Medical Insurance Company

MEDICAL INSURANCE COMPANY DAC

Solvency and Financial Condition Report

For Financial Year Ending 31st December 2021 (the "reporting period")

Contents

Executive Summary

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

The Board of Directors ("the Board") of Medical Insurance Company DAC ("MIC" or "the Company") has put in place significant measures to strengthen the corporate governance framework, including the risk management function, in compliance with the requirements of the Solvency II regulatory system, which became effective from 1 January 2016. The governance and risk frameworks are detailed further in this report. There have been no significant changes to these frameworks in the reporting period.

At the end of 2021 MMA IARD Assurances Mutuelles ("MMA IARD AM") owned 99.9% of the Company.

This report provides the reader with a more in depth look at the Company's business and performance, systems of governance, risk profile and solvency and capital positions. These elements are summarised below, and expanded on in more detail in the body of the report.

Business and Performance
The principal activity of the Company has consisted of the underwriting of medical malpractice risks in France, Spain and Switzerland. As all underwriting activity ceased with effect from 1 December 2015, the Company's principal activity is now the management of medical malpractice claims and risks. The Company operates a branch operation in Switzerland.

Financially, the Company reported a loss of €1.5m on an Irish GAAP basis. This arises from charging operating expenses incurred net of investment income earned during the year. The Company has also complied with all aspects of the Solvency II Regulations.

Solvency and Capital Position
The Company continues to benefit from actions taken by the Company in 2018 to increase to 100% the Quota Share reinsurance arrangement with MMA IARD SA. This quota share treaty covers all remaining risks not otherwise reinsured under previously existing reinsurance arrangements. The positive effect of these actions continues to be reflected in the 2021 financial results and solvency position.

The Company's Own Funds for Solvency II purposes total EUR40.7m and are comprised of EUR35.7m of shareholders' funds and EUR5m of subordinated debt, which is ranked as Tier 1 Restricted for Solvency II purposes.

Key Risks
The Company's key risks are Reserve Risk, Claim Risk, Reinsurance Default Risk, Financial Risk, Outsourcing Risk, Credit Risk and Liquidity Risk. There continues to be a residual Underwriting Risk from "Subsequent Claims", i.e. claims arising from practitioners who retire or change specialty subsequent to run-off. These risks, together with other risks including investment risk, reputational risk, currency risk and cyber risk, are actively managed through a combination of mitigation techniques (such as quota-share and excess-of-loss reinsurance), management oversight and internal audit and compliance reviews. All insurance and claims risks are 100% reinsured.

System of Governance

The Company maintains a robust system of governance, including the appointment of independent directors, establishment of key functions, internal audit and detailed procedures and policies covering risk management. In addition, there is oversight from and regular reporting to, the Company's parent entity, Covéa Group.

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

A. Business and Performance

A.1 Business and External environment

Name and Legal Form
The name and legal form of the undertaking is Medical Insurance Company Designated Activity Company. The Company is registered as a designated activity company limited by shares under Part 2 of the Companies Act 2014. The Company's registered number is 351120.

Name and contact details of the supervisory authority responsible
The name and contact details of the supervisory authority responsible for financial supervision of the undertaking is the Insurance Supervision Division of the Central Bank of Ireland, PO Box 559, New Wapping Street, North Wall Quay, Dublin 1, Ireland. Telephone: +353 1 224 6000.

Name and contact details of external auditor
PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

Holders of qualifying holdings in undertaking
MMA IARD Assurances Mutuelles ("MMA IARD AM") holds 99.9% of the Company's issued share capital.

Details of group
Covéa Group of Insurance Mutuals (Société de Groupe d'Assurance Mutuelle or "SGAM"), a special French status, was created in 2003 and operates a number of different brands in France and other countries. Total group turnover in 2020 (latest available data) was EUR 16.7bn.

The Company is part of the Covéa SGAM, which is ultimately controlled by nine mutual members, divided into four "clusters", as detailed in the group structure chart on page 6 below. Relations between these entities are governed by an affiliation agreement.

