Société d'Assurances Générales Appliquées (SAGA) dac

Solvency and Financial Condition Report ("SFCR") for the financial year ended 31 December 2020

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Executive Summary

The new, harmonized EU-wide regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by (re)insurers. This document is the fourth version of the Solvency and Financial Condition Report ("SFCR") that is required to be prepared by Société d'Assurances Générales Appliquées (SAGA) dac (''the Company').

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

Company Background

Société d'Assurances Générales Appliquées (SAGA) dac is a company incorporated in Ireland and authorised by the Central Bank of Ireland to carry out the following classes of non-life (re)insurance business:

- Class 3: Land Vehicles;
- Class 7: Goods in Transit;
- Class 8: Fire and Natural Forces;
- Class 9: Other Damage to Property.

The Company is a non-life insurance captive whose principal activity is (re)insuring Saint-Gobain group entities participating in the Group's Global Property Damage and Business Interruption insurance programme.

Business and Performance

The Company's performance is primarily driven by it Underwriting performance. Premium levels for 2020 remain in line overall with the prior year with an increase in Worldwide premiums offset by lower premiums to EEA.

Claims incurred for 2020 was particularly favourable in comparison with the prior year.

System of Governance

The Company is subject to the the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015. The corporate governance principles of the Company are implemented via the following Corporate Governance Framework:

- Board of Directors
- Outsourced Service Providers
- Internal Control Framework
- Risk Management Framework
- Compliance Function
- Audit – Internal & External

Outsourced Activities

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

Critical Outsourcing Arrangements				
Outsourced Provider	**Service Outsourced**	**Internal/External**	**Jurisdiction**	**Outsourcing Oversight**
Marsh Management Services (Dublin) Limited	Captive Manager Compliance Function	External	EU	Chairman (PCF-3)
Compagnie de Saint-Gobain	Internal Audit Function	Internal	EU	
Mazars	Head of Actuarial Function	External	EU	

Risk Profile

The following table outlines the material risks to which the Company is exposed as well as the undiversified capital charge associated with the risks.

	2020 €000's	2019 €000's
Market risk	18,462	14,755
Counterparty default risk	139	474
Life underwriting risk		
Health underwriting risk		
Non-life underwriting risk	32,503	32,858
Diversification	(9,835)	(8,602)
Intangible asset risk		
Basic Solvency Capital Requirement	41,269	39,485
Operational Risk	973	984
Adjustment	(5,281)	(4,524)
Overall Solvency Capital Requirement	36,961	35,944

Available Capital	63,277	52,615
SCR Cover	*171%*	*146%*

These risks are described in further detail in Section C of this report.

Valuation for Solvency Purposes

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

Capital Management

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

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

At the end of 2020, the Company had a surplus of assets over liabilities €63.3m (2019: €52.6m) on a Solvency II valuation basis. This compares to a SCR requirement of €37.0m (2019: €35.9m) and indicates a solvency cover ratio of 171% (2019: 146%). The MCR coverage ratio is 685% (2019: 580%).

A BUSINESS and PERFORMANCE

A.1 Business

A.1.1 Name and legal form of the undertaking

Société d'Assurances Générales Appliquées (SAGA) dac (the "Company") is incorporated in the Republic of Ireland and is a private company limited by shares.

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

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

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

A.1.3 External auditor of the undertaking

The independent auditors of the Company are:

PricewaterhouseCoopers, Spencer Dock, North Wall Quay, North Wall, Dublin 1, Ireland

A.1.4 Holders of Qualifying Holdings in the Undertaking

The Company is wholly owned by Société de Participations Financières et Industrielles a company incorporated in France.

A.1.5 Legal Structure of the Group

Société de Participations Financières et Industrielles is owned by Compagnie de Saint-Gobain (CSG), the ultimate and controlling parent company which is incorporated in France.

A.1.6 Material lines of business and geographical areas

The Company is a non-life insurance captive whose principal activity is (re)insuring Saint-Gobain group entities participating in the Group's Global Property Damage and Business Interruption insurance programme.

The material geographical areas in which the Company operates are as follows:

As an insurer: across the European Economic Area, including the EU member state of its Head Office (Ireland);

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

A.1.7 Significant Business events after the reporting period

No important events affecting the Company have occurred since the Statement of Financial Position date which may require disclosure in or adjustment to these financial statements.

