

Solvency & Financial Condition Report

Vishay Insurance DAC



Report Dated: 31st December 2019

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Summary

This Solvency and Financial Condition Report (“SFCR”) has been drafted in line with articles 290 through 299 of the Commission Delegation Regulation (EU) 2015/35 of 10 October 2014.

The objective of this report is to consolidate all material and key information relating to Vishay Insurance DAC (“the Company” or “VINS”) over the reporting period of 1 January 2019 through 31 December 2019, in respect of the following categories:

- Business and performance
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management

The following summarises the information and findings in the subsequent sections of this report:

- The Company’s business remained unchanged from the prior year with no adjustments to the lines of business licensed to be underwritten. The financial performance of the Company was acceptable with a net profit after tax achieved of USD 2,139,197 (2018: USD 2,339,796).
- The Company’s System of Governance is robust and fit for purpose with the appointed Board of Directors together with the respective Heads of Functions, adequately fulfilling their requirements over the reporting period.
- The risk profile of the Company has remained unchanged from the prior year. The levels of risk and retention for the E&O policy remain unchanged. The prior year PDBI programme remains unchanged but the Company now participates in a reinsurance excess layer above this. The Company retains no risk on a net line basis on the excess layer.
- The Company has calculated its solvency capital requirement (“SCR”) using the standard formula. As at 31 December 2019 the Company’s technical provisions as calculated under Solvency II valuation principles were USD 4.6 M (2018: USD 4.4M) compared to GAAP technical provisions of USD 5.4M (2018: USD5.1M), as booked in the audited financial statements.
- With eligible capital of USD 23M (2018: USD 20.7M) in place, the Company achieved SCR coverage of 248.3% (2018: 205.6%) and Minimum Capital Requirement (“MCR”) coverage of 558.5% (2018: 495.3%) as at 31 December 2019.

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A. Business Performance: Year Ended 31st December 2019

This Solvency and Financial Condition Report (SFCR) has been prepared to allow Vishay Insurance DAC ('VINS' or 'the Company') to comply with the Pillar III reporting requirements under Directive 2009/138/EC as supplemented by Commission Delegation Regulation (EU) 2015/35 of 10 October 2014 and associated Regulations ('the Solvency II Directive')

The Company has set a target Solvency Capital Requirement (SCR) cover ratio of 120%.

A.1 General Information about the Business

Legal Form

The Company was licensed in Ireland on 31st October 2007 and is a wholly owned subsidiary of Vishay Intertechnology Inc. It is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

Vishay Intertechnology Inc., a United States of America registered group.

Supervisory Authority

The Central Bank of Ireland

Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 446898

Auditor

Deloitte Ireland LLP

Risk Profile

Vishay Insurance DAC is licenced to write the following classes of business:

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

Material Geographical Areas

- EU/EEA (Germany, Czech Republic)
- Non EU/EEA (USA, Israel)

Significant events in the reporting period

There were no significant events within the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

2019 (all in USD)			
Gross Premium Written:	PDBI	General Liability	Total
Risks located in Ireland	-	-	-
Risks located in other EU countries	2,056,945	-	2,056,945
Risks Located outside EU	2,827,171	317,500	3,144,671
Total	4,884,116	317,500	5,201,616

2018 (all in USD)			
Gross Premium Written:	PDBI	General Liability	Total
Risks located in Ireland	-	-	-
Risks located in other EU countries	1,901,516	-	1,901,516
Risks Located outside EU	2,461,909	317,500	2,779,409
Total	4,363,425	317,500	4,680,925

2019 (all in USD)			
Technical Result:	PDBI	General Liability	Total
Gross Earned Premium	4,496,750	316,991	4,813,741
Gross claims cost	0	(5,954)	(5,954)
Gross operating expenses	(279,540)	(19,701)	(298,246)
Reinsurance balance	(2,581,531)	-	(2,581,531)
Allocated investment return	55,224	3,893	59,117
Net technical result	1,691,862	295,774	1,987,127

2018 (all in USD)			
Technical Result:	PDBI	General Liability	Total
Gross Earned Premium	4,696,067	323,197	5,019,264
Gross claims cost	20,634	(66,270)	(45,636)
Gross operating expenses	(323,081)	(22,236)	(345,317)
Reinsurance balance	(2,361,161)	-	(2,361,161)
Allocated investment return	51,258	3,528	54,786
Net technical result	2,083,717	238,219	2,321,936