The four "clusters" are:

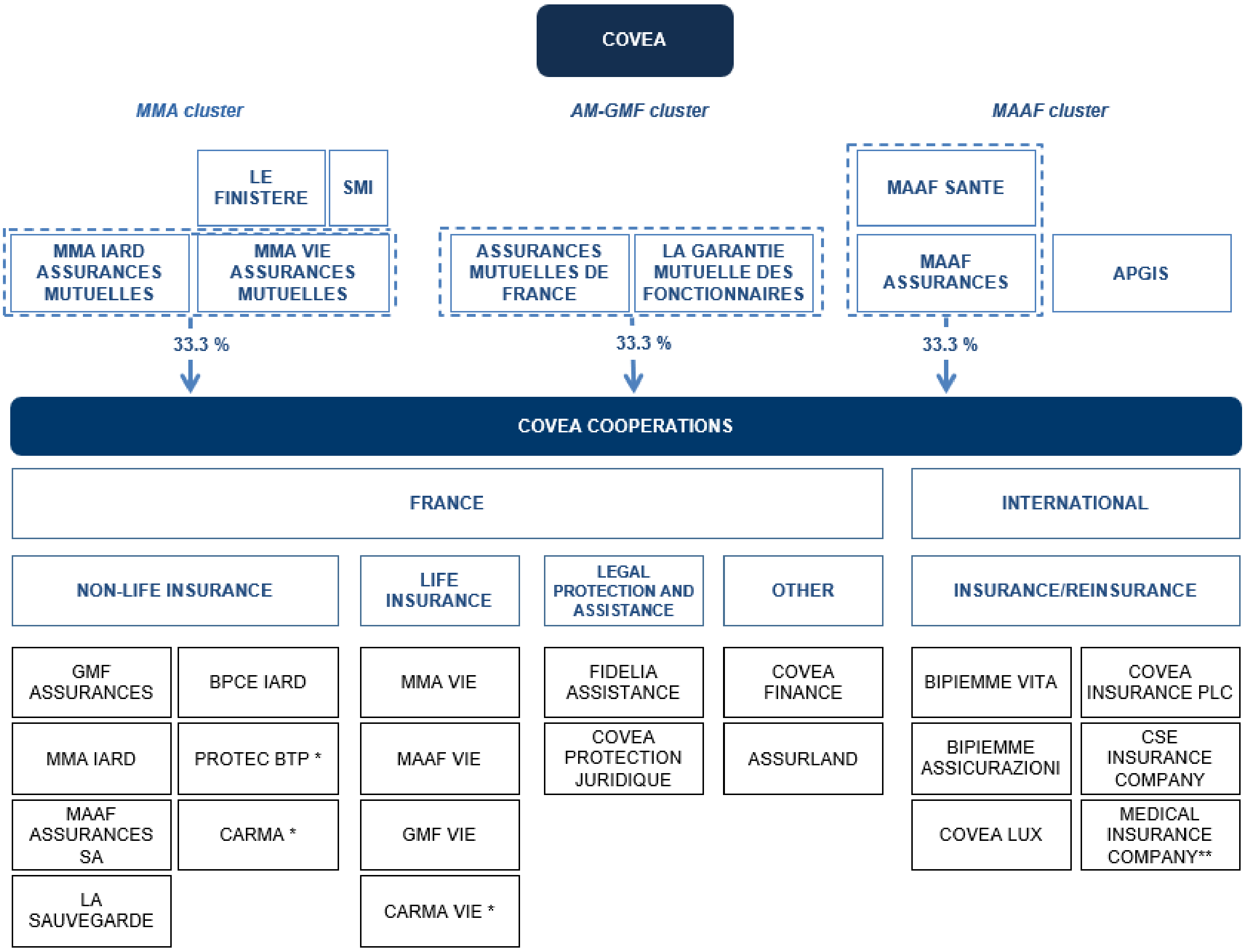
- **MMA cluster**: MMA IARD Assurances Mutuelles, MMA Vie Assurances Mutuelles, Le Finistère Assurance, SMI
- **MAAF cluster**: MAAF Assurances, MAAF Santé, Apgis
- **AM cluster**: Assurances Mutuelles de France
- **GMF cluster**: La Garantie Mutuelle des Fonctionnaires

Certain affiliated companies are shareholders of Covéa Coopérations, a French reinsurance company that in turn directly or indirectly owns all or part of the capital of the Group's operational companies. Covéa Coopérations is thus the pivotal entity between the SGAM's affiliated companies and the Group's operational companies as illustrated in the group structure chart below.

The name and location of the legal or the natural persons that are direct and indirect holders of qualifying holdings in the undertaking (including the immediate and ultimate parent entity or natural person, the proportion of ownership interest held and, if different, the proportion of voting rights held).

