# IRSUR DAC

# Solvency & Financial Condition Report (SFCR)

# September 30, 2021

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# INTRODUCTION

## Sep 30, 2021

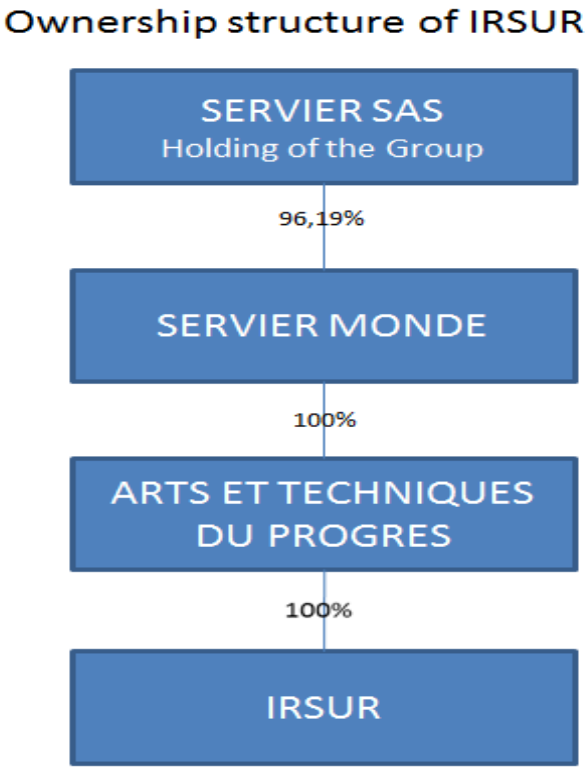
IRSUR DAC ("IRSUR" or "the Company") has prepared the below Solvency and Financial Condition Report in accordance with the regulations set out in Articles 292 –298 of the Solvency II Delegated Acts together with the Guidelines on reporting and public disclosure issued by EIOPA.

There are no material changes to the insurance or reinsurance undertaking's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

# A. BUSINESS & PERFORMAMCE

## A.1 Business

IRSUR is a wholly owned subsidiary of Art et Techniques Du Progres which is incorporated in France. The ultimate parent undertaking is Servier Group. The principal activity of IRSUR is to accept insurance risks arising from various exposures facing Servier Group. The Company is licensed to accept risk on a reinsurance basis. The Company, which is a designated activity company incorporated and domiciled in Ireland, insures, on a reinsurance basis, property damage and business interruption, general liability and trade credit liability for Servier Group. Material geographic areas in which IRSUR carries out business are Europe, the Middle East, Asia, Australasia and Central and South America.



The operation of the Company is subject to the local regulatory requirements in Ireland within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

IRSUR is incorporated in Ireland and is licensed by the Central Bank of Ireland as a captive reinsurance undertaking. IRSUR conducts all of its significant business activities, including underwriting, premium invoicing and collection, claims reserving and payments, and investing from its offices in Ireland. As such IRSUR strives to ensure compliance with all relevant Irish laws and regulations.

The Company has no employees and no remuneration was therefore paid.

The Company's external auditor is Mazars, which is located at Harcourt Centre, Block 3, Harcourt Road, Dublin 2. Rob Hamill is the signing partner.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

## A.2 Underwriting Performance

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

IRSUR's strategic objectives are formulated in conjunction with the Servier Group. The Group strategy is to maintain minimal risk within IRSUR. To mitigate risk, IRSUR maintains a stop loss reinsurance arrangement.

Premiums written relate to credit, liability and PDBI business incepted during the year together with any difference between premiums for prior years and those previously accrued and includes estimates of premiums due but not yet received or notified to the Company, less an allowance for cancellations. Premiums are accounted for gross of commission payable to intermediaries. Premiums written cover Servier's worldwide reinsurance programme, but mostly relate to European business.

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from the reinsurer. There are currently no reinsurance recoveries.

Profit after tax for the period ended 30 September 2021 amounted to €7.6m (2020: Profit €3.5M).
Gross premiums written relate to reinsurance.

All premiums resulted from reinsurance agreements concluded in the Republic of Ireland. Gross premium written for period ended 30 September 2021 amounted to €9.2m (2020: €8.6M).

Gross claims paid during the financial year ended 30 September 2021 totaled €532k (2020: €712k). Net operating expenses for the year amounted to €1.1m (2020: €701k).

## A.3 Investment Performance

In line with the Company's documented investment policy, the Company allocates its investment portfolio in cash and cash equivalents. Income arising from investment activities for the reporting period was €0 (2020: €0), reflecting current market interest rates.

The Company has no investments in securitised asset classes and all investment income is recognised in the Company's income statement.

## A4. Other Information

There is no other information to report.

# B. SYSTEM OF GOVERNANCE

## B.1 System of Governance

In aiming to meet the requirements for sound corporate governance, ensuring efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

It is the responsibility of the Board of Directors to ensure that risks are fully understood and appropriately managed in accordance with this framework. Risk management, reporting and auditing processes reflect the requirements set out in this Governance Manual.

The Governance and Risk Management System of the Company may be described as relying on four cornerstones:

1) Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.

2) Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.

3) A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.

4) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategy objectives.

There have been no material changes to this structure since the prior reporting period. IRSUR implemented the above framework in advance of the inception of Solvency II.

Given the limited scale and complexity of the Company, and having reviewed the risks facing the company thoroughly, the Board are satisfied that the system of governance in place is adequate.

The various functions assisting the Board, including the Compliance Function, have defined lines of reporting directly to the Board. In relation to any violation of relevant law by the Company the Compliance Function as well as reporting to the Board, will, in certain circumstances, also be required to report to outside bodies such as the Central Bank of Ireland.

**Remuneration and material transactions**

The Company reinsures the risk of the ultimate parent and its subsidiaries. All of the gross written premium income is received or receivable from Servier and its subsidiaries and affiliates. No director's fees were paid during the year (2020: €0).

Other than those transactions which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group and the Board of Directors.

