Benteler Reinsurance Company DAC

Solvency and Financial Condition Report

For Financial Year Ended 31 December 2020 (the "reporting period")

Approved by the Board on 11 March 2021

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Executive Summary

This report refers to the business of Benteler Reinsurance Company DAC ("the Company"), an authorised reinsurer supervised by the Central Bank of Ireland. It provides the reader with information on the Company's business and performance, systems of governance, risk profile and valuation for solvency purposes and capital management for the reporting period ended 31 December 2020.

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

Benteler Reinsurance Company DAC is a captive reinsurance company which is domiciled in Ireland and forms part of the Benteler Group. Its principal activity is to provide reinsurance of liability & product recall, property damage business interruption, credit and goods in transit business to Benteler International AG group. The Benteler International AG group mainly supplies car parts to international car manufacturers.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Benteler Group and its subsidiaries. As a captive reinsurance company, it is an efficient mechanism for the Benteler Group to retain risk which they can afford to retain due to the size of their balance sheet and levels of sustainable profitability. In addition, the Company has played an important role in managing the insurance market's perception of the Benteler Group and its exposures. The very establishment of a captive sends a strong message to the insurance market that the Benteler Group:

- has analysed its exposures and determined what level of risk it is prepared to retain;
- is prepared to commit its own capital to support that retention of risk;
- has taken a long-term decision to retain risk and may have a growing appetite for risk retention.

These factors lead insurers to understand that there will be competition for premium not just from their competitors but also from within the Benteler organisation in the form of the captive. The Company will not simply provide reinsurance coverage to the Benteler Group; the intention is that its presence will complement the Group's risk management framework and strategy. With its only customer being the Benteler Group, the Company is in a strong position to adapt and grow as its customer needs to grow.

A profit before tax of €3.665m (2019: €910k) was recorded for the period, driven by the release of a €3.2m recall claim reserve. Retrocession cover continued in place to mitigate the risk of exposure to higher value liability claim events.

There have been no material changes to the Company's business and performance, system of governance and risk profile over the reporting period. As a result of COVID-19 and its associated global economic impact, restrictions on all regulated entities' capital management policies were implemented by the Central Bank of Ireland and are expected to remain in place for the foreseeable future.

The Company has calculated its own solvency needs through an assessment of its risks, business plans and financial and capital projections over the next three years. The results of this exercise are used to better inform decision making within the Company.

As at 31 December 2020, the Company had basic own funds of €24.282m (2019: €20.137m) available to meet its Solvency Capital Requirement ('SCR') of €14.442m (2019: €15.554m). The resultant 168% (2019: 129%) solvency coverage is in line with the Company's risk appetite. The Minimum Capital Requirement was also satisfactorily met at the period-end. There were no instances of non-compliance with the capital requirements during the period.

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

Section A: Business and Performance

A.1 Business

The name and legal form of the Company is Benteler Reinsurance Company Designated Activity Company. The Company's business is the provision of reinsurance coverage to the insurers of its group parent company, Benteler International AG.

The Company holds a Certificate of Authorisation from the Central Bank of Ireland to carry out the business of reinsurance (Ref. No.: C40456) pursuant to the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485). Its registered office and place of business is 13 Fitzwilliam Street Upper, Dublin 2.

The Insurance Supervision Division of the Central Bank of Ireland may be contacted at:

General Insurance Supervision
New Wapping Street,
North Wall Quay, Dublin 1.
Telephone: +353 1 224 6000.

The name and contact details of the Company's external auditors are:

Mazars Chartered Accountants and Statutory Audit Firm
Harcourt Centre, Block 3,
Harcourt Road, Dublin 2.
Telephone +353 1 449 6468

The Company is 100% owned by Benteler Business Services GmbH, a Benteler group company incorporated in Germany. BRC is the only (re)insurance company within the Benteler Group and has no branches.

The principal activity of the Company is the provision of reinsurance coverage to the insurers of its group parent company, Benteler International AG. The Company's material geographical areas where it carries out its business are Europe, North America and South America. The coverages provided are categorised under the following lines of business:

The policy for the excess of loss retrocession purchased as a risk mitigant on the liability line of business, was renewed for the year end 31 December 2020, and was aligned with the Company's financial period. This risk mitigation limits the Company's net claims exposure to €10m in excess of €10m each and every claim and in the annual aggregate.

Other than the release of a reserve on an open liability claim, the Company has had no significant business or other events that have occurred over the reporting period that have had a material impact on the Company.

A.2 Underwriting Performance

The underwriting performance of the Company was a profit of €4.114m over the reporting period, compared to a profit of €1.295m in the previous reporting period. As all lines of business are considered material, an analysis of the performance is summarised as follows:

2020 €' 000

Line of Business	Total	Liability	Property	Marine	Credit
Premium written & earned:					
- **Gross**	**5,062**	2,619	2,274	238	(69)
- **Reinsurers' share**	**(550)**	(550)	-	-	-
- **Net**	**4,512**	2,069	2,274	238	(69)
Claims incurred, gross & net of reinsurance	**(99)**	1,192	(368)	(436)	(487)
Commissions	**(299)**	(127)	(172)	(7)	7
Underwriting Income	**4,114**	3,134	1,734	(205)	(549)

2019 €' 000

Line of Business	Total	Liability	Property	Marine	Credit
Premium written & earned:					
- **Gross**	**5,949**	2,589	2,750	255	355
- **Reinsurers' share**	**(505)**	(505)	-	-	-
- **Net**	**5,444**	2,084	2,750	255	355
Claims incurred, gross & net of reinsurance	**(3,831)**	(5,393)	1,940	(368)	(10)
Commissions	**(318)**	(69)	(183)	(30)	(36)
Underwriting Income	**1,295**	(3,378)	4,507	(143)	309

Written premiums were down on 2019 by 15%. This was due to (i) the non-renewal of the credit line of business for the 2020 policy year, (ii) reduced premium from the property business following the sale of the Group's distribution business in 2019, and (iii) prior year premium adjustments of (€251k). However, this year's overall profitable underwriting performance was primarily attributable to its claims activity which included the release of a €3.2m reserve on a recall liability claim, which was ultimately closed at no cost to the Company. As noted in Section A1, the Company renewed its retrocession cover to the end of December 2020 to mitigate its exposure to large liability losses, at an increased premium of €45k.

A.3 Investment Performance

The Company maintains its investments with EU regulated credit institutions in cash equivalents and short and medium-term deposits (no longer than 3 years). It also participates in a cash pool arrangement with the Company's ultimate holding company, Benteler International AG. The return on these investments over the reporting period was €22k (2019: €27k).

This period's interest was wholly yielded from fixed deposits held (2019: €23k). The balancing interest earned last period (€4k) was earned on the Company's operational account, which attracted negative interest in this period. No interest accrues from the cash pool as within Benteler Group, positive balances attract 0% interest, which is unchanged from last period.

No gains or losses were recognised directly in equity.

The Company had no investments in securitisation, during the reporting period or previous reporting period.

A.4 Performance of Other Activities

The Company does not carry out any other activities other than the reinsurance business described in A.1 above and has not entered into any leasing agreements.