A.1.8 COVID-19

The Company continues to closely monitor the ongoing COVID-19 situation to ensure it can continue with business as usual. The Company has assessed its overall risk exposure across all classes of business and geographical locations. The Directors', having assessed the risk to the Company at this time, believe COVID-19 will continue to have a minimal impact at this time.

A.2 Underwriting Performance

The Company writes the following lines of business: Property Damage and Business Interruption. For the purposes of capital reporting this is categorised as:

Class of Business as GAAP	Solvency II Class of Business
Property Damage/Business Interruption	Fire & Other Damage to Property

The premium income written by the Company was derived from the coverage of the Saint-Gobain group entities included in the Group's insurance programmes.

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

The table below shows a summary of the technical (underwriting) account for the year ended 31 December 2020 (based on IFRS):

Underwriting performance for the main Solvency II Lines of Business (including aggregate performance).

Fire and Other Damage to Property	31/12/2020 €'000	31/12/2019 €'000
Gross written premiums		
Direct (EEA area)	21,315	21,750
Reinsurance Inwards (Worldwide)	11,115	11,049
Reinsurers' share of premiums	(4,393)	(4,123)
Claims incurred	(11,748)	(15,285)
Investment Income	7	13
Underwriting expenses	(1,406)	(668)
Net underwriting income	14,890	12,736

Further information regarding material geographical areas is contained in Section A1.6.

Premium levels year on year remain in line overall with an increase in Worldwide premiums offset by lower premiums to EEA.

Claims incurred for 2020 was particularly favourable in comparison with the prior year.

A.3 Investment Performance

A.3.1 Income and expenses arising by asset class

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

As at 31 December 2020 the Company's investment portfolio comprised the following asset classes:

Asset Class	31/12/2020		31/12/2019	
	Amount €'000	% of portfolio	Amount €'000	% of portfolio
Cash and cash equivalents	762	1%	3,172	5%
Short term investments	-		-	
Loans to related parties	69,112	99%	55,238	95%
Total	69,874	100%	58,410	100%

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

Asset Class	31/12/2020	31/12/2019
	Total €'000	Total €'000
Cash and cash equivalents	7	11
Short term investments	-	-
Loans to related parties	-	2
Total	7	13

As all investments are in Euro the interest rate return is low given the prevailing market conditions. Return on current accounts and loan to parent are essentially zero owing to the immediate liquidity of the investments. Deposits placed for longer terms achieve some level of returns.

A.3.2 Gains and losses recognised directly in equity

No gains and losses have been recognised directly in equity.

A.3.3 Investments in securitisation

There are no investments in securitisation.

A.4 Performance of Other Activities

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

B SYSTEM of GOVERNANCE

B.1 General information on the system of governance

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

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

Board of Directors:

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

The current composition of the Board of Directors is as follows:
S. Brown (Chairman)
K. Downes
P Le Guillermic
P. Thomson

Independent Control Functions:

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

Risk Management Function

The role of the Company's risk management function is to identify and evaluate the major risks facing The Company and to facilitate the implementation of the risk management system. The Board of Directors has appointed a Chief Risk Officer and who is also a member of the Board of Directors, to undertake this role. The roles and responsibilities of the risk management function are set out within the risk management policy.

Compliance Function

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

Actuarial Function

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

Internal Audit Function

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

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

No material changes took place over the reporting period, aside from the fact that certain functions, including the actuarial function, internal audit function and risk management functions were finalised and approved by the CBI in line with Solvency II requirements.

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

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

The Company does not have any employees. Day to day running of the Company is handled by Marsh Management Services (Dublin) Limited under a third party administrative agreement.

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

Compagnie de Saint-Gobain (CSG) is the ultimate parent of the Saint-Gobain Group. The Board of Directors of the Company includes Group Directors acting via their direct engagement with CSG.

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

B.2 Fit and Proper requirements

B.2.1 Requirements for skills, knowledge and expertise

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

On 1 December 2011 the CBI issued the Fitness & Probity Standards under Section 50 of the Central Bank Reform Act 2010 (the 'Code') which all persons performing Controlled Functions or Pre-Approval Controlled Functions should, at a minimum, comply with Guidance for (Re)Insurance Undertakings on the Fitness & Probity Amendments 2015 further assist companies in complying with their obligations brought in by the Amending Regulation S.I. 545 2015 and Solvency II (European Union (Insurance and Reinsurance) Regulations 2015 S.I. 485 of 2015).

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

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

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

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

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

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

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

B.3.1 Risk management system

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

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

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

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

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

Identify

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

Assess

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

Manage

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

Monitor/Report

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

The Chief Risk Officer ("CRO") has primary responsibility for the risk management function and for maintaining and monitoring the effectiveness of the Company's risk management system.