## B.2 Fit & Proper

The 'Fit and Proper' requirement is the standard required by the Central Bank of Ireland when appointing pre-approved controlled function holders. IRSUR is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

In selecting individuals as directors or function holders, the Company takes account of the following factors:

- specific requirements of the role
- the skills, experience and relevant qualifications of the proposed individual
- results of due diligence enquiries
- conflicts of interest
- time requirements and other commitments
- competence and integrity
- financial soundness

Consideration is given to ensuring an appropriate mix of knowledge, skills and experience across the Board of Directors and for those roles where specialist skills are required e.g. Head of Actuarial Function, only those individuals possessing the pertinent qualifications and expertise will be considered

The Compliance function adopts appropriate controls in the registration of individuals across the Group ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

**Roles and Responsibilities Detail**

| Key Roles | Outsourcing | Responsible |
|---|---|---|
| Board of Directors | No | Pascal Lemaire (Chairperson)<br>Laurent Boussu<br>John Redmond |
| Risk Management Function | No | Laurent Boussu |
| Compliance Function | Yes (External) | Aon Insurance Manager's (Dublin) Limited |
| Operations - Underwriting/Claims Management | Yes (External) | Aon Insurance Managers (Dublin) Limited |
| Operations - Finance and Accounting | Yes (External) | Aon Insurance Managers (Dublin) Limited |
| Operations – Investment | Yes (External) | Aon Insurance Managers (Dublin) Limited |
| Operations – Administration | Yes (External) | Aon Insurance Managers (Dublin) Limited |
| Internal Audit Function | Yes (External) | Internal Audit Function carried out by EisnerAmper – Diarmaid O'Keeffe (Head of Internal Audit Function) |

| | | |
|---|---|---|
| Actuarial Function | Yes (External) | Actuarial Function carried out by KPMG – Aoife O'Brien (Head of Actuarial Function) |

Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

## B.3 Risk Management System

The overriding goal of the Company's risk management strategy is to reduce, as much as possible, the Company's risk exposure as a means of minimizing the impact of unexpected events, in order to increase the likelihood of achieving the Company's strategic and business objectives.

The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ("ALM")
- Investment
- Liquidity and concentration
- Operational Risks
- Reinsurance and other risk mitigation techniques

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through risk management policies for each key risk category.

In addition to these policies, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been determined.

Each year, IRSUR produces an Own Risk and Solvency Assessment ("ORSA") report. The approach may be summarized as follows:

**Define the Stress Scenarios**

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations.

As part of Own Risk Solvency Assessment process, the Company selected the appropriate stress and scenario tests as determined by the Board to be appropriate for the Company.

**Stress the Financial Plan**

Stress test scenarios are embedded into the projected financial plan under Solvency II. Related Solvency Capital Requirement ("SCR")/ Minimum Capital Requirement ("MCR") and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of adverse loss scenarios. The tasks of this process are conducted by the Actuarial Function and validated by the Risk Management Function.

**Assess prospective solvency needs on the basis of the Stressed Financial Plan**

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

**Produce the ORSA Report**

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders

| Stakeholder | Expectation | ORSA Report |
|---|---|---|
| Board of Directors | Matching projected risks vs the Risk Appetite framework. | Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries. |
| Shareholders | Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital. | Provides a plan for capital needs on the time horizon of the financial planning. |
| Supervisory Authority | Detailed and prospective understanding of potential ORSA deviations compared to the SCR under Pillar I. | Gathers information about: projected Solvency ratios; - explanations about deviations due to specific critical risks exposures. |

The ORSA process described above ensures that ORSA is integrated in the decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensures that risk exposures are measured on a regular basis triggering exception reports for the Board.

In line with CBI requirements the Head of Actuarial Function provides an actuarial opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board.

The capital risk appetite for IRSUR is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. The Board of Directors maintains a prudent approach to capital to ensure that IRSUR is in a comfortable position to meet this obligation.

## B.4 Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

| Component | Contents |
|---|---|
| 1) Control environment | A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual. |
| 2) Risk assessment | Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category. |
| 3) Reporting channels | Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events. |
| 4) Monitoring process | The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System. |
| 5) Control activities | The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations. |

**Detailed Processes and Embedded Control Activities**

In order to set out how the Internal Control System is implemented the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary.

Tasks and actions are shared between the key functions of the Company and clarify related roles, responsibilities and embedded control activities.

**Compliance Function**

The Company has a dedicated Head of Compliance reporting directly into the Board of Directors. The mission of the Compliance Function is:

*Assisting in ensuring the long-term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.*

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements of the internal control system are laid out in the Corporate Governance Framework document.
- The Compliance Function identifies and communicates throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function

seeks to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.

- The Compliance Function maintains a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- Any violation of relevant law by the Company is investigated and followed up by the Compliance Function and reported to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- The Compliance Function considers possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function presents an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- Finally, the Compliance Function promotes a culture of compliance throughout the Company

## B.5 Internal Audit Function

**Purpose and Objectives**

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to the Company's Internal Control System by facilitating an objective and independent assessment.

It assists the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes employed by the Company.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

**Independence and Impartiality**

The Company's Internal Audit Function must be independent of the activities audited and must also be independent from the operational Functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

## B.6 Actuarial Function

The Company has established an effective Actuarial Function, including a nominated Head of Actuarial Function ("HoAF") approved by the CBI, which carries out the following key tasks:

- Coordination of the calculation of technical provisions;
- identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as

appropriate;

- explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;
- take into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions when providing its opinion should;
- report in writing at least annually to the Board of Directors. The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:
    i. Details of the Technical Provisions
    ii. Methodologies and assumptions
    iii. Data sufficiency and quality
    iv. Experience analysis
    v. Report to the Board on reliability and adequacy
    vi. Opinion on Underwriting policy
    vii. Opinion on Reinsurance arrangements.

Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied

- Contribute to the effective implementation of the Risk Management System in particular:
    i. with regard to risk modelling underlying the calculation of the SCR and MCR; and,
    ii. the ORSA process.
- think critically and organize the execution of actuarial approaches
- provide an actuarial opinion to the Board of Directors in respect of the ORSA

**Responsibility**

The person in charge of the Actuarial Function shall meet all the following criteria:

- Be a duly qualified actuary;
- have experience of more than five years in the field of insurance and / or reinsurance.

The Head of Actuarial Function is a pre-approval controlled function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Head of Actuarial Function reports to the Board on an annual basis.

## B.7 Outsourcing

The objectives of IRSUR's Outsourcing Policy are to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's, and where applicable a relevant sub committee's responsibility for, or influence over key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfill its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company's System of Governance and all Functions within the Company that are fundamental to carry out its core business.

The Board must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company's core activities need not be included within the scope of this policy.

The Board is responsible for ensuring notification to the supervisory authorities is made in a timely manner prior to the outsourcing of critical or important Functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA).

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities. All outsourced services are located in the following jurisdiction being Dublin.

## B.8 Any other information

The Board is satisfied, based on its assessment of the frameworks which have been established and are in use, that the Company's system of governance is appropriate and adequate for the nature, scale and complexity of the risks inherent in its business operations.

There are no other material items to report in this section.