A.3 Financial Performance

	2019 USD	2018 USD
Gross premiums written	5,201,616	4,680,925
Outward reinsurance premiums	(2,943,031)	(2,532,953)
Net premiums written	2,258,584	2,147,972
Change in the gross provision for unearned premiums	(387,874)	338,339
Change in the provision for unearned premiums, reinsurer's share	361,500	171,792
Change in the provision for unearned premiums, net of reinsurance	(26,374)	510,131
Earned premiums, net of reinsurance	2,232,210	2,658,103
Allocated investment return transferred from the non- technical account	59,117	54,786
Claims paid, gross and net	0	(539,366)
Change in the provision for claims, gross and net	(5,954)	493,730
Claims incurred, net of reinsurance	(5,954)	(45,636)
Net operating expenses	(298,246)	(344,406)
Balance on the technical account for general business	1,987,127	2,322,847
Investment Income	510,110	432,229
Less: Investment Income Allocated to technical account	(59,117)	(54,786)
Foreign Exchange (Loss) / Gain	5,626	(23,976)
Investment expenses and charges	863	(911)
Profit on ordinary activities before taxation	2,442,883	2,675,403
Taxation (charge) / credit	(303,685)	(335,607)
Profit on ordinary activities after taxation	<u>2,139,197</u>	<u>2,339,796</u>

A.4 Investment Performance

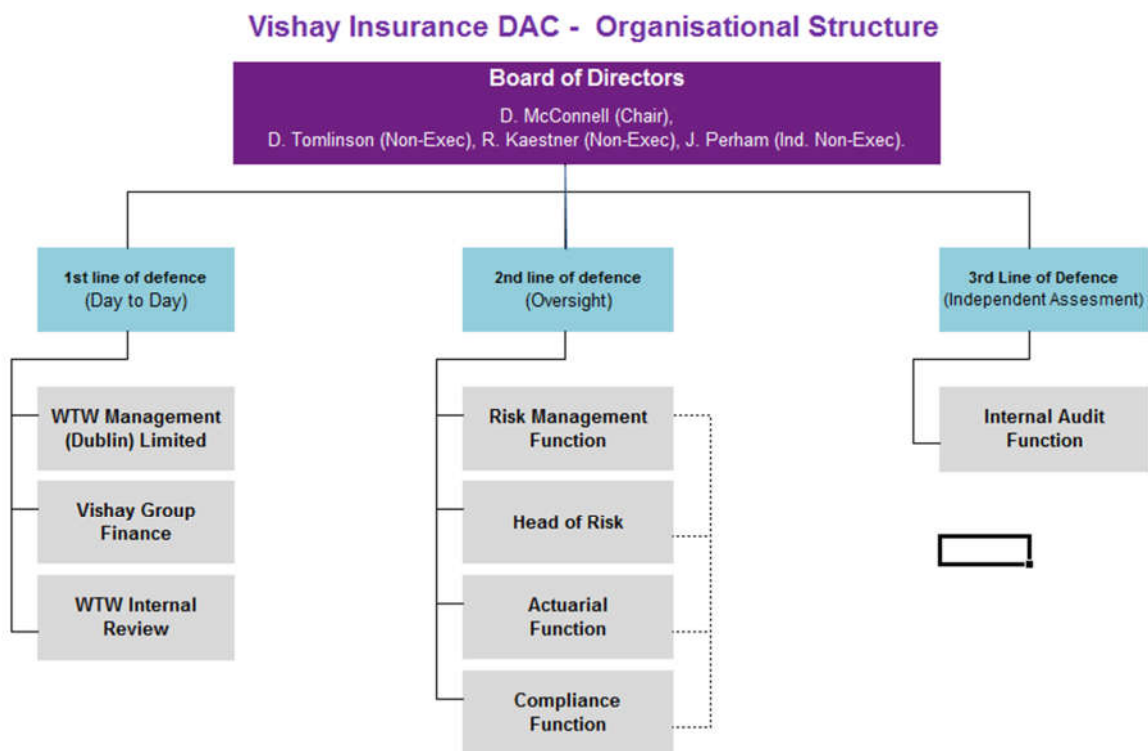
Total Investment Income for the financial year ended 31 December 2019 was equal to USD 510,110. The table below outlines a breakdown of the investment performance by asset class:

Asset Class	USD
Government Bonds	-
Equities	-
Derivatives	-
Cash and Deposits Interest	510,110

B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of Vishay Insurance DAC as at 31st December 2018 comprised as follows:

Name	PCF	Date Appointed by the Board	Date Resigned
David McConnell	Non-Executive Director (PCF2) & Chairman of the Board (PCF3)	18/04/2014	N/A
David Tomlinson	Non-Executive Director (PCF2)	27/03/2014	N/A
Ralf Kaestner	Non-Executive Director (PCF2)	01/10/2007	N/A
John Perham	Non-Executive Director (PCF2)	01/10/2007	N/A

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the Company
- Setting the business strategy for the Company
- Establishing Banking mandate/s
- Determining Investment Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including Reinsurance)
- Insurance pricing
- Loss Reserve strategy
- Appointment of Reinsurers
- Capital and calling-up of capital
- Appointment of Auditors
- Appointment of Signing Actuary
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors/Compliance Officer
- Removal of the Head of a Control Function and consequent notification of such decision to CBI within 5 working days
- Dividend Recommendations
- Setting the Risk Appetite of the Company