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

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

B.3.2 Implementation of the Risk management system

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

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

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

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

1st Line of Defence – Day to Day:

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

2nd Line of Defence – Oversight:

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

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

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

3rd Line of Defence – Independent Assessment:

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

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

External Audit: The Board recognises that the independent external auditor has an important role in the effectiveness of the governance and risk management systems of the Company. The Company is required by law to appoint an external auditor on an annual basis.

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

B.3.3 ORSA

B.3.3.1 ORSA process

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

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

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

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

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

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

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

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

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

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

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

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

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

B.3.3.2 ORSA review and approval process

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

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

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

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

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

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

The Company has sufficient capital to meet its base case SCR for its current and projected business activities over the four-year business planning horizon.

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

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

B.4 Internal Control System

B.4.1 Description of the internal control system

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

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

First line of Defence: “Day to day” operations and associated controls/
Second Line of Defence: oversight from Compliance, Risk Management functions
3rd Line of Defence: Independent Assessment, internal audit and actuarial functions (and also external audit).

B.4.2 Implementation of the compliance function

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

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

The role of the Board appointed Compliance Officer is to:

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

The intended compliance activities are set out in an annual compliance plan prepared by the Compliance Officer which is reviewed and approved by the Board.
The Compliance Officer presents a Compliance Officer report to the Board at each board meeting which outlines the following:

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

B.5 Internal audit function

B.5.1 Implementation of the internal audit function

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

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

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

B.5.2 Independence of the internal audit function

The function provides independent and objective assurance services, via an Internal Audit Agreement between the Company and Compagnie de Saint-Gobain.

B.6 Actuarial function

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

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

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

The Company has an exemption on the requirement for the Actuarial Function to report to the regulator on the technical provisions.

B.7 Outsourcing

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

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

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

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

Critical Outsourcing Arrangements				
Outsourced Provider	Service Outsourced	Internal/External	Jurisdiction	Outsourcing Oversight
Marsh Management Services (Dublin) Limited	Captive Manager Compliance Function	External	EU	Chairman (PCF-3)
Compagnie de Saint-Gobain	Internal Audit Function	Internal	EU	
Mazars	Head of Actuarial Function	External	EU	

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

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

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

No material changes regarding the system of governance of the Company took place, aside from the fact that certain functions, including actuarial function, internal audit function and risk management functions were finalised and approved by the CBI in line with Solvency II requirements.

C RISK PROFILE

C.1 Underwriting risk

C.1.1 Key underwriting risks

Underwriting risk at 31 December 2020 comprises 64% (2019: 68%) of the undiversified basic SCR.

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

Non-life premium and reserve risk

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from organisations that are directly subject to the underlying loss.

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

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

There are a number of material risks that are considered as a result of the Company's (re) insurance underwriting. For premium risk, the Company has considered the risk of under-pricing of premiums resulting in higher loss ratios than expected. For reserve risk, the Company has considered the risk of over and under reserving of actual and expected claims.

Non-life catastrophe risk

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

The catastrophe risk charge for the Company comprises natural catastrophe risk across all perils (Windstorm, Earthquake, Flood, Hail and Subsidence) within and outside the EEA and man-made catastrophe risk for Fire Damage on insured properties.

C.1.2 Material risk concentrations

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

See Section A.2 of this report for further details.

C.1.3 Assessment and risk mitigation techniques used for underwriting risks

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

- Having in place clear underwriting and reserving philosophies and procedures and controls in relation to pricing and reserving;
- Assessing (re)insurance risks with quality underwriting and claims expertise and information;
- Diversifying and limiting reinsurance and investment risk through ongoing review and management;
- Retaining risk within an approved risk appetite and solvency requirements;
- Transferring risk through reinsurance with high credit quality entities;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions;
- Independent opinions on the reasonableness and adequacy of the overall underwriting policy, reinsurance arrangements are provided by the Head of Actuarial Function on an annual basis.

C.2 Market risk

C.2.1 Material market risks

Market risk is the risk arising from the level of volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, real estate prices and exchange rates. Market risk is arrived at using the assumptions and calculations methods contained in the Standard Formula.

Investment objectives are outlined in the Company's Investment Policy.

The table below outlines the material components of the market risk module as at 31 December 2020.