# C. RISK PROFILE

## C.1 Underwriting Risk

The Company underwrites contracts that transfer insurance risk. The risk under any reinsurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of both the statistical and accounting data to be considered in the loss reserve estimation and recording process and to detail the Company's approach to the calculation of technical provisions.

Annual support and certification is provided by the Actuarial Function. The Company additionally manages its insurance risk exposures through the purchase of reinsurance cover.

## C.2 Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. Management diversifies its portfolio to reduce the exposure to market. There has been no material change to the market risk of the Company during the reporting period.

## C.3 Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Cash and cash equivalents
- Debtors arising out of insurance operations & corporation tax receivable
- Reinsurers' share of insurance liabilities

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions.

The Company cedes a portion of risk to reinsurers in the normal course of business. The purchase of reinsurance does not relieve the Company of its obligation to its policyholders and accordingly a credit risk exists to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance agreements. There has been no material change to the credit risk of the Company during the reporting period.

## C.4 Liquidity Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost. There has been no material change to the liquidity risk of the Company during the reporting period.

## C.5 Operational Risk

Operational risk entails the potential exposure of the company to incidences of fraud, material error or delay in the processes of the Company, regulatory sanction and compliance breaches.

Operational risk is managed by a strong governance structure being put in place, which includes the extensive oversight of the shareholder, Board of Directors and executive management.

IRSUR maintains a regulatory dialogue with Central Bank of Ireland to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers, namely Aon Insurance Managers (Dublin) Limited ('AIMD'), Mazars and KPMG to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, IRSUR puts in place service level agreements and regularly reviews the outsourced service providers.

## C.6 Other Material Risk

**Strategic Risk**

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.

- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.

- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

**Sensitivity Risk**

Actuarial function assesses the impact of varying the underlying assumptions with respect to initial average severity and expected reported loss development on their Best Estimate of IRSUR's unpaid claim liabilities and vary severity of ±20% around the selected average severity as well as varying the paid and reported loss development patterns.

## C.7 Any other information

There are no other material items to report in this section.

# D. VALUATION FOR SOLVENCY PURPOSES

## D.1 Assets

IRSUR prepares its financial statements on a going concern basis in compliance with FRS 102 and FRS 103 as issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants Ireland, being applicable UK and Irish GAAP accounting standards, and in accordance with the provisions of the Companies Act, 2014 and the European Union (Insurance Undertakings: Financial Statements) (Amendment) Regulations, 2016.

IRSUR has four main classes of assets, with the respective market value equivalence of €99,162,421 as at 30 September 2021 (2020: €93,256,728).

| | 30-Sep-21 | 30-Sep-20 | Change over Year |
|---|---|---|---|
| | € | € | € |
| Reinsurance recoverables: | 4,330,754 | 4,342,055 | (11,301) |
| Insurance and intermediaries receivables | 129,747 | 7,959 | 121,788 |
| Cash and cash equivalents | 94,589,046 | 88,533,868 | 6,055,178 |
| Any other assets, not elsewhere shown | 112,875 | 372,846 | (259,971) |
| **Total assets** | **99,162,422** | **93,256,728** | **5,905,694** |

Cash and cash equivalents comprise cash at banks and in hand and deposits other than cash equivalents including a pledged asset, the withdrawal of which is subject to restrictions. The carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

Amounts due from insured are held at the lower of cost or market value/realisable value. Any other assets, not elsewhere shown includes corporation tax recoverable, measured at the undiscounted amount receivable.

Prudent person principle has been applied in assessing investment in the Company's assets.

The Board have prepared an ORSA Report outlining the ORSA process which supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk and capital management.

There are no variances between the solvency II valuation of cash and cash equivalents and those in the financial statements. This owes to the fact there is no accrued interest.

Insurance and intermediaries receivables has a solvency II valuation of €129,747 compared to the value of €403,913 in the financial statements as receivable premium is netted against technical provisions.

## D.2 Technical Provisions

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries, with a separate estimate being made of amounts recoverable from reinsurers. The Company has regard to the gross and net loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the HoAF using actuarial techniques.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the HoAF. The reserves include estimates for both case reserves and losses incurred but not reported ("IBNR"). The value of total reserves is no less than 100% of independent actuarial valuation (best estimate).

## Solvency II Technical Provisions

The Solvency II technical provisions are comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM").

The Solvency II BEL is comprised of a provision for claims outstanding ("PCO") and a premium provision ("PP"). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been Bound But Not Incepted ("BBNI"). The PCO is derived from an actuarial estimate of IRSUR's unpaid claim liabilities. The actuary utilises the basic RFR (risk-free rate) curves with no volatility adjustment as of 30 September 2021 as published by EIOPA to discount the cash flows underlying the PCO. These interest rates are utilised to discount all cash flows underlying the calculation of the Solvency II technical provisions. A provision for expenses related to the run-off of these liabilities is then added, as required by Solvency II, as the IFRS estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The methodology adopted implicitly assumes that IRSUR will continue to write business into the future and that a portion of the expenses in future years will be attributable to new business, consistent with the required derivation of the expense reserve as per the current Solvency II regulations.

The estimates are "best estimates" in the sense that they are the average of all possible outcomes. IRSUR has employed techniques and assumptions that are appropriate for this purpose. The actual amounts required to meet future claim payments may differ from our estimates for a number of reasons, such as model specification, parameter and random error inherent uncertainty in insurance. External environment risk factors may cause material deviations in our estimates of technical provisions, including persistent negative interest rates, inflation, currency exchange rate fluctuations.

Claims provisions have been calculated as a discounted best estimate of future cash flows in respect of claim events prior to the valuation date.

The gross claims provisions include the financial statement claims reserves (OSLR & IBNR) of €21.204m with the following Solvency II adjustments are then applied:

- removal of margin for prudence: (€460k)
- add events not in data (ENID): €243k
- add expense allowance: €154k
- add discounting adjustment: €180k
- deduct premiums receivable: €258k

This results in a gross SII claims provision of €21.063m.

The Premiums Provision comprises of the following Bound But Not Incepted (BBNI) cashflows:

- deduct future expected premium: (€9.377m)
- add future claims: €4.610m
- add commission expenses: €504k
- add other expenses: €74k
- add events not in data: €425k
- add discounting adjustment: €6k

This results in a Gross Premium Provision of (€3.758m) i.e. a negative provision indicating that expected future premium cashflows are expected to be more than sufficient to cover claims and other outgoing cashflows.