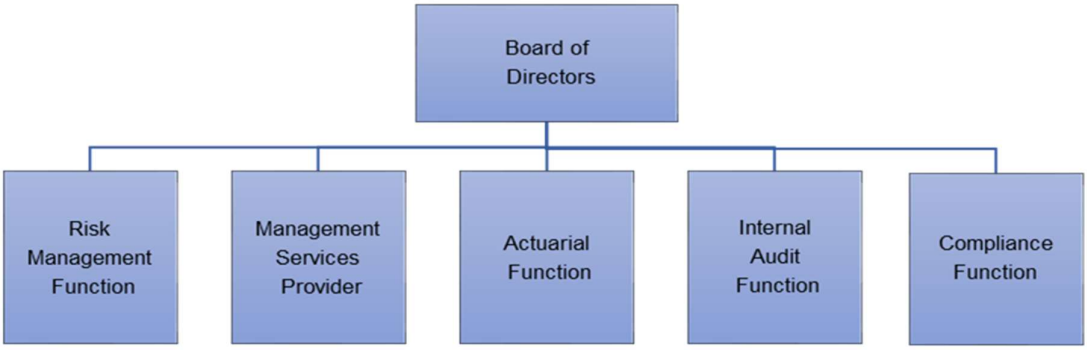
A.5 Any Other Information

There are no other material matters to disclose regarding the business and performance of the Company during the reporting period.

Section B: System of governance

B.1 General Information on the System of Governance

The organisational structure of the Company is as follows:



The Board is the focal point of the corporate governance regime. It is ultimately accountable and responsible for the performance and conduct of the Company. As a captive reinsurance entity, the Company has no direct employees. Therefore, to ensure that the Company satisfies all regulatory and statutory requirements related to its operations, it has appointed four key function holders (Compliance, Internal Audit, Risk Management and Actuarial) and a Management Services Provider to ensure adherence to these obligations. Function holders report to the Board directly. In reporting to the Board, the holders of the above positions ensure that they provide information which is timely, accurate and sufficiently detailed so as to enable the Board to make informed decisions and discharge its duties appropriately.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Company is committed to high standards of Corporate Governance. The Company takes a risk-based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. All policies are reviewed by the Board on an annual basis.

The key responsibilities of the Board are to:

a) Ensure the appropriate knowledge, skills, experience and commitment exists within the Board to oversee the Company effectively and must be such that it provides for the effective, prudent and efficient administration of the activities of the Company;

b) Set out the corporate governance principles, responsibilities, and commitments appropriate to the Company and ensure they are communicated throughout the Company.

c) Establish policies and strategies to ensure compliance with principles, responsibilities, and

commitments and to establish procedures for monitoring and evaluating the progress towards them.

d) Approve and oversee the management of all renewal processes, including signing off on outwards reinsurance as necessary.

e) Satisfy itself that the Company is organised in a way that promotes the effective and prudent management of the undertaking and the Board's oversight of that management.

f) Distinguish between the responsibilities, decision-making, interaction and cooperation of the Board, Chairman and other senior management. The undertaking must have a clear division of responsibilities that will ensure a balance of power and authority, so that no one individual has unfettered powers of decision without adequate consultation.

g) Collectively ensure that the Company complies with all relevant laws, regulations and any established codes of conduct. The Board must identify a Head of Compliance whose function is to monitor compliance with all of the relevant legislation and required standards of business conduct and who reports to the Board at regular intervals to enable the Board to ensure compliance.

h) Ensure an open and transparent communication with the Central Bank.

Board of Directors

The Board shall be comprised of only those persons with sufficient knowledge of the Company's business and the environment in which it operates so as to properly contribute to the effective running of the Company and the achievement of its objectives.

The Board members must have:

- The necessary knowledge, skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out their duties;
- A full understanding of the nature of the Company's business, material activities and related risks;
- A full understanding of their individual direct and indirect responsibilities and collective responsibilities; and
- An understanding of the Company's financial statements and key performance drivers.

The Board has three directors who have been selected to ensure that the Company is being run by individuals of appropriate expertise and integrity and who meet the criteria set out above:

Mr Ruediger Lohoff, Non-Executive Director and Chairman
Mr Ronan Ryan, Non-Executive Director
Mr Manfred Swysen, Non-Executive Director

The Board meet formally at least twice annually and there is additional interaction between members of the Board throughout each reporting period. Given the size, nature and complexity of the Company, the establishment of Board sub-committees has not been necessary.

The directors also undertake completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the annual Q1 Board meeting for discussion and consideration.

Remuneration

Due to the scale, nature and complexity of the Company, with no full-time employees, the Company has not required the establishment of a remuneration policy. Directors who are not employees of the Company but who are employed by another group company receive no remuneration for the performance of their duties as directors. Non-Executive directors receive remuneration based on Irish market standard rates. Directors are entitled to the reimbursement of normal business expenses associated with their travel to the Company's main place of business for the purpose of discharging their duties as directors.

Changes and Material Transactions

No material changes in the system of governance have taken place over the reporting period.

As a captive reinsurance company, it is common to have material transactions with its shareholder. The Company participates in a cash pool arrangement with Group Treasury. The amount of the cash pool at the end of the reporting period is €3.566m (2019: €3.662m) The rate at 31 December 2020 was 0.00% (2019: 0.00%). The Company may request repayment of the cash pool, in whole or in part, on demand without qualification. The balance, all interest accrued thereon and all other outstanding amounts shall become immediately due and payable to the Company if the borrower defaults in its obligations, becomes insolvent or goes into liquidation.

The Company has also provided reinsurance to several insurance companies covering the Benteler Group and its subsidiaries.

B.2 Fit and Proper Requirements

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

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

- A written job description outlining the duties and responsibilities for the role.
- An assessment of the level of fitness and probity required for the role.

- Advertisement of the position.
- Interview process to match suitable candidates to the specific role.
- Capture fitness and probity due diligence referred to below.
- Upon Central Bank of Ireland approval, letter of appointment issued and training provided.

The processes for assessing the fitness and the propriety of the persons in PCF positions is summarised as follows:

- Interview and application
- The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The following is captured:
    - Evidence of a relevant professional qualification.
    - Confirmation of continuous professional development.
    - Evidence of professional membership of an organisation (where applicable).
    - Reference checks.
    - Review record of previous experience, including a review of curriculum vitae.
    - Record of experience gained outside the State (where applicable) –consider the extent to which the person can demonstrate competency that relates specifically to the function within the State.
    - Review of list of directorships and concurrent responsibilities.
    - Checks are also undertaken with the Regulator, Companies House and a judgment debt check is performed.
    - Signed Fitness and Probity declarations.
    - Individual Questionnaire
- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.
- As part of the continuing obligations, annual declarations are sought from all PCF's, each PCF file is reviewed, and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

B.3 Risk Management System

Risk refers to the effect of uncertainty on the Company's ability to meet its objectives. Risk management is a systematic approach to protect the business resources and income against losses and unexpected events so that objectives of the Company can be achieved without unnecessary disruption.

The board of directors acknowledges its responsibility to establish a risk management system and have outsourced the responsibility for carrying out the Risk Management Function to its Management Services Provider. The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Benteler Group and its

subsidiaries. This objective has remained core to the business of the Company and there are no plans to change this business strategy.