MMA IARD AM is a mutual insurer owned by its individual members. It therefore has no ultimate single or majority beneficial owner(s).

Simplified Group structure



- *Equity method*
- *** Owned by MMA IARD Assurances Mutuelles*

Description of material lines of business and geographical areas

General Liability Insurance covering professional medical malpractice in France and Spain with a small branch operation in Switzerland.

Significant business or other events in the reporting period which have had a material impact on the undertaking

The impact of the 100% quota share treaty with MMA IARD continues to be reflected in the 2021 full-year financial results of the Company, whereby all gross claim payments and reserve movements are fully offset by corresponding reinsurance recoveries.

Furthermore, the reaffirmation of Covéa Group's AA- credit rating continues to maintain the Company's SCR coverage at a high level.

Objectives and Strategies

The principal activity of the Company has consisted of the underwriting of medical malpractice risks in France, Spain and Switzerland. As all underwriting activity ceased with effect from 1 December 2015, the Company's principal activity is now the management of medical malpractice claims and risks. The Company operates a branch operation in Switzerland, which is in the process of being closed.

The Company has entered into a Claims Handling and Reinsurance Services agreement with its broker, SAS Francois Branchet ("Cabinet Branchet"), under which the latter assists in managing the orderly run-off of the Company's outstanding claims. Following the decision to cease underwriting the Company has made provision for the necessary operational and financial resources required.

A.2 Performance from Underwriting Activities

Business Lines

The Company was established in December 2001, with the purpose of transacting Medical Malpractice Insurance in Europe on a cross border basis. The Company's policies covered specialities including general practitioners, surgeons, anaesthetists and plastic surgeons. The Company's cover was limited to physicians and a small number of office surgeries, with the exclusion of any healthcare organisation.

Historically the Company has written a single line of business – Medical Malpractice Insurance of Private Practitioners – in France, with small volumes of business written in Spain and Switzerland. The Swiss and Spanish operations have not been separately analysed for the purpose of this Report as they are immaterial in the context of the total figures.

No new policies have been underwritten from 1 December 2015. Therefore, the Company came off-risk from the last of its policies on 30 November 2016, with the important exception of claims arising from run-off cover ("Subsequent Claims"), whereby retired insureds are covered by their last insurer for up to 10 years after their retirement, or for 5 years following a change of specialty.

In 2021 and 2020 no inward premium was written or earned.

An analysis of performance for the last two underwriting years is summarised as follows:

Euro ('000)	2021	2020
Line of Business	**Liability**	**Liability**
Underwriting Income 2021	7	573
Allocated investment return transferred from the non-technical account	(689)	117
Net Operating Expenses	(819)	(1,650)
Underwriting Profit (Loss)	(1,500)	(959)

Reinsurance

The Company relies heavily on reinsurance, ceding 100% of its business and purchasing Excess of Loss cover.

Throughout the Company's history the reinsurance programme has been a quota share with XoL protection purchased on the Company's retention.

The Company entered into a quota share reinsurance arrangement with MMA IARD SA in 2017, whereby 75% of the Company's reserves for the commuted years were reinsured by MMA IARD SA. In September 2018, this quota share was extended to 90% of the above treaty years.

With effect from 1 October, 2018, the Company extended the quota share treaty with MMA IARD SA to reinsure 100% of all reinsurance treaties, leaving MIC with nil net claim reserves.

A.3 Performance from Investment Activities

(a) MIC does not seek to assume risk with its investment portfolio. Capital protection is a priority to minimise the risk of unanticipated shocks to the Company's (solvency and economic) capital position.

Given the long-tail nature of its insurance liabilities the Company seeks to duration-match its liabilities to minimise Asset-Liability Matching risk, subject to liquidity risk constraints.

The Company has established an investment portfolio comprising investment-grade government and corporate bonds. The rationale behind setting up the portfolio was to improve asset-liability duration matching and reduce concentration risk in the existing asset mix while simultaneously achieving a positive medium-term yield. The maximum average duration of the investment portfolio is 7 years.

For investments with a maturity of 5 years or greater, counterparties with a rating lower than S&P "A+" are approved by the Board in advance. Investment counterparties with an exposure greater than 10% of the Company's invested assets are approved by the Board in advance.

Where developments occur so that any of the above limits are breached (e.g. if an investment counterparty is downgraded below investment grade) this is brought to the attention of the Board along with risk mitigation options. All investments in alternative or non-standard asset classes are approved in advance by the Board. No such assets are currently held.

