tier 1 unrestricted Basic Own Funds of €23.3m (2018: €21.1m).

E.1.5 Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

Reconciliation of Basic Own Funds to Equity as per financial statements as at 31 December 2019	
	€'000
Solvency II - Basic Own Funds	32,570
Total Equity as per financial statements	23,322
Difference:	**9,248**
Represented by:	
Ancillary Own Funds	9,238
Difference between Net Technical Provisions and BEL	1,044
Risk Margin	(1,034)
Difference:	**9,248**

E.1.6 None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

E.1.7 The Company has a Capital Commitment Deed in place, which was approved by the Central Bank of Ireland, and is classified as Tier 2 capital thus uplifting the eligible capital by a value equal to 50% of the SCR.

E.1.8 No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Amount of Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the total SCR and MCR at 31 December 2019:

	€'000
SCR	18,476
MCR	4,619

The final amount of the SCR remains subject to supervisory assessment.

E.2.2 Solvency Capital Requirement split by risk modules

The table below shows the SCR components by risk module (using the Standard Formula) at 31 December 2019.

SCR Overview	EUR'000
Market risk	7,038
Counterparty default risk	7,283
Non-life underwriting risk	8,764
Health underwriting risk	3,001
Diversification	(7,915)
Basic Solvency Capital Requirement	**18,171**
Operational risk	305
Solvency Capital Requirement	**18,476**

E.2.3 Simplified calculations are not used for any of the risk modules or sub-modules.

E.2.4 The Company does not use undertaking specific parameters in its computation.

E.2.5 The Minimum Capital Requirement is calculated using the Standard Formula specifications.

The table below shows the inputs into the MCR calculation as at 31 December 2019.

MCR Overview	EUR'000
Linear MCR	1,346
SCR	18,476
MCR cap	8,314
MCR floor	4,619
Combined MCR	4,619
Absolute floor of the MCR	1,200
Minimum Capital Requirement	**4,619**

E.2.6 There were no material changes to the Solvency Capital Requirement and to the Minimum Capital Requirement over the reporting period.

E.3 Any use of the equity risk sub-module in the calculation of the Solvency Capital Requirement.

The Company has not opted to use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

E.4 Internal model information.

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

E.5 Non compliance with the Minimum Capital Requirement and significant non-compliance with the Solvency Capital Requirement.

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

E.6 Any other information.

There are no other material matters in respect of the valuation of capital management.

F Templates

The following QRTs are appended overleaf.

QRT ref	QRT Template name
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses
S.05.02	Premiums, claims and expenses by country
S.17.01	Technical Provisions
S.19.01	Non-Life insurance claims
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.01	Minimum Capital Requirement

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	33,679
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	33,679
Reinsurance recoverables from:	**R0270**	
Non-life and health similar to non-life	**R0280**	
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	2,179
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	15
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	35,873

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	11,199
Technical provisions – non-life (excluding health)	**R0520**	11,189
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	10,156
Risk margin	**R0550**	1,033
Technical provisions - health (similar to non-life)	**R0560**	10
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	9
Risk margin	**R0590**	1
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	844
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	498
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	12,541
Excess of assets over liabilities	**R1000**	23,332

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and**				
		Medical expense insurance	Workers' compensation insurance	Motor vehicle liability insurance	Fire and other damage to property insurance	General liability insurance
		C0010	**C0030**	**C0040**	**C0070**	**C0080**
Premiums written						
Gross - Direct Business	**R0110**	12		836	1763	1053
Gross - Proportional reinsurance accepted	**R0120**	0		969	430	
Gross - Non-proportional reinsurance accepted	**R0130**					
Reinsurers' share	**R0140**			239	615	68
Net	**R0200**	12	0	1566	1,578	985
Premiums earned						
Gross - Direct Business	**R0210**	12		836	1,729	1053
Gross - Proportional reinsurance accepted	**R0220**	0		972	463	
Gross - Non-proportional reinsurance accepted	**R0230**					
Reinsurers' share	**R0240**	0		239	606	69
Net	**R0300**	12	0	1569	1,586	984
Claims incurred						
Gross - Direct Business	**R0310**			660	158	1001
Gross - Proportional reinsurance accepted	**R0320**			765	38	
Gross - Non-proportional reinsurance accepted	**R0330**					
Reinsurers' share	**R0340**					
Net	**R0400**	0	0	1425	196	1001
Changes in other technical provisions						
Gross - Direct Business	**R0410**					
Gross - Proportional reinsurance accepted	**R0420**					
Gross - Non- proportional reinsurance accepted	**R0430**					
Reinsurers'share	**R0440**					
Net	**R0500**	0	0	0	0	0
Expenses incurred	**R0550**			-17		
Other expenses	**R1200**					
Total expenses	**R1300**					