Market Risk sub-module	31/12/2020	31/12/2019
	€000	€000
Concentration	18,380	14,690
Spread	1,728	1,382

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

Concentration risk is seen as material due to the value of assets invested, in particular in the case of the fixed deposits. However, this is a risk that is managed by the Company through its investment policy, where it is stipulated to maintain an asset credit rating of minimum BBB.

Spread risk is linked to the credit rating of assets held and the effect of a market change in the credit curve.

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

Currency risk is not considered to be material given the nature and structure of the Company's business.

C.2.2 Material risk concentrations

Market concentration risk arises in respect of the inter-company loan (BBB rating) and one fixed deposit (A rating).

C.2.3 Prudent person principle applied to market risks

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

C.2.4 Assessment and risk mitigation techniques used for market risks

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

- Compliance with the Investment and Asset Liability Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- Monitoring changing environment and market conditions that affect risk;
- Diversifying and limiting investment risk through ongoing review;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.3 Credit risk

C.3.1 Material market risks

Credit risk at 31 December 2020 comprises 1% (2019: 1%) of the undiversified basic SCR.

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

The counterparty default risk module in the Standard Formula is mainly driven by cash at bank, the intercompany loan and the best estimate reinsurer's share of technical provisions.

Credit risk is considered to be low in that the Company does not expect any counterparty to fail to meet its obligations.

C.3.2 Material risk concentrations

The Company does not have any material credit risk concentrations.

C.3.3 Prudent person principle applied to credit risks

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

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

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

- The Board is responsible for monitoring the on-going suitability of the chosen banking institutions to ensure they are in line with Saint-Gobain and Company requirements, including applicable ratings;
- In line with the Company's Outward Reinsurance Policy, the Board of Directors consider the financial strength and security of any reinsurer prior to selecting it as a reinsurer and will only bind reinsurance business with Reinsurers who meet the Marsh security guidelines. This is subject to regular Board review;
- The Board of Directors reviews the panel of reinsurers (both current and prior placements) to ensure that they continue to comply with Company's guidelines.
- Retaining risk within an approved risk appetite and solvency requirements;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.4 Liquidity risk

C.4.1 Material liquidity risks

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

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

The Company has considered the risk of a lack of liquidity available to pay claimants and has determined that no specific allocation of capital is considered necessary for this risk. The Board considers that this risk is covered through its specified strategic solvency target.

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

C.4.2 Prudent person principle applied to liquidity risks

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

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

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

- Compliance with the Liquidity and Concentration Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- Premiums are billed on an annual basis. Upon receipt of premium, investments are made in line with the Company's Investment and Asset Liability Policy;
- Outstanding premiums are actively monitored and followed up. The timely collection of these premiums and the short term nature of the investments ensure that adequate funds are available to meet claim and administration payments as they become due;
- Claims and commissions are settled as they fall due;
- Forecasts are prepared regularly to predict required liquidity levels over both the short and medium term.

C.5 Operational risk

C.5.1 Material operational risks

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

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

Operational risks are addressed in the capital requirement as an addition to the BSCR to the extent that they have not been explicitly covered in other risk modules. The operational risk capital charge as at 31 December 2020 is €973k (2019: €984k).

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

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

- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit within the Company's business objectives;
- Retaining risk within an approved risk appetite and solvency requirements;
- Monitoring and internal reporting;
- Commitment of effective corporate governance.

C.6 Other material risks

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

Sample risks include:

- Outsourcing;
- Loss of key personnel;
- Regulatory and Compliance;

The Board considers that these non-quantifiable risks that are not captured by the standard model are covered by the application of a specified strategic solvency target.

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

The expected profit included in future premiums is calculated as the difference between the technical provisions without a risk margin and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future are not received. This amount as at 31 December 2020 is €31.9m (2019: €32.8m).

C.8 Stress and sensitivity tests

The Company's ORSA contains three scenarios and reverse stress testing, which reflect stresses on underwriting risk, dividend distributions, removal of parental support from the Company and counterparty default risk.

The Company also considered reverse stress tests. This can be defined as a stress test that requires assessment of scenarios and circumstances that would render its current business model or risk mitigation plan unviable, thereby identifying potential business vulnerabilities.

The results of the stress testing evidence that the Company is well capitalised at present and that no further general management actions are required outside of the existing reporting and monitoring controls are in place.

The Board also noted the Company's reliance on its Parent Company to support its capital base should it be required.