The Company maintains its investments in cash equivalents, short term deposits with EU regulated credit institutions and government and corporate bonds.

The investment performance has been satisfactory in view of recent and current market conditions in which it is difficult to avoid negative yields. The table below summarises investments by counterparty:

Investments (Market Value)	Maturity	€'000
Cash at Bank		
Bank of Ireland current account	N/A	186
Société Générale current account	N/A	6,599
UBS	N/A	84
Banque Cantonale de Fribourg	N/A	1,296
Investment Portfolio		
Government Bonds	Various	14,847
Corporate Bonds	Various	9,808
Cash in Custody Account	Call	442

(b The Company does not hold any equity investments.

(c) The Company had no direct investments in securitisation, during the reporting period or previous reporting period.

Operating/other expenses

An Unallocated Loss Adjustment Expense ("ULAE") reserve was established in 2019, intended to cover the costs of managing and servicing claims for the foreseeable future – for the purposes of this calculation a timeframe of 9 years has been deemed appropriate. The ULAE reserve does not include all operating expenses.

The ULAE reserve was reduced by €0.45m in 2021, taking into account a further year's claims expenses.

The quantum of the ULAE provision will continue to be reviewed at least annually by the Company's Board.

A.4 Performance of other activities

There have been no other significant activities undertaken by the Company.

A.5 Any other information

There have been no other material developments regarding the business and performance of the Company during the reporting period.

B. System of Governance

B.1 General information on the system of governance

(a) As at the reporting date, the Company has 7 directors, including two independent non-executive directors (INEDs). Four of the other directors are non-executive. The Company has two Committees, the Audit Committee and the Risk Committee, each chaired by an INED. In addition to one executive director, the Company has 3 direct employees. Furthermore, some key functions, whilst outsourced, are the responsibility of the Board.

Overview

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

The Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Board also has responsibility for ensuring that an adequate and effective system of internal controls is maintained in the Company. The Company is committed to maintaining high standards of Corporate Governance. The Company takes a risk based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit function. The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the next Board meeting for discussion and consideration.

The following Key Functions have been established by the Board to assist it in discharging its obligations. Each Key Function operates under defined terms of reference. Each Key Function is responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Key Functions
The table below summarises the Company's key functions:

Outsourced Activity	*Service Provider*	*Responsible Person in Service Provider*	*Responsible Person in Company*
Actuarial Function	EY	Vaibhav Tyagi	Larry Sherin (CEO)
Internal Audit Function	CSI	Howard Block	Gerry Fahy (CFO)
Compliance	Allied Risk Management	Christina Kelly	Gerry Fahy (CFO)
Risk Function	Allied Risk Insurance and Reinsurance Services	Dr Dermot Marron	Larry Sherin (CEO)

Head of Actuarial Function ("HOAF")
The function of the HOAF is outsourced to Mr Vaibhav Tyagi of EY, who replaced Ms Aoife Martin in the role with effect from 23 September, 2021. The HOAF reports directly to the Board. The responsibilities of the HOAF and the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to implementing/overseeing the following:

- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions in the cases set out in Article 82 of Directive 2009/138/EC;
- Provide an Actuarial Function Report;
- Provide an Actuarial Opinion on Technical Provisions;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and capital adequacy assessment.

Head of Internal Audit
The activity of the Internal Audit function is outsourced to Mr Howard Block of Control Solutions International ("CSI"), who is the designated Head of Internal Audit. The Head of Internal Audit reports to the Audit Committee, and directly to the Board if appropriate. The responsibilities of the Internal Audit Function include, but are not limited to, the following:

- Assisting in establishing and maintaining an audit plan setting out audit work to be undertaken, taking into account all activities and the complete system of governance of the Company;
- Establishing priority areas, using a risk-based approach, for examination by Internal Audit;
- Implementing the audit plan in accordance with the Company's directions;

- Reporting the audit plan to the Board of the Company (or any Sub-Committee thereof);
- Issuing an internal audit report to the Board or any Sub-Committee, on at least an annual basis, based on the result of work carried out, which includes findings and recommendations to the Board or any Sub-Committee including the envisaged period of time to remedy any shortcomings and the persons responsible for doing so, and information on the achievement of audit recommendations;
- Verifying compliance with the decisions taken by the Board or any Sub-Committee thereof on the basis of those recommendations.