**Risk Margin**

The Solvency II RM is intended to represent an amount that IRSUR would be required to pay, in excess of the BEL, for a third party to assume the risk of running of the existing liabilities. The actuarial calculation of the Solvency II RM is consistent with the Solvency II regulations, which applies a 6% cost of capital to the amount of capital required at the beginning of each year to support the run-off of the insurance obligations. Below is the split of technical provisions by line of business.

**2021**

| Solvency II Lines of Business | Net Claim Provision | Net Premium Provision | Risk Margin | Net Technical Provisions |
|---|---|---|---|---|
| Fire & property damage | 1,460,776 | (2,112,403) | 708,419 | 56,792 |
| General liability | 14,596,252 | (476,995) | 552,880 | 14,672,137 |
| Credit and suretyship | (34,162) | (459,105) | 144,805 | (348,462) |
| **Total Provision** | **16,022,866** | **(3,048,503)** | **1,406,104** | **14,380,467** |

**2020**

| Solvency II Lines of Business | Net Claim Provision | Net Premium Provision | Risk Margin | Net Technical Provisions |
|---|---|---|---|---|
| Fire & property damage | 548,273 | (1,922,793) | 735,705 | (638,815) |
| General liability | 14,177,474 | (386,218) | 569,766 | 14,361,022 |
| Credit and suretyship | 2,788,509 | (412,261) | 217,217 | 2,593,465 |
| **Total Provision** | **17,514,256** | **(2,721,272)** | **1,522,688** | **16,315,672** |

## D.3 Other Liabilities

Aside from Technical Provisions, the valuations of which are detailed above, the Company has three other principal classes of liabilities;

- Deferred taxation
- Creditors arising out of direct insurance operations
- Accruals and deferred income

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, except to the extent that deferred tax assets are recognised only when it is more probable than not that there will be future taxable income streams against which such assets can be offset.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

On a Solvency II basis, the Company has a deferred tax liability of €196k compared to nil in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Amounts due from reinsurers are held at the lower of cost or market value/realizable value.

## D.4 Alternative Methods of Valuation

No alternative methods were used.

## D.5 Any Other Information

There is no other information to report

# E. CAPITAL MANAGEMENT

## E.1 Own Funds

The Company is required to ensure that 'Own fund' items, both in issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the Company's capital management policy are to ensure that the Company; has own fund items available to meet the capital requirements; and developed processes to ensure the appropriateness of the own fund items.

As part of the annual review of the medium-term capital plan review (time horizon of three years), the Company has reviewed the own fund items to ensure they meet the requirements of the applicable capital and distribution regime and are classified correctly.

The Solvency II Directive and the Delegated Acts identify the criteria that own funds items must possess in order to be classified in one of the three Tiers (Tier 1, Tier 2 and Tier 3) of eligible capital. The Delegated Acts provide lists of items that fall into each of the three Tiers.

The company assesses material risks that may threaten the accomplishment of the Company's strategic objectives or might have a substantial impact on the available qualifying own funds. These risks could result from either internal or external events.

Management has identified Underwriting, Reserve and Investment Risks as the material risks to which is exposed. Management has investigated the magnitude of each of these risks as well as seeking to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

In relation to Investment Risk, a clear strategy has been developed to manage risk in a manner which limits exposure to investment volatility.

All other risks are managed through a framework of internal controls supported by monitoring by management, internal audit, governance groups and the various functions of the board.

IRSUR's capital structure is composed of ordinary share capital and retained earnings, as below.

| | 30-Sep-21 | 30-Sep-20 |
|---|---|---|
| | € | € |
| Ordinary paid up share capital | 635,000 | 635,000 |
| Reconciliation reserve | 79,429,798 | 71,650,339 |
| Total basic own funds after deductions | **80,064,798** | **72,285,339** |

The increase in basic own funds of €7.8m during the reporting period reflects the profit of the Company incurred during the year as adjusted for the valuation of net technical provisions on a market consistent fair value basis under Solvency II. The reconciliation reserve represents the Company's retained profits as adjusted for Solvency II valuation principals. The adjustments which arise in the application of these principles are shown in the equity reconciliation below:

| | €' 000s |
|---|---|
| Equity per financial Statements | 78,695 |
| Technical provisions valuation methods | 1,370 |
| Deferred tax liabilities | - |
| Other liabilities | - |
| **Excess of assets over liabilities under Solvency II** | **80,065** |

At the end of the current reporting period basic own funds available to meet the Company's SCR and MCR was €80.1 million comprised solely of Tier 1 capital.

**Solvency II own funds**

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is €80.1 million.

Own funds available to meet the SCR is comprised solely of Tier 1 capital.

Movement in own funds during the year is as below.

| | Tier 1 €'000 | Tier 2 €'000 | Tier 3 €'000 | Total €'000 |
|---|---|---|---|---|
| **Oct 1, 2020** | 72,285 | - | | 72,285 |
| **Movement during the year** | 7,780 | - | | 7,780 |
| **Sept 30, 2021** | 80,065 | - | | 80,065 |
| **Eligible amount to cover SCR** | 80,065 | - | | 80,065 |
| **Eligible amount to cover MCR** | 80,065 | - | | 80,065 |

The movement in own funds year on year is driven by the decrease in excess assets over liabilities.

IRSUR has no ancillary own funds.

**Capital management**

The total statutory capital of the Company as at 30 September 2021 consists of shareholder's equity of €78.7m (2020: €71.1 million).

Management reviews capital requirements on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant balance sheet risks and regulatory requirements. As at 30 September 2021 the Company has adequate capital to meet these objectives.

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

IRSUR's SCR as of September 30, 2021 was €18.18m. IRUSR's Solvency II eligible own funds totaling €80.06m is sufficient to meet its SCR and results in a Solvency Ratio of 440%. IRSUR's MCR as of September 30, 2021 totals €4.6 million.

**SCR Results comparison (€'000)**

| Risk charge | 30-Sep-21 | 30-Sep-20 | Movement |
|---|---|---|---|
| Premium/Reserve Risk | 5,702 | 6,291 | (589) |
| Catastrophe Risk | 12,261 | 12,271 | (10) |
| Lapse Risk | - | - | |
| *Diversification Benefit* | *(3,205)* | *(3,438)* | *233* |
| **Non-Life Underwriting Risk** | **14,758** | **15,124** | **(366)** |
| | | | |
| **Counterparty Default Risk** | **8,334** | **8,014** | **320** |
| | | | |
| Interest Rate Risk | - | - | - |
| Equity Risk Spread | - | - | - |
| Risk Currency FX | - | - | - |
| Risk Property Risk | - | - | - |
| Concentration Risk | - | - | - |
| *Diversification Benefit* | - | - | - |
| **Market Risk** | **-** | - | **-** |
| | | | |
| *Diversification Benefit* | *(2,838)* | *(2,787)* | *(51)* |
| **BSCR** | **20,254** | **20,351** | **(97)** |
| | | | |
| **Operational Risk** | **519** | **574** | **(55)** |
| Tax Adjustments | (2,597) | (2,616) | 19 |
| **SCR** | 18,176 | 18,309 | (133) |
| Available Capital | 80,065 | 72,285 | 7,780 |
| **Surplus/Deficit** | **60,011** | **53,976** | **6.035** |
| | | | |
| **Solvency Ratio** | **440%** | **395%** | **45%** |

The movement in the SCR compared with the prior year reflects the development of a large claim in the general liability business. The remaining underlying exposures driving the SCR are relatively consistent with the prior year.