C.9 Any Other Information

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

D VALUATION for SOLVENCY PURPOSES

D.1 Assets

D.1.1-2 IFRS Financial Statements and Solvency II Valuations

The table below sets out the value of the Company's assets, excluding recoverable from reinsurance contracts (dealt with in Section D 2.1) as at 31 December 2020:

	31/12/2020		31/12/2019	
	Assets per IFRS F/S	Assets per Solvency II	Assets per IFRS F/S	Assets per Solvency II
	Total €'000	Total €'000	Total €'000	Total €'000
Cash and cash equivalents	762	762	3,130	3,130
Deposits to cedants/ reinsurance funds withheld	2,195	2,195	2,929	2,929
Other loans and mortgages	69,112	69,112	55,238	55,238
Insurance & Intermediaries Receivables	-	-	-	-
Deposits other than cash equivalents	-	-	41	41
Reinsurance Receivables	59	59	-	-
Other assets	-	-	825	825
Deferred tax asset	-	-	-	534
Total assets (excluding recoverable from reinsurance contracts)	72,128	72,128	62,163	62,697

The Company's assets as detailed above are valued at transaction prices, which given the short term nature of the assets, equates to fair value.

Only minor classification differences arise between IFRS Financial Statements and Solvency II for 2020. No measurement differences arise for 2020 between IFRS Financial Statements and Solvency II.

D.2 Technical Provisions

D.2.1 IFRS Financial Statements and Solvency II Valuations

The table below shows an analysis of the technical provisions as at 31 December 2020:

Insurance Class	31/12/2020		31/12/2019	
Fire and other damage to property	TPs per IFRS F/S	TPs per Solvency II	TPs per IFRS F/S	TPs per Solvency II
	€'000	€'000	€'000	€'000
Provisions for outstanding claims	10,433	-	17,793	-
Best estimate of liabilities (BEL) – Gross	-	605	-	6,898
Risk margin	-	2,383	-	2,456
Recoverable from reinsurance contracts	(801)	(4,564)	(12,779)	(66)
Total technical provisions	9,632	(1,576)	5,014	9,288

The IFRS Financial Statements of the Company include provisions for claims notified but not settled at the year-end date which reflects best available information to estimate the expected cost to the Company of insured events.

The Solvency II technical provisions are made up of claims; premiums and expense provisions that are discounted to give a best estimate of the provisions. A risk margin is then added.

A number of adjustments are made to the IFRS claims provisions in order to determine the Solvency II technical provisions. Key points to note are as follows:

Cash-flows and discounting: Cash-flows have been discounted using the Euro risk free yield curve as at 31 December 2020 as published by the European Insurance and Occupational Pensions Authority ("EIOPA").

Solvency II classes of business: Classes of business have been allocated to Solvency II line of business on the following basis: All classes have been allocated to "Fire and other damage to property".

Risk Margin

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

The Company has used Method 2 from Guideline 61 of the Solvency II "Guidelines on the valuation of technical provisions" (EIOPA-BoS-14/166 EN). This involves approximating the whole Solvency Capital Requirement for each future year as referred in Article 58 (a)of Commission Delegated

Regulation 2015/35, inter alia by using the ratio of the best estimate at that future year to the best estimate at the valuation date.

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

D.2.2 Uncertainty associated with the value of Technical Provisions

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

Given the short-tail nature of the business underwritten by the Company, the main uncertainty arises from the adequacy of case estimates, including late notification of claims. The Company manages this risk transfer through the expertise and experience of the Company's appointed professional loss adjustors, who assist in the determination of estimated loss reserves.

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

See analysis in Section D2.1 - all classes have been allocated to "Fire and other damage to property".

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

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

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

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

D.2.8 Recoverables from reinsurers

The Company has a stop loss quota share reinsurance program in place, whereby it cedes annual aggregate losses of €30m excess of its annual aggregate retention of €30 million (approximately 9% of its annual written premium is ceded). The Company also cedes by separate reinsurance the risks of its leased premises in the USA/Canada and the parent group non-owned equity shares in various entities worldwide.

On an IFRS basis total reinsurance recoverables at 31 December 2020 were €801k (2019: €12,779k). An analysis of the components of same together with an overview of the Solvency II valuation bases has been provided in Section D2.1.

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

There are no material changes in the relevant assumptions made in the calculation of the technical provisions compared to the previous reporting period ("Day 1" Solvency II reporting).

D.3 Other liabilities

Other liabilities at 31 December 2020, measured on a Solvency II basis were €797k (2019: €795k). Measured on IFRS Financial Statements basis, other liabilities at 31 December 2020 were €797k (2019: €795k).