Compliance Function
The activity of the Compliance Function is operated through a formal outsourcing arrangement with Allied Risk Management Limited. The Company's Compliance Officer is Ms Christina Kelly. The Compliance Function has responsibility for the implementation of the Company's Compliance Policy and effective compliance processes. The Compliance Officer reports to the Board at each Board meeting and as issues arise to the Board Chairperson. The responsibilities of the Compliance Officer include, but are not limited to the following:

- Regular reporting to the Board on all applicable regulatory compliance standards;
- To develop a compliance monitoring plan;
- To review policies, procedures and systems on a regular basis to ensure effective compliance and to advise the Board and senior management as to steps necessary to ensure compliance;
- To report on significant instances of non-compliance to the Board and senior management;
- To make recommendations to Board and senior management where change is required;
- To review staff training processes so as to ensure appropriate compliance competencies;
- Managing the Company's relationship with the Central Bank of Ireland;
- To maintain the Company's Breach Register and operational event log.

Risk Management Function
The activity of the Chief Risk Officer is appointed and operated through a formal outsourcing arrangement with Allied Risk Insurance and Reinsurance Services Limited to oversee the implementation of the Company's Risk Management Policy and reporting to the Board. The Company's Chief Risk Officer is Dr Dermot Marron. He reports to the Risk Committee and directly to the Board if appropriate.

The responsibilities of the Chief Risk Officer include:

- The oversight of and adherence to the Company's Risk Management System;
- To ensure there are effective processes in place to identify, manage, monitor and report the risks to which the Company might be exposed. The Board will then determine whether the issue is of such significance that it needs to be reported to the Central Bank of Ireland;
- Preparation of the annual 'Own Risk and Solvency Assessment' (ORSA) for Board consideration;
- Preparation of regular Reserve Reports;
- Facilitating the setting of the Risk Appetite Statement.

(b) there have been no material changes in the system of governance that have taken place over the reporting period;

(c) due to the scale, nature and complexity of the Company, the Company has not required the establishment of a Remuneration Committee;

B.2 Fit and proper requirements

(a) the Company has adopted a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland's Guidance on Fitness and Probity

Standards. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

Selection and recruitment process for Pre-Approved Control Functions (PCF) and other Key Function Holders
- A written job description outlining the duties and responsibilities for the role;
- An assessment of the level of fitness and probity required for the role;
- Advertisement of the position (if necessary);
- Interview process to match suitable candidates to the specific role;
- Capture fitness and probity due diligence referred to below;
- Upon Board and Central Bank approval, letter of appointment issued and training provided.

(b) the process for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other PCF functions is summarised as follows:

1. Interview and application

2. The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The following is captured:

    a. Evidence of a relevant professional qualification;
    b. Confirmation of continuous professional development;
    c. Evidence of professional membership of an organisation (where applicable);
    d. Reference checks;
    e. Review record of previous experience, including a review of curriculum vitae;
    f. Record of experience gained outside the State (where applicable) – consider the extent to which the person can demonstrate competency that relates specifically to the function within the State;
    g. Review of list of directorships and concurrent responsibilities;
    h. Checks are also undertaken with the Regulator and the Companies Registration Office. A judgment debt check is performed;
    i. Signed Fitness and Probity declarations;
    j. Individual Questionnaire.

3. A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.

4. As part of the continuing obligations, annual declarations are sought from all PCF's, each PCF file is reviewed and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

B.3 Risk Management System

(a) the Company has established a number of risk management policies including:
- Risk Appetite Statement which includes an escalation procedure;
- Operational Risk Policy;
- Capital Management Policy;

- Investment Risk Policy;
- Liquidity Risk Policy;
- Reserving Policy;
- Operational Risk Policy;
- ORSA Policy;
- Reinsurance and Risk Mitigation Policy;
- Reporting Policy;
- Data Quality Policy; and
- A Data Directory.

The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk and operational risks such as fraud risk, IT risk, market risk and reputational risk. It excludes quantifiable risks, which are set out separately in the Company's Risk Appetite Statement. The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.

(b) the risk management system including the risk management function is implemented and integrated into the organisational structure and decision-making processes of the Company via:

-adequately resourced compliance function staffed by experienced compliance professionals
- adequately resourced internal audit function with a regular review cycle
- business continuity plan (including Disaster Recovery Planning)
- succession plan for key staff and roles
- monthly and quarterly financial and KPI reporting

The Risk Appetite Statement adopted by the Board sets out the level of risk that MIC is prepared to accept in the pursuit of its strategic objectives. It includes:

- MIC's overall philosophy to risk taking and the expectations of shareholders;
- The Risk Appetites and Tolerances that are acceptable in terms of exposures to different types of risk.