The following table provides the information on the inputs used to calculate the MCR:

| | Sept 30, 2021 €'000 |
|---|---|
| **Linear MCR** | 2,392 |
| **SCR** | 18,176 |
| **Combined MCR** | 4,544 |
| **Minimum Capital Requirement** | 4,544 |

| | Sept 30, 2020 €'000 |
|---|---|
| **Linear MCR** | 2,722 |
| **SCR** | 18,309 |
| **Combined MCR** | 4,577 |
| **Minimum Capital Requirement** | 4,577 |

The basis of the MCR calculation is set out above, the result of the MCR calculations is such that the basis MCR for the Company is currently determined as 25% of the SCR

There have been no material changes in the MCR.

No simplifications or undertaking specific parameters were used in calculating the SCR or MCR.

## E.3 Use of Duration Based Equity Risk Sub Model in calculation of the SCR

There was no use of duration based equity risk sub model in the calculation of the SCR.

## E.4 Differences between the Standard Model and Any Internal Model

IRSUR used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

## E.5 Non-Compliance with MCR and SCR

There are no issues with non-compliance with the MCR and SCR

## E.6 Any Other Information

There is no other information to report

# ANNEX I - QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.05.01.02 - Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 - Non Life technical provisions

S.19.01.21 - Claim development triangles

S.23.01.01 - Own funds

S.25.01.21 - SCR using standard formula

S.28.01.01 - MCR

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

| | | C0010<br>Solvency II value |
|---|---|---|
| **Assets** | | |
| R0030 | Intangible assets | |
| R0040 | Deferred tax assets | |
| R0050 | Pension benefit surplus | |
| R0060 | Property, plant & equipment held for own use | |
| R0070 | Investments (other than assets held for index-linked and unit-linked contracts) | 20,000 |
| R0080 | Property (other than for own use) | |
| R0090 | Holdings in related undertakings, including participations | |
| R0100 | Equities | 0 |
| R0110 | Equities - listed | |
| R0120 | Equities - unlisted | |
| R0130 | Bonds | 0 |
| R0140 | Government Bonds | |
| R0150 | Corporate Bonds | |
| R0160 | Structured notes | |
| R0170 | Collateralised securities | |
| R0180 | Collective Investments Undertakings | |
| R0190 | Derivatives | |
| R0200 | Deposits other than cash equivalents | 20,000 |
| R0210 | Other investments | |
| R0220 | Assets held for index-linked and unit-linked contracts | |
| R0230 | Loans and mortgages | 0 |
| R0240 | Loans on policies | |
| R0250 | Loans and mortgages to individuals | |
| R0260 | Other loans and mortgages | |
| R0270 | Reinsurance recoverables from: | 4,331 |
| R0280 | Non-life and health similar to non-life | 4,331 |
| R0290 | Non-life excluding health | 4,331 |
| R0300 | Health similar to non-life | |
| R0310 | Life and health similar to life, excluding health and index-linked and unit-linked | 0 |
| R0320 | Health similar to life | |
| R0330 | Life excluding health and index-linked and unit-linked | |
| R0340 | Life index-linked and unit-linked | |
| R0350 | Deposits to cedants | |
| R0360 | Insurance and intermediaries receivables | 130 |
| R0370 | Reinsurance receivables | |
| R0380 | Receivables (trade, not insurance) | |
| R0390 | Own shares (held directly) | |
| R0400 | Amounts due in respect of own fund items or initial fund called up but not yet paid in | |
| R0410 | Cash and cash equivalents | 74,589 |
| R0420 | Any other assets, not elsewhere shown | 113 |
| R0500 | **Total assets** | 99,162 |

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

| | | C0010<br>Solvency II value |
|---|---|---|
| **Liabilities** | | |
| R0510 | Technical provisions – non-life | 18,711 |
| R0520 | Technical provisions – non-life (excluding health) | 18,711 |
| R0530 | Technical provisions calculated as a whole | |
| R0540 | Best Estimate | 17,305 |
| R0550 | Risk margin | 1,406 |
| R0560 | Technical provisions - health (similar to non-life) | 0 |
| R0570 | Technical provisions calculated as a whole | |
| R0580 | Best Estimate | |
| R0590 | Risk margin | |
| R0600 | Technical provisions - life (excluding index-linked and unit-linked) | 0 |
| R0610 | Technical provisions - health (similar to life) | 0 |
| R0620 | Technical provisions calculated as a whole | |
| R0630 | Best Estimate | |
| R0640 | Risk margin | |
| R0650 | Technical provisions – life (excluding health and index-linked and unit-linked) | 0 |
| R0660 | Technical provisions calculated as a whole | |
| R0670 | Best Estimate | |
| R0680 | Risk margin | |
| R0690 | Technical provisions – index-linked and unit-linked | 0 |
| R0700 | Technical provisions calculated as a whole | |
| R0710 | Best Estimate | |
| R0720 | Risk margin | |
| R0730 | Other technical provisions | |
| R0740 | Contingent liabilities | |
| R0750 | Provisions other than technical provisions | |
| R0760 | Pension benefit obligations | |
| R0770 | Deposits from reinsurers | |
| R0780 | Deferred tax liabilities | 196 |
| R0790 | Derivatives | |
| R0800 | Debts owed to credit institutions | |
| R0810 | Financial liabilities other than debts owed to credit institutions | |
| R0820 | Insurance & intermediaries payables | 37 |
| R0830 | Reinsurance payables | |
| R0840 | Payables (trade, not insurance) | |
| R0850 | Subordinated liabilities | 0 |
| R0860 | Subordinated liabilities not in Basic Own Funds | |
| R0870 | Subordinated liabilities in Basic Own Funds | |
| R0880 | Any other liabilities, not elsewhere shown | 154 |
| R0900 | Total liabilities | 19,098 |
| R1000 | **Excess of assets over liabilities** | 80,065 |