- Monitoring the minimum capital requirements of the Company in line with the Solvency II requirements and local legislation
- Overall Responsibility for the Company's Risk
- Establishing and maintaining the Company's Internal Control Framework
- Identification and appointment of the Key Functions within the Company and receiving timely reports from such functions.
- Review and sign off of Financial Statements and annual regulatory reporting as required by Solvency II – annual Quantitative Reporting Templates (“QRTs”), Regular Supervisory Report (“RSR”) and Solvency and Financial Condition Report (“SFCR”)
- Own Risk and Solvency Assessment (“ORSA”) and related activities
- Own Risk and Solvency Assessment (“ORSA”) approval procedures
- Review of the Company's Policies and Procedures (annually)
- Establishment (if appropriate) of various Committees and related delegation of duties
- Sign-off various Committees' Terms of Reference (if appropriate)
- Fit and Proper Procedures and approval process

Audit Committee

“Vishay Insurance DAC is a captive insurance undertaking and is therefore availing of the exemption in Section 1551(13) of the Companies Act 2014 (as amended) from the requirement to establish an Audit Committee. The Board of Directors, as comprised on page 8 above performs the functions of the Audit Committee as described in Section 1551 of the Companies Act 2014”.

The traditional duties of the Audit Committee that rest with the Board, are as follows:

- To monitor the financial reporting process.
- To monitor the effectiveness of the entity's systems of internal control, internal audit and risk management.
- To make recommendations to the Board on appointment of statutory auditor or audit firm.
- To monitor the statutory audit of the annual accounts.

- To monitor the Internal Audit Function and consider the recommendations of the internal audit reports.

Information on Remuneration Policies and Practices

The Company is classified as a Captive Insurance Company with three of the four Director positions held by Group employees. One Board member is an independent non-executive director and is individually remunerated for their role as Director. The Company did not have any employees at any time during the year.

Overview of Year Ended 31st December 2019

Two Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 03rd April 2019
- 25th September 2019

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. David McConnell, Non-Executive Director as the designated person, with the overall responsibility for the outsourced functions. Mr. McConnell has sufficient knowledge and experience with regard the outsourced key functions and has the ability to challenge the performance and results of the respective service providers. The following key functions are outsourced by the Company:

Risk Management Function.

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited ('WTWMDL'), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board will review the composition of its Risk Management Function at least annually.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Compliance Function.

The Company's Compliance Function is responsible for implementing an appropriate compliance framework within the Company and monitoring the Company's adherence to legal and regulatory requirements on an ongoing basis.

The Compliance Function reports to the Board periodically on all key compliance matters, such as implementation of the annual Compliance Plan, regulatory engagement and correspondence, upstream regulatory developments and any compliance breaches that may have occurred in the period and corrective actions undertaken.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Compliance (PCF12). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Actuarial Function.

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson Global Strategic Risk Consulting.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness & Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48).

The Actuarial Function's role can be summarised as providing the Company with the following:

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment (ORSA) and SCR (Solvency Capital Requirement) calculations.
- Co-ordinating the calculation of the Technical Provisions.
- Provision of an opinion on the underwriting and reinsurance policy of the Company
- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial

Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.

- Assess the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparison of best estimates against experience.

Internal Audit Function.

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is an outsourced service provided by Vishay Group, which reports directly to the Board of Directors. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function provides a formal report to the Board at least annually. The findings of Internal Audit reviews conducted are discussed with and challenged by the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13).

B.2 Fit and Proper Requirements

Vishay Insurance DAC deems the following personnel to hold Pre Approval Controlled Functions and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards:

- The Board of Directors
- The Chief Risk Officer
- The Head of Internal Audit
- The Head of Actuarial Function
- The Head of Compliance

Fitness:

The members of the Board of the Company collectively possess the required qualification, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company;
- Of the business strategy and business model of the Company;
- Of the Company's system of governance;
- To perform required financial and actuarial analysis in respect of the Company;
- Of the regulatory framework and requirements applicable to the Company; and
- Generally to be able to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must hold the appropriate qualifications, knowledge and sufficient experience in their relevant disciplines, in compliance with the Fitness and Probity Standards ("The Standards").

Probity:

The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

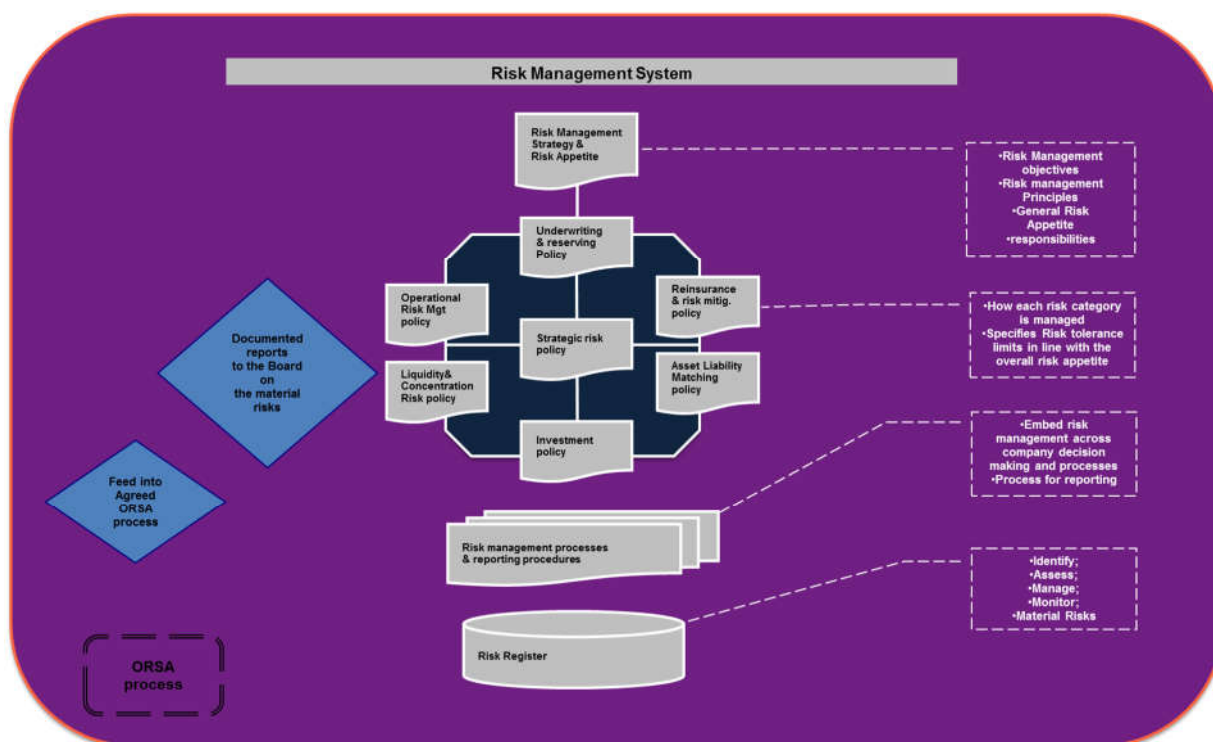
In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

B.3 Risk Management System

The Company's Risk Management System is comprised of the following elements:

- Risk Appetite Statement (RAS)
- Risk Register
- Formal Policy Documents for all key risks
- Own Risk and Solvency Assessment (ORSA)

- Formalised Risk Reporting



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered in both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risk which the Company faces in the course of its business are appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision making process.

Risk Profile

The Company, in considering its risk profile, has regard to the following factors:

Nature:

The nature of the Company's risk is confined with the Vishay Group only with no third party policy holders and therefore represents limited systemic risk.

Scale:

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure, relative to the general insurance market.

Complexity:

The Company assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilises reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

Risk Function

The Risk Management Function of the Company is responsible for the operational coordination and application of all Risk Management activities throughout the Company on an ongoing basis.

The Risk Management Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Risk Management Function is responsible for the coordination of all risk management activities throughout the Company.

The Risk Management Function is also responsible for providing the Board with assistance and support in the development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Management Function to Willis Towers Watson Management (Dublin) Limited in accordance with the Company's Outsourcing Policy and the terms and conditions of the Management Services Agreement.

Risk Categories & Key Risks

Key risks are considered to be the six risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board of Directors.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the Risk Appetite Statement.

All key risks are documented in the Risk Appetite Statement and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are:

- Underwriting and Reserving Risk
- Reinsurance and Other Risk Mitigation Techniques
- Operational Risk
- Investment Risk
- Asset-Liability Management Risk
- Liquidity Risk

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least:

- Quarterly
- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business
- At the discretion or order of the Board

Risk Appetite Statement

The Company has in place a Risk Appetite Statement (RAS). The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for setting the Company's RAS. The Board periodically reviews the appropriateness and effectiveness of the RAS and performs a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS is embedded within the decision making processes of the Company. The Board of Directors, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the Central Bank of Ireland.

Monitoring of the actual performance against the metrics identified in the RAS is performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's qualitative risk appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the Risk Appetite Matrix.

Risk Policies

The Company has documented a formal policy for each key risk included in the RAS. The policies for each specific risk are consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk are appropriately reflected in the policy for the risk.

Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to accommodate the risk to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting on the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least a quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of the each review as soon as is practicable and form part of the Risk Management Function's periodic Risk Reporting.

As part of each update, the Risk Register is reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Function advises the Board of the nature and context of the risk. The Board then determines whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

ORSA

The Company aims to ensure that the Company is appropriately and prudently capitalised in order to accept the risk to which the Company is exposed. In order to ensure this, the Company performs an Own Risk and Solvency Assessment ("ORSA") at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

ORSA - Approach taken:

The EIOPA guidance in relation to the ORSA focuses on what is to be achieved by this assessment rather than on how it is to be performed. Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following approach provides a summary of the approach taken in 2019:

- As part of the Board Meeting held in quarter 2 of 2019 the Board reviewed the Risk Register and Risk Appetite Statement and following robust discussion the appropriate stressed scenarios for the 2019 ORSA were selected and approved.
- The Board met again in quarter 3 to review the full suite of documentation together with the populated CBI reporting template. Requisite approvals were obtained and the template was uploaded to the CBI in advance of the submission deadline of 31st December 2019

The Board of Directors provide substantial input and discuss in detail the various aspects of the ORSA, and adjust as and when considered necessary; as documented in the minutes of the Board meetings where the ORSA process is an Agenda item.