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

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

The Company has established a number of risk management policies including:

- Risk Appetite Statement, which includes an escalation procedure;
- Operational Risk Policy;
- Capital Risk and Capital Management Policy.

The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk, fraud risk, IT risk, market risk and reputational risk. It excludes quantifiable risks. Quantifiable risks are set out in the Company's Risk Appetite Statement.

The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The Own Risk and Solvency Assessment process referred to in the following section is a key component in the Company's risk management and decision-making processes.

ORSA Process

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

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

Risk Identification

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

Financial Projections

The second step in the ORSA process is to project both the Profit and Loss Account and Balance Sheet of the Company. A short and medium term projection of the balance sheet from 1- 5 years is chosen as an appropriate timescale to provide an adequate view of the Company's financial and solvency position. These financial projections provide the basis for the calculation of the required Solvency and Minimum Capital Requirements under the standard formula over the selected projection period. The Board use the output from these calculations to assess the position of the Company in relation to their capital requirements over the period.

Stress & Scenario Testing

The third step of this ORSA process is for the Board and Management to examine the impact of a range of stresses and scenarios on the Company's solvency position. These include both quantitative and qualitative scenarios, and a reverse stress test approach to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenario tests are circulated to the Board for consideration and agreement, with additions made if required.

Board and Management Discussion and Review

The final step in the ORSA Process is the presentation of the draft projections, stress and scenario tests applied and the respective output results of each stress test, to the Board. The Board must consider and challenge this output, draw their conclusions on the results of the ORSA assessment and determine if any actions are required.

Board Sign-off

Following this final iteration, the final ORSA Report is reviewed and approved by the Board. The required related submission to the Central Bank of Ireland is made via the on-line reporting tool.

Integration into Decision-making process

The ORSA process creates the link between risk management, capital management and strategic planning. The resultant findings provide a better understanding to the Board of the impact of key risk drivers on the operations of the Company and in turn better inform the setting and update of the Risk Appetite.

This year's assessment investigated the following:

- Alternative reserve amounts from those included in the base scenario;
- Limit losses - limit loss in 2021 on each of the Property and Liability classes was investigated in the context of the base projected available capital position.

Furthermore, a limit liability loss was also considered in a scenario where no retrocession was agreed.

- Loss Ratio sensitivities - the sensitivity of the projections to the assumed loss ratios was tested by re-projecting the base case, with all loss ratios from 2021 onwards increased by 5% and reduced by 5%.

Results

The following table summarises the Company's forecast base case SCR / MCR position, using the Standard Formula, over a 5-year projection period ending 2024:

	2020	2021	2022	2023	2024
Available Capital	23,995	23,493	23,278	23,214	23,219
SCR	15,033	15,936	16,381	16,497	16,573
SCR Margin	8,962	7,557	6,897	6,716	6,646
SCR Coverage Ratio	159.6%	147.4%	142.1%	140.7%	140.1%
MCR	3,758	3,984	4,095	4,124	4,143
MCR Margin	20,237	19,509	19,183	19,089	19,076
MCR Coverage Ratio	638.5%	589.7%	568.4%	562.8%	560.4%

B.4 Internal Control System

Internal Control System

The Company has established and documented an appropriate system of internal control which satisfies the following objectives:

- Operational risks are identified and effectively managed
- Key processes and activities are documented
- Assets are safeguarded
- The reliability and integrity of financial information is maintained consistently
- Compliance with Company policies, procedures, applicable laws and regulation is achieved.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the Company's internal control system. However day-to-day oversight of the Company's compliance against its control framework is provided by the Risk Management and Compliance Functions. In practice, other directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015 - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for

providing assurance to the Board in relation to the Company's control framework.

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

Compliance Function

The Company is fully committed to compliance with the requirements of the Central Bank of Ireland and all applicable legislation and regulations. To ensure that the Company's activities remain compliant with all these legal and regulatory obligations, the Board has outsourced the Head of Compliance Function role to Allied Risk Management Limited for the discharge of the Company's Compliance Function. The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

The Compliance Function aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. It liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

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

Compliance auditing occurs to check that the Company is adhering to its obligations. Compliance reports are presented to the Board at each Board meeting by the Head of Compliance and address the effectiveness and adequacy of compliance within the Company.

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

B.5 Internal Audit Function

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

- The function provides independent and objective assurance services through a formal outsourcing arrangement in respect of the Company's processes with due regard to

the adequacy of the governance, risk management and internal control framework;

- Audits are conducted in line with a Board approved internal audit plan;
- The Board oversees the risk-based audit plan and outcomes thereof;
- The Head of Internal Audit prepares an annual report for the Board which reports the findings on the effectiveness of the Company's systems of risk management and internal controls reviewed during the reporting period;
- Internal audit reports can highlight any significant control failings or weaknesses identified and the impact they have had, or may have, and the actions and timings which management have agreed to take to rectify them.

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

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

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

B.6 Actuarial Function

The Actuarial Function is outsourced to Allied Risk Insurance and Reinsurance Services Limited. The Head of Actuarial Function ('HoAF') reports directly to the Board and attends every board meeting. The Company's technical provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II technical provisions.

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

- Coordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;

- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- Oversee the calculation of technical provisions in the cases set out in Article 82;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment.

B.7 Outsourcing

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

The Outsourcing Policy sets out the following:

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

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

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

Outsourced Activity	Outsourced Provider	Jurisdiction
Actuarial Function	Allied Risk Insurance & Reinsurance Services Limited	Ireland
Internal Audit Function	Eisner Amper Limited	Ireland
Compliance Function	Allied Risk Management Limited	Ireland
Risk Management Function	Allied Risk Management Limited	Ireland

B.8 Assessment of the Adequacy of the System of Governance

Considering the nature, scale and complexity of the risks inherent in the business, the Company considers its system of governance to be adequate and appropriate.

B.9 Any Other Disclosures

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

Section C: Risk Profile

C.1 Risk Profile

The Group's insurance brokers have been leveraged in terms of providing risk management technical expertise, and the Company has received regular risk assessment presentation from them.

Specific risk management measures relating to the Company's underwriting risks are referred to below.

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

(a) Underwriting Risk

The Company writes varying limits on its Property, Liability, Marine/Transit and Credit reinsurance programs.

Liability

Changes in automotive manufacture have increased the likelihood of claims – more models use common systems than previously, thus increasing the potential claim cost.

The Company has reduced its net limit for liability with the purchase of a per risk retrocession protection.

Property

There has been a recent programme of improvements in fire prevention across the group's facilities. The group's insurance brokers have assessed facilities for exposure to damage from hail, snow and exposure to bushfires amongst others. This increasing awareness of and focus on risk management at the level of individual properties within the group has obvious benefits for the Company in terms of reducing the likelihood of significant property losses.

Marine

Experience has been good in this class and limits are low relative to the other lines written by the Company. The relatively low limits reduce the risk exposure from this class.

Trade Credit

The Company ceased reinsuring credit insurance effective 1 January 2020, with all remaining claims being run off during the reporting period.