## S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

| | | 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 | | | | | | | | | |
| Gross - Prop reinsurance accepted | R0120 | | | | | | | 3,130 | 5,442 | 603 |
| Gross - Non-Prop reinsurance accepted | R0130 | | | | | | | | | |
| Reinsurers' share | R0140 | | | | | | | 248 | 457 | |
| Net | R0200 | 0 | 0 | 0 | 0 | 0 | 0 | 2,882 | 4,985 | 603 |
| **Premiums earned** | | | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | | | | |
| Gross - Prop reinsurance accepted | R0220 | | | | | | | 3,130 | 5,442 | 603 |
| Gross - Non-Prop reinsurance accepted | R0230 | | | | | | | | | |
| Reinsurers' share | R0240 | | | | | | | 248 | 457 | |
| Net | R0300 | 0 | 0 | 0 | 0 | 0 | 0 | 2,882 | 4,985 | 603 |
| **Claims incurred** | | | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | | | | |
| Gross - Prop reinsurance accepted | R0320 | | | | | | | 1,385 | 155 | -2,888 |
| Gross - Non-Prop reinsurance accepted | R0330 | | | | | | | | | |
| Reinsurers' share | R0340 | | | | | | | | | |
| Net | R0400 | 0 | 0 | 0 | 0 | 0 | 0 | 1,385 | 155 | -2,888 |
| **Changes in other technical provisions** | | | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | | | |
| Gross - Prop reinsurance accepted | R0420 | | | | | | | | | |
| Gross - Non-Prop reinsurance accepted | R0430 | | | | | | | | | |
| Reinsurers' share | R0440 | | | | | | | | | |
| Net | R0500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Expenses incurred** | R0550 | | | | | | | 264 | 441 | 60 |
| **Other expenses** | R1200 | | | | | | | | | |
| **Total expenses** | R1300 | | | | | | | | | |

## S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

| | | 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 | | | | | | | | 0 |
| Gross - Prop reinsurance accepted | R0120 | | | | | | | | 9,175 |
| Gross - Non-Prop reinsurance accepted | R0130 | | | | | | | | 0 |
| Reinsurers' share | R0140 | | | | | | | | 705 |
| Net | R0200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,470 |
| **Premiums earned** | | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | | | 0 |
| Gross - Prop reinsurance accepted | R0220 | | | | | | | | 9,175 |
| Gross - Non-Prop reinsurance accepted | R0230 | | | | | | | | 0 |
| Reinsurers' share | R0240 | | | | | | | | 705 |
| Net | R0300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,470 |
| **Claims incurred** | | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | | | 0 |
| Gross - Prop reinsurance accepted | R0320 | | | | | | | | -1,348 |
| Gross - Non-Prop reinsurance accepted | R0330 | | | | | | | | 0 |
| Reinsurers' share | R0340 | | | | | | | | 0 |
| Net | R0400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1,348 |
| **Changes in other technical provisions** | | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | | 0 |
| Gross - Prop reinsurance accepted | R0420 | | | | | | | | 0 |
| Gross - Non-Prop reinsurance accepted | R0430 | | | | | | | | 0 |
| Reinsurers' share | R0440 | | | | | | | | 0 |
| Net | R0500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Expenses incurred** | R0550 | | | | | | | | 766 |
| **Other expenses** | R1200 | | | | | | | | |
| **Total expenses** | R1300 | | | | | | | | 766 |

## S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

| | | Line of Business for: life insurance obligations | | | | | | Life reinsurance obligations | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | Insurance with profit participation | Index-linked and unit-linked insurance | Other life insurance | Annuities stemming from non-life insurance contracts and relating to health insurance obligations | Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations | Health reinsurance | Life reinsurance | |
| | | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0300 |
| **Premiums written** | | | | | | | | | | |
| Gross | R1410 | | | | | | | | | 0 |
| Reinsurers' share | R1420 | | | | | | | | | 0 |
| Net | R1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Premiums earned** | | | | | | | | | | |
| Gross | R1510 | | | | | | | | | 0 |
| Reinsurers' share | R1520 | | | | | | | | | 0 |
| Net | R1600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Claims incurred** | | | | | | | | | | |
| Gross | R1610 | | | | | | | | | 0 |
| Reinsurers' share | R1620 | | | | | | | | | 0 |
| Net | R1700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Changes in other technical provisions** | | | | | | | | | | |
| Gross | R1710 | | | | | | | | | 0 |
| Reinsurers' share | R1720 | | | | | | | | | 0 |
| Net | R1800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Expenses incurred** | R1900 | | | | | | | | | 0 |
| **Other expenses** | R2500 | | | | | | | | | |
| **Total expenses** | R2600 | | | | | | | | | 0 |

## S.05.02.01 - Premiums, claims and expenses by country (In thousands of EUR)

| | | Home country | Country (by amount of GWP) | | | | | Total for top 5 countries and home country |
|---|---|---|---|---|---|---|---|---|
| | | | FR | | | | | |
| | | C0080 | C0090 | C0090 | C0090 | C0090 | C0090 | C0140 |
| **Premiums written** | | | | | | | | |
| Gross - Direct Business | R0110 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0120 | | 9,175 | | | | | 9,175 |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | 0 |
| Reinsurers' share | R0140 | | 705 | | | | | 705 |
| Net | R0200 | 0 | 8,470 | 0 | 0 | 0 | 0 | 8,470 |
| **Premiums earned** | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0220 | | 9,175 | | | | | 9,175 |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | 0 |
| Reinsurers' share | R0240 | | 705 | | | | | 705 |
| Net | R0300 | 0 | 8,470 | 0 | 0 | 0 | 0 | 8,470 |
| **Claims incurred** | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0320 | | -1,348 | | | | | -1,348 |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | 0 |
| Reinsurers' share | R0340 | | | | | | | 0 |
| Net | R0400 | 0 | -1,348 | 0 | 0 | 0 | 0 | -1,348 |
| **Changes in other technical provisions** | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | | 0 |
| Gross - Non-proportional reinsurance accepted | R0430 | | | | | | | 0 |
| Reinsurers' share | R0440 | | | | | | | 0 |
| Net | R0500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Expenses incurred** | R0550 | | 766 | | | | | 766 |
| **Other expenses** | R1200 | | | | | | | |
| **Total expenses** | R1300 | | | | | | | 766 |