MIC's performance is assessed in terms of its compliance with the specified Risk Appetite, which are integral for a robust monitoring programme. Over time the Risk Appetite is subject to modification as the business and its environment changes. The Risk Appetite Statement is reviewed at least annually by the Board of Directors.

The Risk Appetite Statement sets out and quantifies (where applicable) the level of risk acceptable to the MIC Board. It includes metrics for the risks referred to in B.3 (a) above, and uses a Red/Amber/Green colour coding system to identify various levels of risk and tolerances.

B.4 Own Risk and Solvency Assessment

The ORSA process described below relates to the full ORSA conducted prior to year-end 2021. It should be noted that the Company has completed a number of partial ORSA's since 2015. As such the 2021 ORSA Process was not so much a discrete process but a continuous process throughout the past 6 years.

- **Risk Identification**

This built upon the 2014-2020 ORSA processes, and included

- a number of discussions involving the Board and management to identify key risks to the balance sheet and the business;

- a review of the balance sheet and Actuarial Review of Technical Provisions (“ARTP”);
- a detailed presentation to the Board of the Company's SCR and how it is calculated, including the key drivers of the SCR;
- considerable involvement from the Group, the Company's Board and Risk Committee and the Actuarial Function in identifying appropriate stress and scenario tests to consider.

The decision of the Company to go into run-off has a significant impact on the risks to be assessed and their relative weighting, with particular focus on the risk of run-off, including:

- Reserve risk;
- Claim management;
- Reliance on Cabinet Branchet;
- Speed of claim payment.

- **Financial Projections**

The next step in the process was to project the Profit & Loss Account and Balance Sheet of the Company forward up to year-end 2021. The accounts were projected on an Irish GAAP basis and converted to Solvency II Balance Sheets to calculate the Solvency Capital Requirements.

Using the projected Balance Sheet, the Company’s capital requirements were estimated annually up to year-end 2028 on a Solvency II basis. Because the Company is in run-off and future claims handling expenses have already been reserved, the Board was able to use these projections to see the medium-term position of the Company in relation to its capital requirements over the period.

- **Stress & Scenario Testing**

The third step of this ORSA process was for the Board and Management to examine the impact of a range of stresses and scenarios on the Company’s solvency position. These included both quantitative and qualitative scenarios, and also a reverse stress test approach, to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenarios tests were presented to the Board at the outset of the ORSA process for consideration.

A more detailed description of the approach taken for this exercise and also an overview of its results is presented in the section entitled “Stress & Scenario Testing”.

- **Qualitative Discussion of Risks**

The 2021 ORSA Process continued the increased emphasis on qualitative consideration of risks in addition to financial and solvency projections.

- **Board and Management Discussion and Review**

The final step in the ORSA Process was the presentation of the Draft Projections, Stress and Scenario Test to the Board and Management. This prompted further discussion and review of the Scenario and Stress Tests, with further scenarios being considered at the request of the Board.

- **Board Sign-off**

Following this final iteration, the final ORSA Report was reviewed and approved by the Board.

- **Integration into Decision-making process**

The results of the ORSA projections were used to inform, inter alia, the level of SCR coverage, reinsurance purchasing (including the increase in the quota share treaty with MMA IARD SA) and investment policy including the duration and mix of investments.

- **Results**

The following table summarises the Company’s forecast SCR and MCR positions, using the Standard Formula, over a 3-year projection period.

The key assumptions are:

- Speed of claim payout; and
- Accuracy of reserves.

The forecast assumes run-off in accordance with the payout pattern derived by MIC; this payout pattern is regularly reviewed.

The Best Estimate reserves as at 30 September 2021 were used in the forecast, with no deterioration or amelioration assumed. (Deterioration is considered in the stress tests below.)

The Company meets its SCR at all times in the forecast.

EUR 000	2022	2023	2024
Available Capital	40,060	40,029	39,941
SCR	7,112	6,313	5,583
SCR Margin	32,948	33,716	34,358
SCR Coverage Ratio	563%	634%	715%
MCR	3,700	3,700	3,700
MCR Margin	36,360	36,329	36,241
MCR Coverage Ratio	1083%	1082%	1079%

B.5 Internal Control

(a) Internal Control System

The principal control framework for the Company is the controls which are set at Board level. These controls include:

- Board approved policies;
- reports;
- terms of reference;
- schedule of matters arising to be addressed;
- minutes of board meetings.