D.4 Alternative Methods for Valuation for other liabilities

The Company does not use any alternative methods for valuation.

D.5 Going Concern

Based on their review, the Directors are satisfied that the Company is a going concern, is adequately capitalised to continue in operational existence for the foreseeable future and continues to meet all regulatory requirements under the regime, including consideration of stressed scenarios. In forming this view, the Directors made enquiries into the financial resources available to the Company including those provided by other group companies and a review of the budget prepared for at least a period of 12 months from the date of approval of the financial statements. The Directors have also considered the ongoing COVID-19 pandemic, and at this time, believe the impact of this on the Company is low. The Directors are therefore satisfied that the financial statements should continue to be prepared on a going concern basis.

D.6 Any Other Information

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

E CAPITAL MANAGEMENT

E.1 Own funds

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

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

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

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

- Own funds to be maintained at an agreed level in excess of the SCR, target solvency margin cover is currently set at 115% of the SCR;
- Dividends will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the abovementioned target SCR cover;
- The Company's own funds are primarily invested in cash or cash equivalents and in a intragroup loan advanced via the terms of a credit agreement in line with the Board approved Investment Policy.

E.1.2 Own funds analysed by tiers

An analysis of own funds is shown below:

Date	Description	Tier 1 €'000	Tier 3 €'000	Total €'000
1 January 2020	Opening balance comprising: Ordinary share capital	14,379	-	14,379
	Reconciliation Reserve	37,702	-	37,702
	Movement in the Reconciliation reserve for the year ended 31 December 2020	11,196	-	11,196
	Amount equal to the value of net deferred tax assets	-	-	-
31 December 2020	Closing balance	63,277	-	63,277
	Represented by:			
	Ordinary share capital	14,379	-	14,379
	Reconciliation reserve	48,898	-	48,898
	Deferred tax assets	-	-	-
	Total Basic own funds after deductions	63,277	-	63,277

The Company's ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a)(1) of the Delegated Regulation.

The Company has no tier 1 restricted own funds and no tier 2 or 3 own funds.

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

The eligible amount of own funds to cover the Solvency Capital Requirement is €63,277k (2019: €52,615k). This is comprised of Tier 1 unrestricted Basic Own Funds of €63,277k (2019: €52,081k) and Tier 3 Basic Own Funds of nil (2019: €534k).

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

The eligible amount of own funds to cover the Minimum Capital Requirement is €63,277k (2019: €52,081k).This is comprised of Tier 1 unrestricted Basic Own Funds of €63,277k (2019: €52,081k).

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

Reconciliation of Basic Own Funds to Equity as per financial statements as at:		
	31/12/2020	31/12/2019
	€'000	€'000
Solvency II - Basic Own Funds	63,277	52,615
Total Equity as per financial statements	61,457	56,355
Difference:	1,820	(3,740)
Represented by:		
Difference between Net Technical Provisions and BEL net of reinsurance	3,943	(1,818)
Risk Margin	(2,383)	(2,456)
Deferred tax liability	260	534
Difference:	1,820	(3,740)

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

E.1.7 Tier 3 funds are made up of an amount equal to the value of net deferred tax assets.

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

E.2 Solvency Capital Requirement and Minimum Capital Requirement

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

The table below shows the total SCR and MCR at 31 December 2020 and 31 December 2019:

	2020	2019
	€'000	€'000
SCR	36,961	35,945
MCR	9,240	8,986

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

E.2.2 Solvency Capital Requirement split by risk modules

The table below shows the SCR components by risk module (using the Standard Formula) at 31 December 2020.

	2020	2019
	€'000	€'000
Market risk	18,462	14,755
Counterparty default risk	139	474
Life underwriting risk		
Health underwriting risk		
Non-life underwriting risk	32,503	32,858
Diversification	(9,835)	(8,602)
Intangible asset risk		
Basic Solvency Capital Requirement	41,269	39,485
Operational Risk	973	984
Adjustment	(5,281)	(4,524)
Overall Solvency Capital Requirement	36,961	35,945

Available Capital	63,277	52,615
SCR Cover	*171%*	*146%*

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

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

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

The table below shows the inputs into the MCR calculation as at 31 December 2020.

Minimum Capital Requirement (MCR)

MCR	9,240

Total MCR NL	2,589
Cap	16,633
Floor	9,240

Parameters	
Cap	45%
Floor	25%
AMCR	2,500

Line of Business	Net Technical Provisions	Net Premium Written	Paremeters		MCR NL
			α	β	
Fire & Other Damage to Property	5,170	28,037	9%	8%	2,589

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

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

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

E.4 Internal model information.