## S.17.01.02 - Non Life technical provisions (In thousands of EUR)

| | | 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 | Legal expenses insurance | Assistance | Miscellaneous financial loss |
| | | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 |
| **Technical provisions calculated as a whole** | R0010 | | | | | | | | | | | | |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole | R0050 | | | | | | | | | | | | |
| **Technical provisions calculated as a sum of BE and RM** | | | | | | | | | | | | | |
| **Best estimate** | | | | | | | | | | | | | |
| Premium provisions | | | | | | | | | | | | | |
| Gross | R0060 | | | | | | | -2,362 | -937 | -459 | | | |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | | | | | | | -249 | -460 | | | | |
| Net Best Estimate of Premium Provisions | R0150 | 0 | 0 | 0 | 0 | 0 | 0 | -2,112 | -477 | -459 | 0 | 0 | 0 |
| Claims provisions | | | | | | | | | | | | | |
| Gross | R0160 | | | | | | | 1,461 | 19,636 | -34 | | | |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | | | | | | | | 5,040 | | | | |
| Net Best Estimate of Claims Provisions | R0250 | 0 | 0 | 0 | 0 | 0 | 0 | 1,461 | 14,596 | -34 | 0 | 0 | 0 |
| **Total Best estimate - gross** | R0260 | 0 | 0 | 0 | 0 | 0 | 0 | -901 | 18,699 | -493 | 0 | 0 | 0 |
| **Total Best estimate - net** | R0270 | 0 | 0 | 0 | 0 | 0 | 0 | -652 | 14,119 | -493 | 0 | 0 | 0 |
| **Risk margin** | R0280 | | | | | | | 708 | 553 | 145 | | | |
| **Amount of the transitional on Technical Provisions** | | | | | | | | | | | | | |
| Technical Provisions calculated as a whole | R0290 | | | | | | | | | | | | |
| Best estimate | R0300 | | | | | | | | | | | | |
| Risk margin | R0310 | | | | | | | | | | | | |
| **Technical provisions - total** | | | | | | | | | | | | | |
| Technical provisions - total | R0320 | 0 | 0 | 0 | 0 | 0 | 0 | -193 | 19,252 | -348 | 0 | 0 | 0 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | R0330 | 0 | 0 | 0 | 0 | 0 | 0 | -249 | 4,580 | 0 | 0 | 0 | 0 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | R0340 | 0 | 0 | 0 | 0 | 0 | 0 | 57 | 14,672 | -348 | 0 | 0 | 0 |

## S.17.01.02 - Non Life technical provisions (In thousands of EUR)

| | | Accepted non-proportional reinsurance | | | | TOTAL |
|---|---|---|---|---|---|---|
| | | Non-proportional health reinsurance | Non-proportional casualty reinsurance | Non-proportional marine, aviation and transport reinsurance | Non-proportional property reinsurance | |
| | | C0140 | C0150 | C0160 | C0170 | C0180 |
| **Technical provisions calculated as a whole** | R0010 | | | | | 0 |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole | R0050 | | | | | 0 |
| **Technical provisions calculated as a sum of BE and RM** | | | | | | |
| **Best estimate** | | | | | | |
| Premium provisions | | | | | | |
| Gross | R0060 | | | | | -3,758 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0140 | | | | | -709 |
| Net Best Estimate of Premium Provisions | R0150 | 0 | 0 | 0 | 0 | -3,049 |
| Claims provisions | | | | | | |
| Gross | R0160 | | | | | 21,063 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | R0240 | | | | | 5,040 |
| Net Best Estimate of Claims Provisions | R0250 | 0 | 0 | 0 | 0 | 16,023 |
| **Total Best estimate - gross** | R0260 | 0 | 0 | 0 | 0 | 17,305 |
| **Total Best estimate - net** | R0270 | 0 | 0 | 0 | 0 | 12,974 |
| **Risk margin** | R0280 | | | | | 1,406 |
| **Amount of the transitional on Technical Provisions** | | | | | | |
| Technical Provisions calculated as a whole | R0290 | | | | | 0 |
| Best estimate | R0300 | | | | | 0 |
| Risk margin | R0310 | | | | | 0 |
| **Technical provisions - total** | | | | | | |
| Technical provisions - total | R0320 | 0 | 0 | 0 | 0 | 18,711 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | R0330 | 0 | 0 | 0 | 0 | 4,331 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | R0340 | 0 | 0 | 0 | 0 | 14,380 |

## S.19.01.21 - Claim development triangles (In thousands of EUR)

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

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ | Current year | All years |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0170 | C0180 |
| Prior | R0100 | | | | | | | | | | | | 0 | 0 |
| N-9 | R0160 | | | | | | | | | | | | 0 | 0 |
| N-8 | R0170 | | | 4 | -10 | 11 | | | | | | | 0 | 4 |
| N-7 | R0180 | | 9 | 6 | | | | | | | | | 0 | 15 |
| N-6 | R0190 | 5 | 11 | 75 | | | | | | | | | 0 | 91 |
| N-5 | R0200 | 12 | 113 | 32 | | | | | | | | | 0 | 158 |
| N-4 | R0210 | 2 | 90 | | -0 | | | | | | | | 0 | 92 |
| N-3 | R0220 | 126 | 27 | 198 | | | | | | | | | 0 | 351 |
| N-2 | R0230 | 14 | 493 | 8 | | | | | | | | | 8 | 514 |
| N-1 | R0240 | | 7 | | | | | | | | | | 7 | 7 |
| N | R0250 | 518 | | | | | | | | | | | 518 | 518 |
| | | | | | | | | | | | | Total | 533 | 1,751 |

### Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ | Year End (discounted data) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | C0360 |
| Prior | R0100 | | | | | | | | | | | 15,239 | 15,371 |
| N-9 | R0160 | | | | | 35 | 37 | | | | 0 | | 0 |
| N-8 | R0170 | | | | 20 | 7 | 1 | 1 | 0 | 0 | | | 0 |
| N-7 | R0180 | | | 12 | 10 | 5 | 0 | 0 | 1 | | | | 1 |
| N-6 | R0190 | | 935 | 101 | 9 | 7 | 1 | 0 | | | | | 0 |
| N-5 | R0200 | 3,906 | 1,271 | 4 | 2 | 4 | 2 | | | | | | 2 |
| N-4 | R0210 | 2,620 | 737 | 345 | 7 | 4 | | | | | | | 4 |
| N-3 | R0220 | 2,770 | 1,262 | 360 | 14 | | | | | | | | 14 |
| N-2 | R0230 | 1,502 | 997 | 386 | | | | | | | | | 390 |
| N-1 | R0240 | 5,747 | 1,366 | | | | | | | | | | 1,377 |
| N | R0250 | 3,870 | | | | | | | | | | | 3,903 |
| | | | | | | | | | | | | Total | 21,063 |