Own Risk Assessment

The first element of the ORSA process was to ascertain the Company's Own Risk Assessment (ORA). ORA is a method of identifying its material risks in the context of its Risk Profile, Risk Register and Risk Appetite Statement. The following areas for assessment were identified in respect of the Company's material risks:

- The Maximum Value at Risk (VAR) for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.
- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.

Risk Reporting

The Risk Management Function formally reports to the Board on a quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are breached.

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

B.4 Internal Control System

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of Internal Controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;
- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;
- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;
- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and
- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The contracted Management Company has procedures manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting
- Claims reserving
- Claims settlement
- Management accounts preparation
- General bank payments

- Bank reconciliations
- Compliance

The Internal Controls are also proportional to the operations of the Company and centre on the following controls:

Regular

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Monthly Financial reporting to Group
- Detailed bi-annual reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Board
- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients
- The Company's accounts are audited annually by the external Auditor. No material control issues have been raised to date on the operations of the Company

B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise achieve on a standalone basis, or where appropriate due to the nature, scale and complexity of the operations of the Company. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage,

monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ('SLA'). The SLA's include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers are formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service provider acting in an outsourced capacity, no material deficiencies were noted.

C. Risk Profile

The Company operates a low-risk business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows Management, the Risk Function and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable

As its primary insurance activity the company assumes risks relating to Property Damage and Business Interruption (PDBI) coverage and Errors and Omissions (E&O) coverage relating to the Group's Production Facilities in a number of global locations including Israel, Germany and the USA. Additionally the Company accepts inwards reinsurance placements from a fronting insurer for PDBI coverage for a number of countries into which the Company is not licensed to write directly such as China and Taiwan. Since 1st June 2017, The Company also assumes risks relating to Commercial General Liability coverage of the parent company and its US subsidiaries on a claims occurrence basis. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under these insurance contracts. The terms and conditions of the insurance contracts it issues set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because the frequency or severity of claims is greater or lower than estimated. The insurance risks are mitigated through strict underwriting criteria, the utilising of actuarial review and the use of reinsurance.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportionate facultative reinsurance to reduce the Company's net exposure.

Ceded reinsurance contains credit risk and reinsurance recoverable that are reported after deductions, if any, for known insolvencies and uncollectible items. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements annually. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one occurrence and for the accumulation of net losses arising out of one occurrence.

C.2 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets. The company therefore only invests in line with the Company's Investment Policy which is reviewed on an annual basis by the Board of Directors.

The Company seeks to spread investments across a number of institutions to reduce concentration risk.

As part of the monthly management reporting, the Board receive and review the amount of funds invested together with the rates of return being achieved. The Board has set an appetite to maintain a minimum of three credit institutions but will tolerate a single institution should market conditions dictate.

The Company has little appetite for counterparty default risk in relation to investments and seek to invest in institutions of the greatest strength and stability.

All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy and minimum rating requirement outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium, which is achieved in a number of ways such as investing in low risk asset classes such as short term fixed deposits with banks with a strong credit rating.

Counterparty Default Risk

The Group utilises reinsurance to manage efficiently insurance risk. The Group is therefore exposed to the failure of these counterparties. The exposure is reduced as the counterparties are diversified and also the credit default risk is managed by ensuring a general minimum credit rating of A or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

The Company's Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when policyholder obligations will and could fall due given the nature and scale of the Company being a Captive Insurer. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

C.5 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and thus is therefore exposed to the potential failure of these outsourcing partners. The Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

C.6 Other Material Risks

The Company considers that there are no other Material Risks to be considered at this time.

C.7 Any Other Information

Subsequent Events

Subsequent to 2019 financial year end, the Covid-19 pandemic is causing significant financial market and social dislocation. The ultimate effects of the pandemic on the Company are uncertain. The Board has made an assessment of the risks involved for the Company, and is satisfied that based on the information available to date the Company is well positioned and sufficiently capitalised to manage those risks.

D. Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive with the valuation and recognition for material classes as follows:

Intangible Assets

Intangible assets are recognised under Financial Reporting Standard 102 on the basis that the expected future economic benefits that are attributable to the asset will flow to the Company, and the cost of the asset can be measured reliably. The Company holds no intangible asset and thus no recognition and valuation methodology was applied in respect of this category.

Deferred Tax Asset

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Under Solvency II which recognises unrealised gains and respective tax, deferred tax is recognised and no adjustments were considered applicable to the valuation.