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

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

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

E.6 Any other information.

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

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	-
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	-
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	-
Government Bonds	**R0140**	-
Corporate Bonds	**R0150**	-
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	-
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	-
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	-
Loans and mortgages	**R0230**	69,112
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	69,112
Reinsurance recoverables from:	**R0270**	(4,564)
Non-life and health similar to non-life	**R0280**	(4,564)
Non-life excluding health	**R0290**	(4,564)
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**	2,195
Insurance and intermediaries receivables	**R0360**	-
Reinsurance receivables	**R0370**	60
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**	762
Any other assets, not elsewhere shown	**R0420**	-
Total assets	**R0500**	67,565

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	2,988
Technical provisions – non-life (excluding health)	**R0520**	2,988
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	605
Risk margin	**R0550**	2,383
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**	260
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	243
Reinsurance payables	**R0830**	-
Payables (trade, not insurance)	**R0840**	-
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in BOF	**R0860**	-
Subordinated liabilities in BOF	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	797
Total liabilities	**R0900**	4,288
Excess of assets over liabilities	**R1000**	63,277

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)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**							21,315		
Gross - Proportional reinsurance accepted	**R0120**							11,115		
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**							4,393		
Net	**R0200**							28,037		
Premiums earned										
Gross - Direct Business	**R0210**							21,315		
Gross - Proportional reinsurance accepted	**R0220**							11,115		
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**							4,393		
Net	**R0300**							28,037		
Claims incurred										
Gross - Direct Business	**R0310**							8,123		
Gross - Proportional reinsurance accepted	**R0320**							1,904		
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**							(1,721)		
Net	**R0400**							11,748		
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**							1,406		
Other expenses	**R1200**									
Total expenses	**R1300**									

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**								21,315
Gross - Proportional reinsurance accepted	**R0120**								11,115
Gross - Non-proportional reinsurance accepted	**R0130**								
Reinsurers' share	**R0140**								4,393
Net	**R0200**								28,037
Premiums earned									
Gross - Direct Business	**R0210**								21,315
Gross - Proportional reinsurance accepted	**R0220**								11,115
Gross - Non-proportional reinsurance accepted	**R0230**								
Reinsurers' share	**R0240**								4,393
Net	**R0300**								28,037
Claims incurred									
Gross - Direct Business	**R0310**								8,123
Gross - Proportional reinsurance accepted	**R0320**								1,904
Gross - Non-proportional reinsurance accepted	**R0330**								
Reinsurers' share	**R0340**								(1,721)
Net	**R0400**								11,748
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**								1,406
Other expenses	**R1200**								(258)
Total expenses	**R1300**								1,148

Annex I
S.05.01.02
Non-life premiums, claims and expenses by country (Top 5 and home country)

			Home country										Total Top 5 and home country
			Home country	CZ	FR	DE	IT	NO	PO	RO	ES	SW	
Premiums written	Gross - Direct Business	R0110	61	449	10,054	3,417	912	850	1,394	433	1,305	759	19,634
	Gross - Proportional reinsurance accepted	R0120	-	-	8,358	-	-	-	-	-	-	-	8,358
	Gross - Non-proportional reinsurance accepted	R0130											
	Reinsurers' share	R0140	-	-	4,393	-	-	-	-	-	-	-	4,393
	Net	R0200	61	449	14,019	3,417	912	850	1,394	433	1,305	759	23,599
Premiums earned	Gross - Direct Business	R0210	61	449	10,054	3,417	912	850	1,394	433	1,305	759	19,634
	Gross - Proportional reinsurance accepted	R0220	-	-	8,358	-	-	-	-	-	-	-	8,358
	Gross - Non-proportional reinsurance accepted	R0230											
	Reinsurers' share	R0240	-	-	4,393	-	-	-	-	-	-	-	4,393
	Net	R0300	61	449	14,019	3,417	912	850	1,394	433	1,305	759	23,599
Claims incurred	Gross - Direct Business	R0310	-	599	9,243	(753)	225	26	(955)	-	255	-	8,640
	Gross - Proportional reinsurance accepted	R0320	-	-	1,812	-	-	-	-	-	-	-	1,812
	Gross - Non-proportional reinsurance accepted	R0330											
	Reinsurers' share	R0340	-	-	(1,721)	-	-	-	-	-	-	-	(1,721)
	Net	R0400	-	599	12,776	(753)	225	26	(955)	-	255	-	12,173
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	361	-	129	-	-	-	-	-	33	-	523
Other expenses		R1200											-
Total expenses		R1300											523