## S.23.01.01 - Own funds (In thousands of EUR)

| | | 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 2015/35** | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 635 | 635 | | | |
| Share premium account related to ordinary share capital | R0030 | 0 | | | | |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | 0 | | | | |
| Subordinated mutual member accounts | R0050 | 0 | | | | |
| Surplus funds | R0070 | 0 | | | | |
| Preference shares | R0090 | 0 | | | | |
| Share premium account related to preference shares | R0110 | 0 | | | | |
| Reconciliation reserve | R0130 | 79,430 | 79,430 | | | |
| Subordinated liabilities | R0140 | 0 | | | | |
| An amount equal to the value of net deferred tax assets | R0160 | 0 | | | | |
| Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | 0 | | | | |
| **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 | 0 | | | | |
| **Total basic own funds after deductions** | R0290 | 80,065 | 80,065 | 0 | 0 | 0 |
| **Ancillary own funds** | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | 0 | | | | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | R0310 | 0 | | | | |
| Unpaid and uncalled preference shares callable on demand | R0320 | 0 | | | | |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | 0 | | | | |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | R0340 | 0 | | | | |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | R0350 | 0 | | | | |
| Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0360 | 0 | | | | |
| Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0370 | 0 | | | | |
| Other ancillary own funds | R0390 | 0 | | | | |
| **Total ancillary own funds** | R0400 | 0 | | | 0 | 0 |

## S.23.01.01 - Own funds (In thousands of EUR)

| | | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **Available and eligible own funds** | | | | | | |
| Total available own funds to meet the SCR | R0500 | 80,065 | 80,065 | 0 | 0 | 0 |
| Total available own funds to meet the MCR | R0510 | 80,065 | 80,065 | 0 | 0 | |
| Total eligible own funds to meet the SCR | R0540 | 80,065 | 80,065 | 0 | 0 | 0 |
| Total eligible own funds to meet the MCR | R0550 | 80,065 | 80,065 | 0 | 0 | |
| **SCR** | R0580 | 18,177 | | | | |
| **MCR** | R0600 | 4,544 | | | | |
| **Ratio of Eligible own funds to SCR** | R0620 | 4.404820563 | | | | |
| **Ratio of Eligible own funds to MCR** | R0640 | 17.61928128 | | | | |

## Reconciliation reserve

| | | C0060 |
|---|---|---|
| **Reconciliation reserve** | | |
| Excess of assets over liabilities | R0700 | 80,065 |
| Own shares (held directly and indirectly) | R0710 | |
| Foreseeable dividends, distributions and charges | R0720 | |
| Other basic own fund items | R0730 | 635 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| **Reconciliation reserve** | R0760 | 79,430 |
| **Expected profits** | | |
| Expected profits included in future premiums (EPIFP) - Life business | R0770 | |
| Expected profits included in future premiums (EPIFP) - Non-life business | R0780 | |
| **Total Expected profits included in future premiums (EPIFP)** | R0790 | 0 |

## S.25.01.21 - SCR using standard formula (In thousands of EUR)

### Basic Solvency Capital Requirement

| | | Gross solvency capital requirement | USP | Simplifications |
|---|---|---|---|---|
| | | C0040 | C0090 | C0100 |
| Market risk | R0010 | 0 | | |
| Counterparty default risk | R0020 | 8,334 | | |
| Life underwriting risk | R0030 | | | |
| Health underwriting risk | R0040 | | | |
| Non-life underwriting risk | R0050 | 14,758 | | |
| Diversification | R0060 | -2,838 | | |
| Intangible asset risk | R0070 | | | |
| **Basic Solvency Capital Requirement** | R0100 | 20,254 | | |

### Calculation of Solvency Capital Requirement

| | | Value |
|---|---|---|
| | | C0100 |
| Operational risk | R0130 | 519 |
| Loss-absorbing capacity of technical provisions | R0140 | |
| Loss-absorbing capacity of deferred taxes | R0150 | -2,597 |
| Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC | R0160 | |
| **Solvency Capital Requirement excluding capital add-on** | R0200 | 18,177 |
| Capital add-on already set | R0210 | |
| Solvency capital requirement | R0220 | 18,177 |
| **Other information on SCR** | | |
| Capital requirement for duration-based equity risk sub-module | R0400 | |
| Total amount of Notional Solvency Capital Requirements for remaining part | R0410 | |
| Total amount of Notional Solvency Capital Requirements for ring fenced funds | R0420 | |
| Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios | R0430 | |
| Diversification effects due to RFF nSCR aggregation for article 304 | R0440 | |

## S.28.01.01 - MCR (In thousands of EUR)

| Linear formula component for non-life insurance and reinsurance obligations | | MCR components |
|---|---|---|
| | | C0010 |
| MCRNL Result | R0010 | 2,392 |

| Background information | | Background information | |
|---|---|---|---|
| | | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
| | | C0020 | C0030 |
| Medical expense insurance and proportional reinsurance | R0020 | | |
| Income protection insurance and proportional reinsurance | R0030 | | |
| Workers' compensation insurance and proportional reinsurance | R0040 | | |
| Motor vehicle liability insurance and proportional reinsurance | R0050 | | |
| Other motor insurance and proportional reinsurance | R0060 | | |
| Marine, aviation and transport insurance and proportional reinsurance | R0070 | | |
| Fire and other damage to property insurance and proportional reinsurance | R0080 | | 2,882 |
| General liability insurance and proportional reinsurance | R0090 | 14,119 | 4,985 |
| Credit and suretyship insurance and proportional reinsurance | R0100 | | 603 |
| Legal expenses insurance and proportional reinsurance | R0110 | | |
| Assistance and proportional reinsurance | R0120 | | |
| Miscellaneous financial loss insurance and proportional reinsurance | R0130 | | |
| Non-proportional health reinsurance | R0140 | | |
| Non-proportional casualty reinsurance | R0150 | | |
| Non-proportional marine, aviation and transport reinsurance | R0160 | | |
| Non-proportional property reinsurance | R0170 | | |

| Linear formula component for life insurance and reinsurance obligations | | C0040 |
|---|---|---|
| MCRL Result | R0200 | 0 |

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

| Overall MCR calculation | | C0070 |
|---|---|---|
| Linear MCR | R0300 | 2,392 |
| SCR | R0310 | 18,177 |
| MCR cap | R0320 | 8,179 |
| MCR floor | R0330 | 4,544 |
| Combined MCR | R0340 | 4,544 |
| Absolute floor of the MCR | R0350 | 1,200 |
| **Minimum Capital Requirement** | R0400 | 4,544 |