The policies describe the Board's approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system; however day-to-day oversight is provided by the Compliance Officer. In practice, other Directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities.

The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Compliance Officer is responsible for ensuring that all company policies are reviewed at least annually to ensure that they are still fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. All reviews are recorded and versions controlled. All amendments are submitted to the Board for approval. A compliance monitoring programme is in place to review all of its regulatory requirements. This is completed by the Compliance Officer on a regular basis and forms part of the compliance report to the Board.

The Internal Audit Function and appointment of External Auditors also provides independent assurance to the Board.

As set out previously in this report, the Company has established the four key independent control functions required under the Corporate Governance Requirements for Insurance and Reinsurance Undertakings 2015 - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

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

(b) Compliance Function

The Board supports the Compliance Function and makes available such resources as are necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

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

Compliance auditing occurs to check that the Company is adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the company. The activities of the Compliance function are subject to periodic review by Internal Audit.

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

B.6 Internal audit function

The internal audit function is governed by the Company's internal audit policy and is implemented via an outsourced Service Level Agreement with CSI.

The Internal Audit Function is an integral part of the Company's internal control framework. It operates in accordance with relevant codes of conduct.

The Head of Internal Audit prepares a three-year internal audit plan in consultation with the Audit Committee, which considers risk areas and business priorities. The extent and frequency of the audits included within the plan are also risk based. The plan considers factors such as risk associated with the activity, materiality, results from previous audits and external audit findings. The plan is presented to the Board for approval. If the plan changes significantly during the year, the updated audit plan will be submitted to the Audit Committee for approval.

The Audit Committee considers internal audit plans, resourcing and reporting. The purpose, scope and responsibilities of the Internal Audit Function are set out in a Service Level Agreement.

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

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

The Internal Audit Function has unrestricted access to senior management and the Board. It is independent from the day-to-day operations of the business which allows it to maintain its independence and objectivity from the activities it reviews. The current structure enables the Head of Internal Audit to provide an independent opinion regarding a system, process or control. The Head of Internal Audit must provide confirmation to the Board, on at least an annual basis, of an assessment of the effectiveness of the Company's systems of risk management and internal controls.

Following the conclusion of each audit, an audit report is prepared and issued by the Head of Internal Audit which includes management responses. This report is presented to the Company's senior management and to the Audit Committee. A log of all internal audit recommendations is maintained and the actions items are monitored until they are completed.

B.7 Actuarial function

The Actuarial Function is outsourced to EY. EY's actuaries attend every appropriate board meeting and receive regular updates on claim activity. The Company's Technical Provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II Technical Provisions.

Provision of Data to the Head Of Actuarial Function
It is the Company's policy to provide any data relevant to the HOAF's role in compiling and signing the required actuarial reports as soon as is reasonable after the data become available.

Typically, the data the Company provides include quarterly management accounts for the period, year-end financial statements, quarterly claims bordereaux and details of any significant events known to the Company, which have the potential to materially affect the Company's reserves and/or the HOAF's ability to sign actuarial opinions and reports, including case estimates on claims. The Company satisfies itself as to the reliability of case estimates provided in the bordereaux, and will make adjustments to these case estimates to reflect all known information if required.

It is the Company's policy to ensure that the data provided to the HOAF is fully reconciled to the data used in preparing the Company's Annual Accounts and Regulatory Returns for the period. All claims data used for claim handling, claims reserving and financial accounting come from a single claims database. On a monthly basis any new claims listed in the bordereaux are reconciled with the data in the claims system. A second check is carried out on the quarterly bordereaux by the broker's actuaries.

The Company also ensures that the HOAF has access to the Company's staff, Board and Board Committees with regard to any queries the HOAF may have surrounding the data or any data checks the HOAF feels are appropriate.

The Company, normally through the CFO or CRO, ensures that it informs the HOAF of any internal reports (such as Internal Audit Assessments), internal information or data which may be relevant to the Company's reserves. To this effect, the Company works to provide the HOAF with any further information or data he/she deems necessary in order for him/her to complete their reports, within the above scope.

Any developments occurring after the year end are disclosed to the HOAF if they have the potential to materially affect the Best Estimate. This may require the compilation of a supplementary report setting out any effects since the last valuation date.