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**		Line of business for: **accepted non-proportional reinsurance**		Total
		Legal expenses insurance	Miscellaneous financial loss	Health	Property	
		C0100	**C0120**	**C0130**	**C0160**	**C0200**
Premiums written						
Gross - Direct Business	**R0110**		218			3,882
Gross - Proportional reinsurance accepted	**R0120**		-			1,399
Gross - Non-proportional reinsurance accepted	**R0130**					-
Reinsurers' share	**R0140**		-			922
Net	**R0200**	0	218	0	0	4,359
Premiums earned						
Gross - Direct Business	**R0210**		209			3,839
Gross - Proportional reinsurance accepted	**R0220**		-			1,435
Gross - Non-proportional reinsurance accepted	**R0230**					-
Reinsurers' share	**R0240**					914
Net	**R0300**	0	209	0	0	4,360
Claims incurred						
Gross - Direct Business	**R0310**					1,819
Gross - Proportional reinsurance accepted	**R0320**					803
Gross - Non-proportional reinsurance accepted	**R0330**					-
Reinsurers' share	**R0340**					-
Net	**R0400**	0	0	0	0	2,622
Changes in other technical provisions						
Gross - Direct Business	**R0410**					-
Gross - Proportional reinsurance accepted	**R0420**					-
Gross - Non- proportional reinsurance accepted	**R0430**					-
Reinsurers'share	**R0440**					-
Net	**R0500**	0	0	0	0	-
Expenses incurred	**R0550**					- 16
Other expenses	**R1200**					71
Total expenses	**R1300**					55

S.05.02.01.01 Home Country - non-life obligations

Z Axis:

			Home country
			Home country
			C0080
Premiums written	Gross - Direct Business	R0110	645
	Gross - Proportional reinsurance accepted	R0120	
	Gross - Non-proportional reinsurance accepted	R0130	
	Reinsurers' share	R0140	69
	Net	R0200	576
Premiums earned	Gross - Direct Business	R0210	644
	Gross - Proportional reinsurance accepted	R0220	
	Gross - Non-proportional reinsurance accepted	R0230	
	Reinsurers' share	R0240	69
	Net	R0300	575
Claims incurred	Gross - Direct Business	R0310	906
	Gross - Proportional reinsurance accepted	R0320	
	Gross - Non-proportional reinsurance accepted	R0330	
	Reinsurers' share	R0340	
	Net	R0400	906
Changes in other technical provisions	Gross - Direct Business	R0410	
	Gross - Proportional reinsurance accepted	R0420	
	Gross - Non-proportional reinsurance accepted	R0430	
	Reinsurers' share	R0440	
	Net	R0500	
Expenses incurred		R0550	71
Other expenses		R1200	
Total expenses		R1300	

S.05.02.01.02 Top 5 countries (by amount of gross premiums written) - non-life obligations

Z Axis:

			CANADA	FRANCE	GERMANY	NETHERLANDS	SPAIN	UNITED KINGDOM
			C0090_40	C0090_76	C0090_83	C0090_157	C0090_208	C0090_234
Premiums written	Gross - Direct Business	R0110		299	1,235	277	117	771
	Gross - Proportional reinsurance accepted	R0120	969					
	Gross - Non-proportional reinsurance accepted	R0130						
	Reinsurers' share	R0140						34
	Net	R0200	969	299	1,235	277	117	737
Premiums earned	Gross - Direct Business	R0210		312	1,216	265	111	756
	Gross - Proportional reinsurance accepted	R0220	972					
	Gross - Non-proportional reinsurance accepted	R0230						
	Reinsurers' share	R0240		13				32
	Net	R0300	972	299	1,216	265	111	724
Claims incurred	Gross - Direct Business	R0310		2	(25)	(41)	1	524
	Gross - Proportional reinsurance accepted	R0320	953					
	Gross - Non-proportional reinsurance accepted	R0330						
	Reinsurers' share	R0340						
	Net	R0400	953	2	(25)	(41)	1	524
Changes in other technical provisions	Gross - Direct Business	R0410						
	Gross - Proportional reinsurance accepted	R0420						
	Gross - Non-proportional reinsurance accepted	R0430						
	Reinsurers' share	R0440						
	Net	R0500						
Expenses incurred		R0550						
Other expenses		R1200						
Total expenses		R1300						

S.05.02.01.03 Total Top 5 and home country - non-life obligations

Z Axis:

			Non-life and Health non-SLT
			Total Top 5 and home country
			C0140
Premiums written	Gross - Direct Business	R0110	3,344
	Gross - Proportional reinsurance accepted	R0120	969
	Gross - Non-proportional reinsurance accepted	R0130	
	Reinsurers' share	R0140	103
	Net	R0200	4,210
Premiums earned	Gross - Direct Business	R0210	3,304
	Gross - Proportional reinsurance accepted	R0220	972
	Gross - Non-proportional reinsurance accepted	R0230	
	Reinsurers' share	R0240	114
	Net	R0300	4,162
Claims incurred	Gross - Direct Business	R0310	1,367
	Gross - Proportional reinsurance accepted	R0320	953
	Gross - Non-proportional reinsurance accepted	R0330	
	Reinsurers' share	R0340	
	Net	R0400	2,320
Changes in other technical provisions	Gross - Direct Business	R0410	
	Gross - Proportional reinsurance accepted	R0420	
	Gross - Non-proportional reinsurance accepted	R0430	
	Reinsurers' share	R0440	
	Net	R0500	
Expenses incurred		R0550	71
Other expenses		R1200	
Total expenses		R1300	71

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060							203	4	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									
Net Best Estimate of Premium Provisions	R0150							203	4	
Claims provisions										
Gross	R0160	9			6,136			1,585	2,178	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									
Net Best Estimate of Claims Provisions	R0250	9			6,136			1,585	2,178	
Total Best estimate - gross	R0260	9			6,136			1,788	2,182	
Total Best estimate - net	R0270	9			6,136			1,788	2,182	
Risk margin	R0280	1			523			214	269	
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	R0320	10			6,659			2,002	2,451	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-			-			-	-	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	10			6,659			2,002	2,451	

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060			13					220
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								
Net Best Estimate of Premium Provisions	R0150			13					220
Claims provisions									
Gross	R0160			36					9,944
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								
Net Best Estimate of Claims Provisions	R0250			36					9,944
Total Best estimate - gross	R0260			49					10,164
Total Best estimate - net	R0270			49					10,164
Risk margin	R0280			27					1,034
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320			76					11,198
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330			-					-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340			76					11,198

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	Underwriting Year

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

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-	R0100	-	6,561
N-9	R0160	-	115	38	184	187	107	-	-	-	-		R0160	-	631
N-8	R0170	13	41	38	13	225	114	-	-	-			R0170	-	445
N-7	R0180	-	-	249	14	104	-	-	-				R0180	-	367
N-6	R0190	251	221	67	-	-	-	-					R0190	-	539
N-5	R0200	322	247	328	64	-	-						R0200	-	961
N-4	R0210	-	50	1	-	-							R0210	-	51
N-3	R0220	-	886	46	34								R0220	34	966
N-2	R0230	362	-	165									R0230	165	527
N-1	R0240	292	828										R0240	828	1,120
N	R0250	639											R0250	639	639
													Total R0260	1,666	12,807

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											5	R0100	5
N-9	R0160							26	43	22	8		R0160	8
N-8	R0170						157	72	71	29			R0170	27
N-7	R0180					424	104	158	65				R0180	60
N-6	R0190				285	228	314	153					R0190	142
N-5	R0200			687	423	605	312						R0200	293
N-4	R0210		1,043	733	1,006	686							R0210	656
N-3	R0220	1,766	1,267	1,538	1,154								R0220	1,115
N-2	R0230	1,873	2,250	1,763									R0230	1,721
N-1	R0240	3,632	2,579										R0240	2,549
N	R0250	3,375											R0250	3,368
													Total R0260	9,944

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	3,000	3,000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	20,332	20,332			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	23,332	23,332			-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390	9,238			9,238	
Total ancillary own funds	R0400	9,238			9,238	
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	32,570	23,332		9,238	-
Total available own funds to meet the MCR	R0510	23,332	23,332		-	
Total eligible own funds to meet the SCR	R0540	32,570	23,332		9,238	
Total eligible own funds to meet the MCR	R0550	23,332	23,332		-	
SCR	R0580	18,476				
MCR	R0600	4,619				
Ratio of Eligible own funds to SCR	R0620	176%				
Ratio of Eligible own funds to MCR	R0640	505%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	23,332
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	3,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	20,332
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	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	7,038		
Counterparty default risk	R0020	7,283		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	3,001		
Non-life underwriting risk	R0050	8,764		
Diversification	R0060	- 7,915		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	18,171		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	305
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	18,476
Capital add-on already set	R0210	
Solvency capital requirement	R0220	18,476
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	1,346

		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	9	12
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	6,136	1,566
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	1,788	1,578
General liability insurance and proportional reinsurance	R0090	2,182	985
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	49	218
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	-

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

Overall MCR calculation

		C0070
Linear MCR	R0300	1,346
SCR	R0310	18,476
MCR cap	R0320	8,314
MCR floor	R0330	4,619
Combined MCR	R0340	4,619
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	4,619