Investments

Investments are recognised under Financial Reporting Standard 102 on the basis that the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

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

Material Differences in the above used for valuation in Financial Statements

Vishay Insurance DAC Assets (USD)	2019	
	Current Accounting Bases	SII Valuation Principles
Deferred Tax Assets	-	-
Deposits other than cash equivalents	22,668,078	22,668,078
Reinsurance share of TP - non-life excluding health	2,466,858	2,585,453
Insurance & Intermediaries Receivables	-	-
Cash & Cash Equivalents	2,822,368	2,822,368
Any Other Assets, Not Elsewhere Shown	216,493	216,492
Total assets	28,173,797	28,292,391

Vishay Insurance DAC Assets (USD)	2018	
	Current Accounting Bases	SII Valuation Principles
Deferred Tax Assets	-	-
Deposits other than cash equivalents	20,866,416	20,866,416
Reinsurance share of TP - non-life excluding health	2,105,358	2,170,451
Insurance & Intermediaries Receivables	-	-
Cash & Cash Equivalents	2,140,637	2,140,637
Any Other Assets, Not Elsewhere Shown	226,031	226,031
Total assets	25,338,442	25,403,535

The table above sets out the values in the financial statements along with the corresponding current accounting basis used to calculate the Solvency II valuation.

Key Point to note:

The Solvency II reinsurance share of technical provisions ("TP") value is a discounted best estimate which is derived by the Company's Head of Actuarial Function ("HoAF").

Overview of any assets not regularly traded in Financial Markets

The Company has no assets that are not regularly traded in financial markets.

D.2 Technical Provisions

Valuation of Technical Provisions per Line of business

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the balance sheet is required to be valued on a “best estimate” discounted cash flow basis. This leads to differences in claims provision between financial statements and Solvency II.

The tables below sets out the results of the Technical provision calculations on the financial statements and Solvency II basis.

Vishay Insurance DAC Liabilities (USD)	2019	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	5,444,015	4,647,395
TP calculated as a whole (Best estimate + Risk margin)	5,444,015	-
Best Estimate	-	4,064,437
Risk Margin	-	582,958
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	-
Risk margin	-	-
Deferred Tax Liabilities	-	114,402
Reinsurance Payables	416,991	416,991
Any other liabilities, not elsewhere shown	66,407	66,407
Total liabilities	5,927,413	5,245,195

Vishay Insurance DAC Liabilities (USD)	2018	
	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	5,050,187	4,388,212
TP calculated as a whole (Best estimate + Risk margin)	5,050,187	
Best Estimate		3,768,271
Risk Margin		619,941
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)	-	
Best Estimate		-
Risk margin		-
Deferred Tax Liabilities	-	90,883
Reinsurance Payables	24,895	24,895
Any other liabilities, not elsewhere shown	156,174	156,174
Total liabilities	5,231,256	4,660,164

Key points to note:

The Solvency II Gross Technical Provisions value is a discounted best estimate which is derived by the Company's HoAF and also includes a portion of Events Not In Data ("ENIDs") of USD 20,873 along with run-off expenses of USD 143,447; the latter being specifically required by the Solvency II Directive.

The majority of the increase in the Solvency II Balance Sheet is explained by the addition of the Risk Margin to the Gross Technical Provisions.

All other liabilities remain unchanged when presented under Solvency II valuation principles with the exception of the deferred tax liability which is generated as a result of the revaluation of the technical provisions.

Claims Provision

As at the reporting date, the Company had no known losses. The claims provision is in the form of Incurred but not Reported (IBNR) reserves.

Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

Simplification

The Company utilises the standard formula for the calculation of its Solvency Capital Requirement ('SCR'). Simplification method 2 is used for the standard formula.

Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Settlement period:** Most of the risks being underwritten are short-tailed. Claims settlement patterns are based on the Company's historical claims, industry data and the actuarial judgement of the Head of Actuarial Function ("HoAF"). In general, the notification and settlement of claims is normally faster for a captive than in the commercial market and as such there is less scope for IBNR. Given the low level of yields, this assumption is not material to the results.
- **Discount rate:** Current yields are very low, which means that only a nominal amount of discounting is applied to the Technical Provisions given the risks underwritten by the Company are short-tailed.
- **Expenses:** The total expenses involved in the operation of the Company are relatively small when compared to other elements in the calculation of the technical provisions.
- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

The above assumptions are consistent with the most recent Actuarial Function Report therefore there have been no material changes in technical provisions due to underlying changes in the assumptions.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by USD 2,585,453.

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy, last reviewed 25 September 2019, refers to the below key principle:

- That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and risk appetite statement.

It is noted that: "The use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels. The Board were satisfied with the effectiveness of the reinsurance arrangements in place.

It is also noted that, the Vishay Group could purchase insurance directly from the market and therefore the use of the Company for the provision of insurance services is a conscious decision made in order to improve the efficiency of the risk management process within the Group by using a Company vehicle and provide access to reinsurance markets.

Matching Adjustments, Volatility Adjustments and Transitional Measures

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

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

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

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

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Initial measurement

All financial liabilities are initially measured at transaction price.