A quantitative breakdown of the underwriting risk as measured by the Solvency II Standard Formula is as follows:

€'000 SCR	2020	2019
Premium Risk	2,584	2,767
Reserve Risk	5,011	6,889
Diversification Credit	(996)	(1,244)
Premium and Reserve Risk	**6,598**	**8,411**
Premium and Reserve Risk	6,598	8,411
Catastrophe Risk	9,311	8,301
Non-life lapse	550	475
Diversification Credit	(3,761)	(3,967)
Non-life Underwriting Risk SCR	**12,699**	**13,221**

(Note: Immaterial rounding differences due to amounts being displayed to the nearest thousand while the source workings are calculated to two decimal places)

Lapse risk has been included in a literal interpretation of the Solvency II technical specifications. However, this is not considered to be a risk for the Company whatsoever.

Catastrophe Risk exposure comes from all lines of business but is capped by the contract limits.

€'000 SCR	2020	2019
Non-Proportional Casualty	5,837	5,250
Non-Proportional Credit and Suretyship	0	0
Non-Proportional Property Reinsurance	7,250	6,425
Proportional Marine	255	255
Catastrophe Risk – Diversification Credit	(4,031)	(3,629)
Catastrophe Risk – Diversified	**9,311**	**8,301**

Underwriting Risk Mitigation

The Company has reduced its net limit for liability with the purchase of an aggregate XOL retrocession cover mirroring the underlying reinsurance programme. It is noted that this protection offers no capital relief under the Solvency II Standard Formula – nonetheless the Board considers it prudent risk management and it provides strong balance sheet protection.

(b) Market risk

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

The Company's principal transactions are carried out in Euro and its business exposure to foreign exchange risks is minimal. Due to the limited exposure, the Company considers it unnecessary to attempt to mitigate foreign exchange fluctuations.

Interest rate risk is that the value of future cashflows of a financial investment will fluctuate due to changes in interest rates.

The Company has significant exposure to the parent group through the cash pool arrangement in place with Group Treasury. However, the Board is comfortable with the counterparty risk of the parent group, Benteler International AG.

The balance of the Company's investment assets is held with two international banks and a Money Market Fund, each of which is well-rated.

Spread Risk & Concentration Risk

The cash pool balance with Benteler International AG is considered in this module, as are any term deposits or investment assets other than cash or demand deposits. The SCR charge for the cash pool is high, reflecting the high proportion of the Company's assets represented by it and Benteler International AG's lack of a credit rating.

In simple terms, the concentration risk charge and the spread risk charge is approximately 73% and 7.5% respectively of the pool amount. However, the charge does benefit from some diversification within the Concentration Risk module as the assets are spread between the cash pool, term deposits and the Money Market Fund. Moreover, when the Money Market Fund is assessed on a 'look through' approach to the underlying holdings, this provides further diversification.

Currency Risk

The Standard Formula currency risk charge is 25% of the mismatch in currency exposure.

The Company is exposed to a Standard Formula currency risk charge through policies denominated in currencies other than EUR. The Company has only assets on its balance sheet denominated in EUR but has liabilities of other currencies of EUR 3.617M on the Solvency II Balance Sheet, as IBNR and the Premium Provision are allocated in proportion to the geographical split of the underlying policies.

This gives a currency risk charge of EUR 1.088M.

(c) Credit risk

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

	Cash pool with Group	Financial investments and cash at bank
	€'000	€'000
2020	3,566	35,074
2019	3,662	31,060

The following table provides information regarding the aggregated credit risk exposure of financial assets:

Credit Ratings 2020	Cash pool with Group	Financial investments and cash at bank
AAA (incl. + / -)	-	-
AA (incl. + / -)	-	-
A (incl. + / -)	-	57%
BBB (incl. + / -)	-	43%
Unrated	100%	-
	100%	**100%**

Credit Ratings 2019	Cash pool with Group	Financial investments and cash at bank
AAA (incl. + / -)	-	-
AA (incl. + / -)	-	-
A (incl. + / -)	-	39%
BBB (incl. + / -)	-	61%
Unrated	100%	-
	100%	**100%**

(d) Liquidity Risk

Approximately 79% of the Company's funds are held in operational bank accounts and the cash pool, ensuring sufficient cash is on hand to meet claims payments as they fall due and to cover any unexpected cash outflows.

The Board deem a further refinement in the matching of claims pay-out and asset maturity patterns is not required. Thus, the maintenance of available cash is the most appropriate for the nature, scale and complexity of the Company's business.

(e) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

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

As a reinsurance captive writing a small number of treaties, operational risk is considered

low. The Company does not handle many transactions and does not deal with the general public. The underlying risk is in the same group. Therefore, it does not consider that it is exposed to material residual risk in this area due to the formality that has been created around the Company's processes and procedures including those for financial and regulatory reporting.

(f) Other Material Risks

There are no other material risks identified by the Company.

C.2 (A) Risk Measures

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as detailed earlier in this report. The Company also has an established Risk Appetite Statement to monitor the performance of each risk category against its related appetite threshold. A description of the measures used therein are as follows:

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

There have been no material changes over the reporting period.

C.2 (B) The Nature of Material Risk Exposures

The material risk that the Company is exposed to is the risk of adverse claims experience across all lines of business together with a potential bank default. This is addressed under Underwriting Risk (Section C.1(a) above) and Technical Provisions below. There have been no material changes over the reporting period.

C.2 (C) Investments in Accordance with the 'Prudent Person Principle'

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

The Company maintains its investments with EU regulated credit institutions in cash equivalents and short and medium-term deposits (no longer than 3 years). It also participates in a cash pool arrangement with the Company's ultimate holding company, Benteler International AG.

C.3 The Nature of Material Risk Concentrations

The Benteler group has operations throughout the world and as such the Company is not exposed to geographical concentrations of risk. The Company writes a diversity of business lines, although accumulations can occur, where a transit and property loss could arise from the same event.

Concentration risk arises from changes in automotive manufacture which have increased the likelihood of claims – more models use common systems than previously, thus increasing the potential claim cost.

Concentration risk is managed through the limit system, whereby the Company cannot lose more than the event or aggregate limit on any one claim or series of claims.

The Company has concentration risk in its investment portfolio with the exposure to the Benteler group through intercompany lending.

C.4 Risk Mitigation Practices

The strategy of the Company is to accept reinsurance on a first loss basis and will consider the purchase of reinsurance cover where appropriate. The Company has reduced its net limit for liability with the purchase of an aggregate XOL retrocession cover mirroring the underlying reinsurance programme. It is noted that this protection offers no capital relief – nonetheless the Board considers it prudent risk management and it provides strong balance sheet protection.

The Company's main risk mitigation technique is to control its exposure through event and aggregate limits.

C.5 Liquidity Risk

The Expected Profit in Future Premiums calculated in accordance with Article 260(2) of the Delegated Acts is EUR 1,375k.

C.6 Risk Sensitivities

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

Qualitative:

An industry-wide large event.

Reverse Stress tests:

- Loss required to breach SCR – c. 5M

Quantitative:

- **Limit Property Loss**
  - Description:
    - A EUR 5M property loss occurs in 2021 and is settled prior to year-end 2021.
  - Method:
    - The Company's Capital Requirements are projected with the loss included in reserves and paid before year-end 2021.
  - Outcome:
    - The SCR increases due to an increase in the Reserve Risk submodule and the Available Capital is reduced. The Company can withstand such a loss without breaching solvency.