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	-	-	-	-	-	-	(9,866)	-	-	-	-	-	-	-	-	-	(9,866)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	(4,570)	-	-	-	-	-	-	-	-	-	(4,570)
Net Best Estimate of Premium Provisions	**R0150**	-	-	-	-	-	-	(5,296)	-	-	-	-	-	-	-	-	-	(5,296)
Claims provisions																		
Gross	**R0160**	-	-	-	-	-	-	10,471	-	-	-	-	-	-	-	-	-	10,471
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	5
Net Best Estimate of Claims Provisions	**R0250**	-	-	-	-	-	-	10,466	-	-	-	-	-	-	-	-	-	10,466
Total Best estimate - gross	**R0260**	-	-	-	-	-	-	605	-	-	-	-	-	-	-	-	-	605
Total Best estimate - net	**R0270**	-	-	-	-	-	-	5,170	-	-	-	-	-	-	-	-	-	5,170
Risk margin	**R0280**	-	-	-	-	-	-	2,383	-	-	-	-	-	-	-	-	-	2,383
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total																		
Technical provisions - total	**R0320**	-	-	-	-	-	-	2,988	-	-	-	-	-	-	-	-	-	2,988
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-	-	-	-	-	-	(4,564)	-	-	-	-	-	-	-	-	-	(4,564)
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-	-	-	-	-	-	7,552	-	-	-	-	-	-	-	-	-	7,552

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

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

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

		Development year												
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-	R0100	-	-
N-9	R0160	7,142	23,493	7,025	6	-	-	-	-	-	-		R0160	-	37,666
N-8	R0170	3,334	6,353	2,963	127	(768)	(742)	-	-	-			R0170	-	11,267
N-7	R0180	281	13,013	4,492	260	620	-	-	-				R0180	-	18,666
N-6	R0190	15,782	16,148	997	984	35	-	-					R0190	-	33,946
N-5	R0200	3,566	12,501	1,076	86	-	-						R0200	-	17,229
N-4	R0210	2,238	4,674	2,947	120	-							R0210	-	9,979
N-3	R0220	11,078	12,895	1,147	-								R0220	-	25,120
N-2	R0230	20,510	24,938	2,435									R0230	2,435	47,883
N-1	R0240	1,768	10,234										R0240	10,234	12,002
N	R0250	4,717											R0250	4,717	4,717
												Total	R0260	17,386	218,475

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											-	R0100	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-
N-7	R0180	-	-	-	521	-	-	-	-				R0180	-
N-6	R0190	-	-	757	66	-	-	-					R0190	-
N-5	R0200	-	1,433	99	-	-	-						R0200	-
N-4	R0210	10,245	3,891	127	-	-							R0210	-
N-3	R0220	14,130	1,259	-	-								R0220	-
N-2	R0230	31,493	4,157	-									R0230	-
N-1	R0240	13,635	823										R0240	831
N	R0250	9,611											R0250	9,641
												Total	R0260	10,472

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	14,379	14,379		-	
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	48,898	48,898			
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	63,277	63,277	-	-	-
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	63,277	63,277	-	-	-
Total available own funds to meet the MCR	R0510	63,277	63,277	-	-	
Total eligible own funds to meet the SCR	R0540	63,277	63,277	-	-	-
Total eligible own funds to meet the MCR	R0550	63,277	63,277	-	-	
SCR	R0580	36,961				
MCR	R0600	9,240				
Ratio of Eligible own funds to SCR	R0620	171%				
Ratio of Eligible own funds to MCR	R0640	685%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	63,277
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	14,379
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	48,898
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	31,863
Total Expected profits included in future premiums (EPIFP)	R0790	31,863

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	18,462		
Counterparty default risk	R0020	139		
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	-	-	-
Non-life underwriting risk	R0050	32,503	-	-
Diversification	R0060	(9,835)		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	41,269		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	973
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(5,281)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement excluding capital add-on	R0200	36,961
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	36,961
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	2,589

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	5,170	28,037
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	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	-

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

Overall MCR calculation

		C0070
Linear MCR	R0300	2,589
SCR	R0310	36,961
MCR cap	R0320	16,633
MCR floor	R0330	9,240
Combined MCR	R0340	9,240
Absolute floor of the MCR	R0350	2,500
		C0070
Minimum Capital Requirement	R0400	9,240