LIABILITIES	2019
	USD
Creditors arising out of insurance operations	416,991
Other creditors including taxation and social security	66,407
Total	483,398

LIABILITIES	2018
	USD
Creditors arising out of insurance operations	24,895
Other creditors including taxation and social security	156,174
Total	181,069

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under FRS financial statements and Solvency II valuation.

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

E. Capital Management

E.1 Own Funds

The Company has the following components of own funds: Tier 1 basic own funds; ordinary share capital, and retained earnings.

The Company's ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The difference between the Company's equity as shown in its audited financial statements and the excess of assets over liabilities as calculated for solvency purposes is:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements
- deferred tax adjustment in relation to the above differences

Reconciliation of Basic Own Funds to Equity as per financial statements as at 31 st December 2019	2019 USD	2018 USD
Solvency II - Basic Own Funds	23,047,196	20,743,371
Total Equity as per financial statements	22,246,383	20,107,186
Difference:	800,813	636,185
<u>Represented by:</u>		
Difference between Net Technical Provisions and BEL	1,498,172	1,347,009
Risk Margin – Non Life	(582,958)	(619,941)
Adjustment to Deferred Tax	(114,401)	(90,883)
Difference:	800,813	636,185

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.

There are no ancillary own funds items.

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

The Minimum Capital Requirement ('MCR') and SCR were calculated using the standard formula.

Solvency Capital Requirement Coverage

The Company's targeted SCR coverage is currently set at a minimum of 120% of the Pillar 1 solvency capital requirement. On an annual basis, and having regard to the results of stress tests applied to projections over the three year planning period, the Board will consider whether a dividend should be paid to remit any surplus capital above this target or if an intercompany loan should be incepted.

At the reporting date, no dividends have been declared or paid to Group and no intercompany Loans have been effected.

Solvency Capital Position

The table below sets out the Company's pillar 1 capital position as at 31st December 2019:

Composition	Available Capital	Eligible Capital
Tier 1 unrestricted	23,047,196	23,047,196
Tier 1 restricted	-	-
Tier 2 basic	-	-
Tier 2 ancillary	-	-
Tier 3	-	-
Total	23,047,196	23,047,196

E.2 SCR & MCR

The Company has achieved SCR coverage of 248.3% and MCR coverage of 558.5% as at 31st December 2019.

2019				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	9,281,419	23,047,196	248.3%	44.5%
MCR	4,126,980	23,047,196	558.5%	

2018				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	10,087,666	20,743,371	205.6%	41.5%
MCR	4,187,660	20,743,371	495.3%	

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

SCR Overview	USD 2019	USD 2018
Market Risk	2,685,824	2,408,911
Counterparty Default Risk	2,764,392	2,460,052
Health underwriting risk	0	0
Non-life underwriting risk	7,699,261	8,613,362
Diversification	(2,686,701)	(2,501,821)
Basic Solvency Capital Requirement	10,462,776	10,980,504
Operational Risk	144,560	150,714
Loss Absorbing Capacity of Deferred Taxes	(1,325,917)	(1,043,552)
Solvency Capital Requirement	9,281,419	10,087,666

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

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

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

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

SCR Overview	USD 2019	USD 2018
Linear MCR	330,477	333,358
SCR	9,281,419	10,087,666
MCR cap	4,176,638	4,539,450
MCR floor	2,320,355	2,521,917
Combined MCR	2,320,355	2,521,917
Absolute floor of the MCR	4,126,980	4,187,660
Minimum Capital Requirement	4,126,980	4,187,660

E.3 Use of duration based equity risk Sub module in SCR calculation

The Company does not hold any liabilities that require this approach, therefore this is not applicable for the Company.

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 MCR and SCR during the period

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

Vishay Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 December

2019

(Monetary amounts in USD thousands)

General information

Undertaking name	Vishay Insurance DAC
Undertaking identification code	63540040JNJRHUOM8I18
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02
Balance sheet

		Solvency II value
Assets		C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	22,668
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	0
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	0
R0140	<i>Government Bonds</i>	0
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	0
R0190	<i>Derivatives</i>	0
R0200	<i>Deposits other than cash equivalents</i>	22,668
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	0
R0260	<i>Other loans and mortgages</i>	0
R0270	Reinsurance recoverables from:	2,585
R0280	<i>Non-life and health similar to non-life</i>	2,585
R0290	<i>Non-life excluding health</i>	2,585
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	2,822
R0420	Any other assets, not elsewhere shown	216
R0500	Total assets	28,292

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	4,647
R0520	<i>Technical provisions - non-life (excluding health)</i>	4,647
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	4,064
R0550	<i>Risk margin</i>	583
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	114
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	417
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	0
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	66
R0900	Total liabilities	5,245
R1000	Excess of assets over liabilities	23,047