- **Limit Liability Loss**
  - Description:
    - A EUR 20M gross liability loss occurs in 2021, full recovery of EUR 10M is recovered on the retrocession, and the claim is settled prior to year- end 2021.
  - Method:
    - The Company's Capital Requirements are projected with the loss included in reserves and paid before year-end 2021.
  - Outcome:
    - The SCR increases dramatically due to an increase in the Reserve Risk submodule and the Available Capital is reduced. Such a loss would result in the Company breaching solvency.

- **Limit Liability Loss (without retrocession cover)**
  - Description:
    - A EUR 20M gross liability loss occurs in 2021, no premium was paid for retrocession and nothing was recovered for the claim on the retrocession, and the claim is settled prior to year- end 2021.
  - Method:
    - The Company's Capital Requirements are projected with the loss included in reserves and paid before year-end 2021.
  - Outcome:
    - The SCR increases dramatically due to an increase in the Reserve Risk submodule and the Available Capital is reduced. Such a loss would result in the Company breaching solvency.

- **Credit Event**
  - Description:
    - A bank default of the institution with the largest concentration in 2021.
  - Method:
    - The Company's Capital requirements are projected, and the SCR is reduced by the level of the default in 2021. Unlike an insurance loss suffered, there is no corresponding increase in SCR.
  - Outcome:
    - Such a loss would result in the Company breaching solvency.

- **Loss Ratio Sensitivity**
  - Description:
    - The projected loss ratios were increased/decreased by 5% from 2021.
  - Method:
    - The Company's Capital requirements are projected throughout the period using the revised loss ratios.
  - Outcome:
    - The alternative scenarios yield a c.10% deterioration/improvement in the loss ratios when compared with the base projections.

C.7 Any Other Disclosures

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

Section D: Valuation for Solvency Purposes

Note: Tables within sections D and E contain minor rounding differences in certain instances due to amounts being displayed to the nearest thousand while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

D.1 Assets

As at 31st December 2020, the Company held the following assets:

Benteler Reinsurance Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	-	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	-	-
Investments	8,059	8,059
Property (Other than Own Use)	-	-
Participations and related undertakings	-	-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed	-	-
Equities (Other than Participations) - Unlisted	-	-
Bonds	-	-
Government and Multilateral Banks	-	-
Corporate	-	-
Structured Notes	-	-
Collateralised Securities	-	-
Collective Investments Undertakings	4,026	4,026
Derivatives	-	-
Deposits other than cash equivalents	4,033	4,033
Other Investments	-	-
Mortgages and Loans Made	3,566	3,566
Mortgages & loans to individuals	-	-
Other Mortgages & loans	3,566	3,566
Loans on Policies	-	-
Reinsurance Recoverables	-	-1,103
Reinsurance share of TP - non-life excluding health	-	-1,103
Reinsurance share of TP - health similar to non-life	-	-
Deposits to cedants	-	-
Insurance & Intermediaries Receivables	667	232
Reinsurance Receivables	-	-
Receivables (trade, not insurance)	-	-
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	27,048	27,048
Any Other Assets, Not Elsewhere Shown	14	14
Total assets	**39,355**	**37,816**

As at 31st December 2019:

Benteler Reinsurance Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	163	163
Pension benefit surplus	-	-
Property, plant & equipment held for own use	-	-
Investments	17,062	17,062
Property (Other than Own Use)	-	-
Participations and related undertakings	-	-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed	-	-
Equities (Other than Participations) - Unlisted	-	-
Bonds	-	-
Government and Multilateral Banks	-	-
Corporate	-	-
Structured Notes	-	-
Collateralised Securities	-	-
Collective Investments Undertakings	4,038	4,038
Derivatives	-	-
Deposits other than cash equivalents	13,024	13,024
Other Investments	-	-
Mortgages and Loans Made	3,662	3,662
Mortgages & loans to individuals	-	-
Other Mortgages & loans	3,662	3,662
Loans on Policies	-	-
Reinsurance Recoverables	-	-551
Reinsurance share of TP - non-life excluding health	-	-551
Reinsurance share of TP - health similar to non-life	-	-
Deposits to cedants	-	-
Insurance & Intermediaries Receivables	496	496
Reinsurance Receivables	-	-
Receivables (trade, not insurance)	-	-
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	14,022	14,022
Any Other Assets, Not Elsewhere Shown	14	14
Total assets	**35,419**	**34,868**

Collective investments undertakings comprise a money market fund investment which is measured at fair value using quoted market prices in active markets.

Deposits other than cash equivalents comprise short-term deposits with maturity dates less than one year, together with any accrued interest at the balance sheet date. They are highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are measured at cost. For the purposes of the Company's financial statements, accrued interest of €33k is shown as part of the 'Prepayments and accrued interest' balance.

Mortgages and other loans made comprise a cash pool balance. The Company participates in a cash pooling arrangement with Group Treasury. The balance is highly liquid and readily accessible and is measured at cost.

Reinsurance recoverables represents the discounted future cash flows relating to the premium provision for the 2021 retrocession cover in place. A nil amount is included in the financial statements as all premium for the 2020 retrocession policy was earned as at the reporting date and the 2021 expected cashflows within contract boundaries are not considered in the Financial Statements. The difference between the two amounts reflects the differing valuation basis.

Insurance and intermediaries' receivables are recognised and carried at the original invoice amount less allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents comprise cash balances that are highly liquid and readily convertible to a known amount of cash. They are subject to an insignificant risk of changes in value and are measured at cost.

Any other assets, not shown elsewhere, comprise a prepaid management fee amount.

Other than:

- the valuation of reinsurance balances on a best estimate basis;
- the reallocation of EUR 435k of claims repayable to Technical Provisions; and
- the inclusion of accrued interest in a different category,

there are no other material asset valuation differences between the financial statements and the Solvency II values. The financial statements have been prepared in accordance with Financial Reporting Standards 102 and 103 (FRS 102 and 103), the requirements of the Companies Acts 2014 and the European Union (Insurance Undertakings: Financial Statements) (Amendment) Regulations, 2016.

D.2 Technical Provisions

The technical provisions comprise the following amounts by line of business:

€' 000 2020

Line of Business	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
Non-proportional casualty reinsurance	7,654	1,386	(1,103)	**10,143**
Proportional marine, aviation and transport reinsurance	929	74	-	**1,004**
Non-proportional property reinsurance	610	691	-	**1,301**
Total	**9,193**	**2,151**	**(1,103)**	**12,447**

€' 000 2019

Line of Business	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
Non-proportional casualty reinsurance	10,941	1,814	(551)	**13,306**
Proportional marine, aviation and transport reinsurance	546	54	-	**600**
Non-proportional property reinsurance	224	660	-	**884**
Total	**11,711**	**2,528**	**(551)**	**14,790**

Chain Ladder, Frequency-Severity, Bornhuetter Ferguson and Expected Loss Ratio methods were used to derive the claims provision for all classes. Additionally, a transition rate model was used to estimate the reserves for the Trade Credit class of business. Given the relative sparsity of claims in the Company's history, appropriate benchmark loss development factors have been applied to supplement the Company's own experience.

The Premium Provision was calculated using Expected Loss Ratios based on the Company's own experience and benchmark data.