S.05.02.01

Premiums, claims and expenses by country

Non-life

R0010

Premiums written

R0110 Gross - Direct Business

R0120 Gross - Proportional reinsurance accepted

R0130 Gross - Non-proportional reinsurance accepted

R0140 Reinsurers' share

R0200 Net

Premiums earned

R0210 Gross - Direct Business

R0220 Gross - Proportional reinsurance accepted

R0230 Gross - Non-proportional reinsurance accepted

R0240 Reinsurers' share

R0300 Net

Claims incurred

R0310 Gross - Direct Business

R0320 Gross - Proportional reinsurance accepted

R0330 Gross - Non-proportional reinsurance accepted

R0340 Reinsurers' share

R0400 Net

Changes in other technical provisions

R0410 Gross - Direct Business

R0420 Gross - Proportional reinsurance accepted

R0430 Gross - Non-proportional reinsurance accepted

R0440 Reinsurers' share

R0500 Net

R0550 Expenses incurred

R1200 Other expenses

R1300 Total expenses

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
		IL	DE	US	CZ	FR	
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
		1,059	1,086	1,120	319	190	3,775
				823			823
							0
			188	1,848		9	2,046
	0	1,059	898	95	319	181	2,552
		981	1,027	1,166	301	180	3,655
				849			849
							0
			256	1,291		8	1,555
	0	981	772	723	301	172	2,949
		-11	17	-17	1	1	-8
							0
							0
							0
	0	-11	17	-17	1	1	-8
							0
							0
							0
	0	0	0	0	0	0	0
							0
							0

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year	Underwriting Year
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Gross Claims Paid (non-cumulative) (absolute amount)															
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Year	Development year										In Current year	Sum of years (cumulative)		
		0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior												0	0	0
R0160	2010	0	0	0	0	0	0	0	0	0	0		0	0	
R0170	2011	0	0	0	0	0	0	0	0	0			0	0	
R0180	2012	0	0	0	0	0	0	0	0				0	0	
R0190	2013	0	0	0	0	0	0	0					0	0	
R0200	2014	0	0	0	4,394	0	0						0	4,394	
R0210	2015	0	0	0	0	0							0	0	
R0220	2016	0	0	539	0								0	539	
R0230	2017	0	0	0									0	0	
R0240	2018	0	0										0	0	
R0250	2019	0											0	0	
R0260													Total	0	4,933

Gross Undiscounted Best Estimate Claims Provisions (absolute amount)													
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360 Year end (discounted data)	
Year	Development year												
	0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0
R0160	2010	0	0	0	0	0	0	0	0	0		0	
R0170	2011	0	0	0	0	0	0	0	0			0	
R0180	2012	0	0	0	0	123	0	0				0	
R0190	2013	0	0	0	109	0	0					0	
R0200	2014	0	0	109	0	0						0	
R0210	2015	0	737	25	0	0						0	
R0220	2016	759	1,069	31	0							0	
R0230	2017	178	941	45								43	
R0240	2018	250	984									965	
R0250	2019	262										256	
R0260													
											Total	1,264	

0

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

R0010	Market risk
R0020	Counterparty default risk
R0030	Life underwriting risk
R0040	Health underwriting risk
R0050	Non-life underwriting risk
R0060	Diversification
R0070	Intangible asset risk
R0100	Basic Solvency Capital Requirement
Calculation of Solvency Capital Requirement	
R0130	Operational risk
R0140	Loss-absorbing capacity of technical provisions
R0150	Loss-absorbing capacity of deferred taxes
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
R0200	Solvency Capital Requirement excluding capital add-on
R0210	Capital add-ons already set
R0220	Solvency capital requirement
Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module
R0410	Total amount of Notional Solvency Capital Requirements for remaining part
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
R0440	Diversification effects due to RFF nSCR aggregation for article 304
Approach to tax rate	
R0590	Approach based on average tax rate
Calculation of loss absorbing capacity of deferred taxes	
R0640	LAC DT
R0650	LAC DT justified by reversion of deferred tax liabilities
R0660	LAC DT justified by reference to probable future taxable economic profit
R0670	LAC DT justified by carry back, current year
R0680	LAC DT justified by carry back, future years
R0690	Maximum LAC DT

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
2,686		
2,764		
0		
0		
7,699		
-2,687		
0	USP Key	
10,463	For life underwriting risk: 1 - Increase in the amount of annuity benefits 9 - None	
C0100	For health underwriting risk: 1 - Increase in the amount of annuity benefits 2 - Standard deviation for NSLT health premium risk 3 - Standard deviation for NSLT health gross premium risk 4 - Adjustment factor for non-proportional reinsurance 5 - Standard deviation for NSLT health reserve risk 9 - None	
145	For non-life underwriting risk: 4 - Adjustment factor for non-proportional reinsurance 6 - Standard deviation for non-life premium risk 7 - Standard deviation for non-life gross premium risk 8 - Standard deviation for non-life reserve risk 9 - None	
0		
-1,326		
0		
9,281		
0		
9,281		
0		
0		
0		
0		
0		
C0109		
0		
LAC DT		
C0130		
-1,326		
0		
0		
0		
-1,326		
0		

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

R0010 MCR_{NL} Result