The main risk to the Technical Provisions is the emergence of a large claim or claims. In respect of the claims reserves this risk is considered reasonably low – an analysis of reporting delays for the Company has shown that these are short and liability claims have not emerged over time. In respect of the Premium Provision the volatility of the actual underwriting result is much higher for a captive reinsurer writing a relatively small number of risks compared to a commercial insurer.

A second risk to the adequacy of the Company's reserves is the deterioration of an existing claim or claims. The Company reviews all open claims on a regular basis and takes an appropriate approach to claim reserving.

For all lines of business, the Company uses the undiscounted Best Estimate Claims Provision as a floor for the Technical Provisions booked in its Financial Statements, with an appropriate margin for prudence added to this figure.

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.

Furthermore, the extrapolation of the risk-free interest rate term structure referred to in Article 77a of Directive 2009/138/EC is not applicable. Therefore, the assessments referred to in points (a), (b) and (c) of the first subparagraph of Article 44 of Directive 2009/138/EC were not necessary.

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.

in place an Excess of Loss retrocession cover on its Liability program; however, expected recoveries in the Solvency II Technical Provisions are nil.

Generally, the methodology and assumptions used in calculating the Technical Provisions have remained broadly similar to the approach taken in the 2019 year-end. However, there have been some changes, most notably due to the COVID-19 pandemic as follows:

- Claims development has been slowed by one quarter in all triangulation-based methods. This is to allow for delays in reporting, development and settlement of claims due to disruption caused by the pandemic and the November 30 cut-off date for some of the claims data used in the calculation of the reserves.
- The assumptions used in estimating the Trade Credit reserves have been adjusted to allow for the likelihood of increased losses due the economic uncertainty surrounding COVID-19. This includes reference to market data comparing the experience in this class at the time of the 2008 Financial Crisis when compared with the preceding years of benign claims activity during a period of steady economic growth.

D.3 Other Liabilities

As at 31st December 2020, the Company recorded the following liabilities for solvency purposes;

Benteler Reinsurance Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	16,610	11,344
TP calculated as a whole (Best estimate + Risk margin)	16,610	-
Best Estimate	-	9,193
Risk Margin	-	2,151
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	-
Risk margin	-	-
Other Technical Provisions	-	-
Contingent Liabilities	-	-
Provisions Other Than Technical Provisions	-	-
Pension Benefit Obligations	-	-
Deposits from Reinsurers	-	-
Deferred Tax Liabilities	-	512
Derivatives	-	-
Debts owed to credit institutions	-	-
Financial liabilities other than debts owed to credit institutions	-	-
Insurance & intermediaries payables	1,597	1,229
Reinsurance payables	-	-
Payables (trade, not insurance)	155	155
Any other liabilities, not elsewhere shown	294	294
Total liabilities	**18,656**	**13,534**

As at 31st December 2019:

Benteler Reinsurance Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	17,659	14,239
TP calculated as a whole (Best estimate + Risk margin)	17,659	-
Best Estimate	-	11,711
Risk Margin	-	2,528
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	-
Risk margin	-	-
Other Technical Provisions	-	-
Contingent Liabilities	-	-
Provisions Other Than Technical Provisions	-	-
Pension Benefit Obligations	-	-
Deposits from Reinsurers	-	-
Deferred Tax Liabilities	-	378
Derivatives	-	-
Debts owed to credit institutions	-	-
Financial liabilities other than debts owed to credit institutions	-	-
Insurance & intermediaries payables	170	15
Reinsurance payables	-	-
Payables (trade, not insurance)	100	100
Any other liabilities, not elsewhere shown	-	-
Total liabilities	**17,928**	**14,731**

D.4 Alternative Methods of Valuation

The deferred tax liability represents 12.5% of the Solvency II valuation adjustments to net technical provisions. The Solvency II balance sheet also includes an adjustment to the Insurance Payables line as the claims payable of EUR 368k are reallocated to Technical Provisions on the Solvency II Balance Sheet.

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

D.5 Any Other Disclosures

There are no other disclosures to report under this section.

Section E. Capital Management

E.1 Own Funds

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

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

The Company's own funds are invested in cash, short term money market deposits or short- term loans to its parent group. There is no intention to change this methodology.

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

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

At 31 December 2020 and 2019 the Company's own funds in Euro were as follows:

	Value at 31 December 2020 €' 000	Value at 31 December 2019 €' 000
Tier 1 unrestricted		
- Share Capital	650	650
- Reconciliation reserve	23,632	19,847
Total Basic Own Funds	**24,282**	**20,137**

The reconciliation reserve at the end of the current reporting period represents the retained earnings of the Company as adjusted for Solvency II valuation differences, inclusive of future profitability as calculated within the premium provision.

The eligible amount of own funds available to cover the Solvency Capital Requirement and Minimum Capital Requirement at 31 December 2020 is €24.282m of Tier 1 unrestricted funds.

The equity as shown in the Company's financial statements is €3.583m less than the excess of assets over liabilities as calculated for solvency purposes; this difference is due mainly to the technical provisions in the Financial Statements being calculated on a more prudent basis than the Solvency II technical provisions.

Reconciliation (EUR '000s)	2020	2019
Available Capital per Financial Statements	**20,699**	**17,491**
+/- Tax adjustment	*-512*	*-378*
- Risk Margin	*-2,151*	*-2,528*
- Solvency II Expense Provision	*-192*	*-178*
+ Prudence in Financial Statement reserves (Booked Reserves less Best Estimate including adjustment for Events Not In Data ('ENID'))	6,433	5,048
+/- Discounting	-81	43
+ Profit in BBNI	87	638
Total	**24,282**	**20,137**

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

The Company has no items of ancillary own funds.

The Company has no items deducted from own funds.

The Company has no deferred tax assets on its Solvency II balance sheet. However, the difference in valuation basis between Solvency II and GAAP has resulted in the creation of a deferred tax liability on the Solvency II balance sheet. As shown in the table above, this tax liability is EUR 512k and arises mainly due to the removal of prudence in the financial statement reserves. This is partially offset by the inclusion of the risk margin.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company's 31 December 2020 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) are shown in the table below.

2020

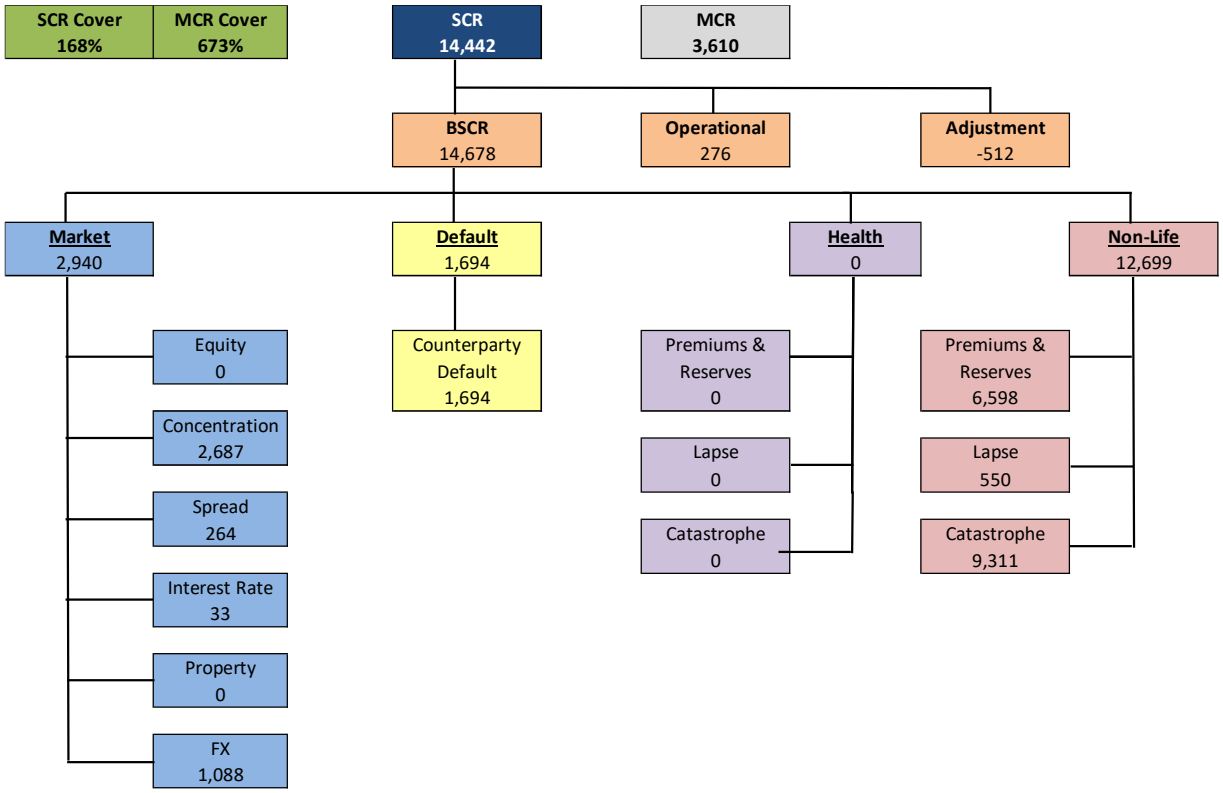
Solvency €'000	Capital requirement	Eligible capital	Solvency ratio
SCR	14,442	24,282	168%
MCR	3,610	24,282	673%

2019

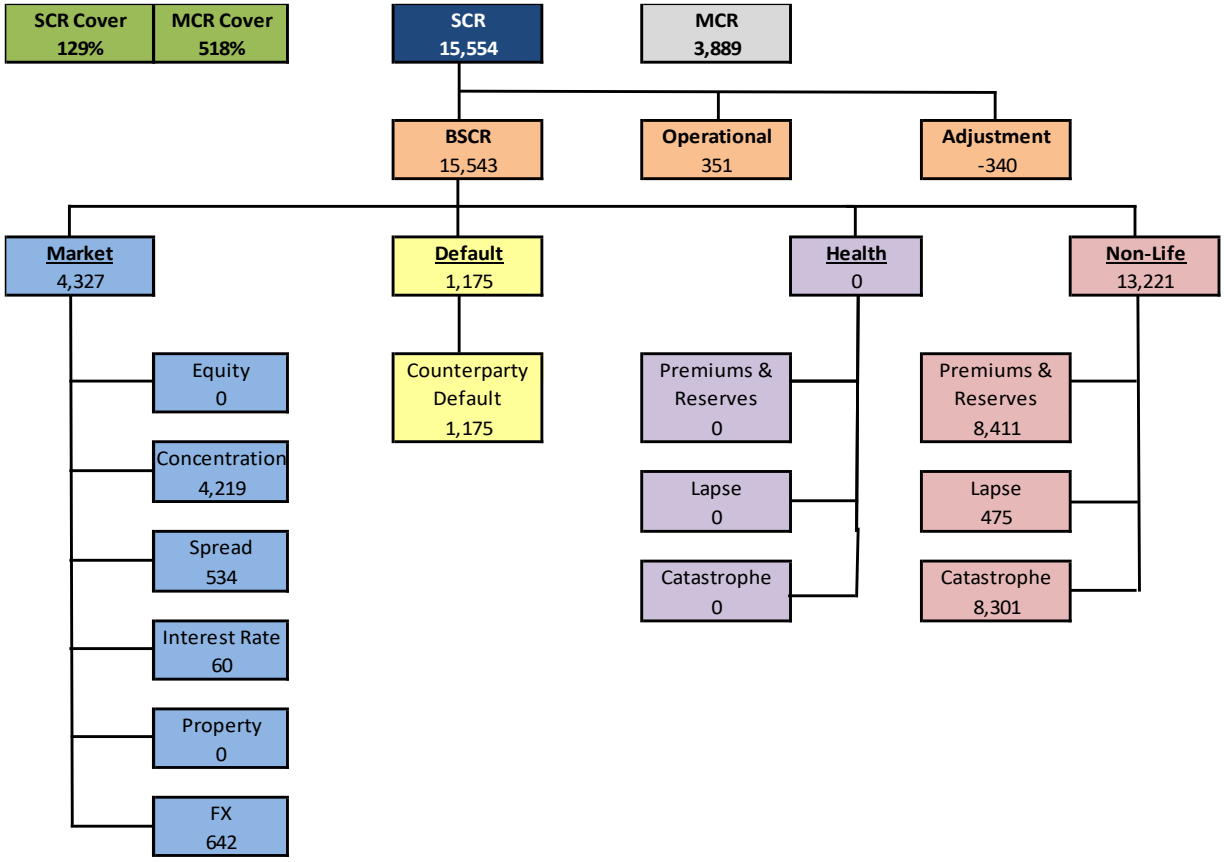
Solvency €'000	Capital requirement	Eligible capital	Solvency ratio
SCR	15,554	20,137	129%
MCR	3,889	20,137	518%

The SCR has been calculated utilising the standard formula and the analysis by risk module is as follows:

2020:


SCR Cover
168%
MCR Cover
673%
SCR
14,442
MCR
3,610
BSCR
14,678
Operational
276
Adjustment
-512
Market
2,940
Default
1,694
Health
0
Non-Life
12,699
Equity
0
Concentration
2,687
Spread
264
Interest Rate
33
Property
0
FX
1,088
Counterparty
Default
1,694
Premiums &
Reserves
0
Lapse
0
Catastrophe
0
Premiums &
Reserves
6,598
Lapse
550
Catastrophe
9,311

2019:


SCR Cover
129%
MCR Cover
518%
SCR
15,554
MCR
3,889
BSCR
15,543
Operational
351
Adjustment
-340
Market
4,327
Default
1,175
Health
0
Non-Life
13,221
Equity
0
Concentration
4,219
Spread
534
Interest Rate
60
Property
0
FX
642
Counterparty
Default
1,175
Premiums &
Reserves
0
Lapse
0
Catastrophe
0
Premiums &
Reserves
8,411
Lapse
475
Catastrophe
8,301

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

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

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

The MCR as calculated using premium volume is as follows:

2020:

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
	€'000	€'000			€'000
Marine, Aviation & Transport	929	238	10%	14%	129
NRP - Property	610	2,205	19%	16%	464
NPR - Casualty	8,757	2,069	19%	16%	1,958
Total	**10,296**	**4,512**			**2,551**

2019:

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
	€'000	€'000			€'000
Marine, Aviation & Transport	546	255	10%	14%	92
NRP - Property	224	3,105	19%	16%	535
NPR - Casualty	11,492	2,084	19%	16%	2,469
Total	**12,262**	**5,444**			**3,096**

Since the figure of €2.551m is less than the floor of 25% of the SCR, the floor of 25% of the SCR is applied – i.e. €3.610m.

The Company's SCR has reduced over the past 12 months, mainly driven by a reduction in the Non-Life Risk charge caused by reduced reserves and a reduction in the Market Risk charge as a result of greater diversification in the investment portfolio.

The adjustment to the Solvency Capital Requirement for the loss-absorbing capacity of deferred taxes is EUR 512k. This is comprised entirely of net deferred tax liabilities on the current Solvency II balance sheet.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module in the calculation of its SCR.

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

An internal model is not used by the Company.

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

There has been full compliance by the Company to meet its Minimum Capital Requirement and Solvency Capital Requirement in the period under review and in the prior corresponding period.

E.6 Any Other Disclosures

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

Quantitative Reporting Templates

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**	8,059
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**	4,026
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	4,033
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	3,566
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	3,566
Reinsurance recoverables from:	**R0270**	-1,103
Non-life and health similar to non-life	**R0280**	-1,103
Non-life excluding health	**R0290**	-1,103
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**	232
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**	27,048
Any other assets, not elsewhere shown	**R0420**	14
Total assets	**R0500**	37,816

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	11,344
Technical provisions – non-life (excluding health)	**R0520**	11,344
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	9,193
Risk margin	**R0550**	2,151
Technical provisions - health (similar to non-life)	**R0560**	
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	512
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	1,229
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	155
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	294
Total liabilities	**R0900**	13,534
Excess of assets over liabilities	**R1000**	24,282

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
		Medical expense insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	Assistance	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0060**	**C0070**	**C0110**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written										
Gross - Direct Business	**R0110**									
Gross - Proportional reinsurance accepted	**R0120**		238							238
Gross - Non-proportional reinsurance accepted	**R0130**						2,619		2,205	4,824
Reinsurers' share	**R0140**						550			550
Net	**R0200**		238				2,069		2,205	4,512
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**		238							238
Gross - Non-proportional reinsurance accepted	**R0230**						2,619		2,205	4,824
Reinsurers' share	**R0240**						550			550
Net	**R0300**		238				2,069		2,205	4,512
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**		436							436
Gross - Non-proportional reinsurance accepted	**R0330**						-1,192		855	-337
Reinsurers' share	**R0340**									
Net	**R0400**		436				-1,192		855	99
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**		29				364		365	758
Other expenses	**R1200**									
Total expenses	**R1300**									758

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		DE					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120		238					238
Gross - Non-proportional reinsurance accepted	R0130		4,824					4,824
Reinsurers' share	R0140		550					550
Net	R0200		4,512					4,512
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220		238					238
Gross - Non-proportional reinsurance accepted	R0230		4,824					4,824
Reinsurers' share	R0240		550					550
Net	R0300		4,512					4,512
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320		436					436
Gross - Non-proportional reinsurance accepted	R0330		-337					-337
Reinsurers' share	R0340							
Net	R0400		99					99
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		758					758
Other expenses	R1200							
Total expenses	R1300							758

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance				Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	Assistance	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	**C0070**	**C0080**	**C0120**	**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**		145				132		-1,375	-1,098
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**						-1,103			-1,103
Net Best Estimate of Premium Provisions	**R0150**		145				1,235		-1,375	5
Claims provisions										
Gross	**R0160**		784				7,522		1,985	10,291
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**		784				7,522		1,985	10,291
Total Best estimate - gross	**R0260**		929				7,654		610	9,193
Total Best estimate - net	**R0270**		929				8,757		610	10,296
Risk margin	**R0280**		74				1,386		691	2,151
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**									
Best estimate	**R0300**									
Risk margin	**R0310**									
Technical provisions - total										
Technical provisions - total	**R0320**		1,004				9,040		1,301	11,344
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**						-1,103			-1,103
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**		1,004				10,143		1,301	12,447

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior R0100												R0100		
2011 R0160	5,002	127	18	-90	-6	1				0		R0160	0	5,051
2012 R0170	0	524	361	36	163	150	4	29				R0170		1,268
2013 R0180	151	295	63	3	287	-7						R0180		790
2014 R0190		9,459	561	194	0	-5	0					R0190	0	10,209
2015 R0200		329	3,091	-25	-12	0						R0200	0	3,383
2016 R0210	1,502	2,778	258	119	239							R0210	239	4,896
2017 R0220	4	543	989	-437								R0220	-437	1,099
2018 R0230	0	136	276									R0230	276	412
2019 R0240	33	429										R0240	429	462
2020 R0250	642											R0250	642	642
											Total	R0260	1,148	28,214

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior R0100											48	R0100	49
2011 R0160						314	207	162	145	75		R0160	75
2012 R0170					477	344	307	271	161			R0170	163
2013 R0180				893	390	288	278	148				R0180	150
2014 R0190			780	721	395	344	173					R0190	175
2015 R0200		4,135	990	738	695	-202						R0200	-201
2016 R0210	3,576	1,615	1,012	822	622							R0210	626
2017 R0220	4,524	4,630	1,080	2,398								R0220	2,379
2018 R0230	3,050	2,201	1,342									R0230	1,348
2019 R0240	6,778	2,651										R0240	2,679
2020 R0250	2,824											R0250	2,849
											Total	R0260	10,291

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	650	650			
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	23,632	23,632			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	24,282	24,282			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	24,282	24,282			
Total available own funds to meet the MCR	R0510	24,282	24,282			
Total eligible own funds to meet the SCR	R0540	24,282	24,282			
Total eligible own funds to meet the MCR	R0550	24,282	24,282			
SCR	R0580	14,442				
MCR	R0600	3,610				
Ratio of Eligible own funds to SCR	R0620	168.14%				
Ratio of Eligible own funds to MCR	R0640	672.56%				

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	24,282				
Own shares (held directly and indirectly)	R0710					
Foreseeable dividends, distributions and charges	R0720					
Other basic own fund items	R0730	650				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Reconciliation reserve	R0760	23,632				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770					
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	1,375				
Total Expected profits included in future premiums (EPIFP)	R0790	1,375				

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	2,940		
Counterparty default risk	R0020	1,694		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	12,699		
Diversification	R0060	-2,655		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	14,678		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	276
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-512
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	14,442
Capital add-on already set	R0210	
Solvency capital requirement	R0220	14,442
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	

		Yes/No
Approach to tax rate		C0109
Approach based on average tax rate	R0590	1 - Yes

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	-512
LAC DT justified by reversion of deferred tax liabilities	R0650	-512
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	-1,869

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	2,551

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	929	238
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150	8,757	2,069
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170	610	2,205

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	2,551
SCR	R0310	14,442
MCR cap	R0320	6,499
MCR floor	R0330	3,610
Combined MCR	R0340	3,610
Absolute floor of the MCR	R0350	1,200
		C0070
Minimum Capital Requirement	R0400	3,610