There have been no material changes to the Company's claims handling procedures or claims reserving philosophy or procedures during the past year. In order to enhance its management and oversight of large claims, the Company's Reserving Committee, comprising representatives of the Company and Cabinet Branchet, meets on a quarterly basis to review all large claims (currently defined as > EUR 600,000).

In accordance with the Covéa Group's governance standards, responsibility for reserving was assumed by the Company (who outsourced the role to Allied Risk) with EY as Actuarial Function performing a review and validation role.

B.8 Outsourcing

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

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

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

Outsourced Activity	*Service Provider*	*Responsible Person in Service Provider*	*Responsible Person in Company*	*Jurisdiction Located*
Actuarial Function	EY	Vaibhav Tyagi	Larry Sherin (CEO)	Dublin, Ireland
Internal Audit Function	CSI	Howard Block	Gerry Fahy (CFO)	Dublin, Ireland
Administration Services, including: - **Administration and Facilities** - **IT Infrastructure**	Allied Risk Management	Frank Coyle	Gerry Fahy (CFO)	Dublin, Ireland
Compliance	Allied Risk Management	Christina Kelly	Gerry Fahy (CFO)	Dublin, Ireland
IT Technical Support	IT Force	John Heerey	Stuart Scott	Dublin, Ireland
Various services including - **invoicing,** - **claims handling,** - **reserving and reinsurance services**	Cabinet Branchet	Philippe Auzimour & Caroline Brillet	Yvanne Picard (Head of Claims)	Grenoble, France
Risk Function	Allied Risk Insurance and Reinsurance	Dr Dermot Marron	Larry Sherin (CEO)	Dublin, Ireland

B.9 Considering the nature, scale and complexity of the risks inherent in the business, the Company is very satisfied with its assessment of the adequacy and appropriateness of its system of governance.

B.10 Any other disclosures
There is no other material information regarding the system of governance of the Company.

C. Risk Management

C.1 Risk Profile

(*a) Underwriting Risk*

The Company has no further exposure to Underwriting Risk as the exposure period has now expired (end-November 2016). There will however be some "Subsequent Claims" – i.e. claims arising from practitioners who retire or change specialty after that period. At this stage, there is little further the Company can do to manage or mitigate this risk – the reinsurance in place is on a risk-attaching basis on an underwriting year basis and remains in place until the exposure is fully run-off.

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

	SCR (EUR'000)
Premium Risk	0
Reserve Risk	1,446
Diversification Credit	0
Premium and Reserve Risk	1,446
Catastrophe Risk	0
Non-life lapse	0
Diversification Credit	0
Non-life Underwriting Risk SCR	**1,446**

(b) Reserve Risk

The most significant risks remain the run-off of the book and potential for the emergence of new claims and deterioration of existing claims. The Company has a 3-stage review of its reserves:

- the broker's claims handlers and actuaries provide their estimation of the appropriate reserves
- The Company's actuaries/Allied Risk provides their/its estimation of the appropriate reserves, which are reviewed and approved by management and the board
- EY as Actuarial Function performing a review and validation role as required under the Solvency II regulations.

The extension in 2018 of the Quota Share reinsurance arrangement with MMA IARD SA to 100% coverage of residual risks significantly reduced the overall reserve risk. The majority of the risk now derives from the ULAE expense element of the Company's technical provisions.

(c) Claim Risk

This is a subset of reserve risk and is particularly relevant for companies in run-off. There have been situations in the past where companies in run-off are taken advantage of by claimants as there may be a perceived lack of controls over claims and costs. Claims can deteriorate for a number of reasons, including:

- Claims inflation;
- Bad luck;
- Pressure to run-off book quickly results in winnable claims being settled sooner for higher amounts;
- changes in legislation;
- Dependence on a single claims handling provider (Cabinet Branchet);
- Lack of oversight resulting in lack of control over claim costs.

The Board consider this an area of high priority for the Company, and the Company has established mechanisms to actively manage this risk.

Medical malpractice claims experts from the Covéa group have visited Cabinet Branchet offices in Grenoble and Paris to review Cabinet Branchet's approach to the run-off of MIC's claims. Recent Covéa reviews have been undertaken remotely. In particular, these experts have reviewed the resources required to run-off the claims and the strategy and approach to claim settlement and closure.

The Reserving Committee takes a pro-active approach to claim handling, settlement and closure that mitigates claim risk to some degree.

The Company is also investigating the management of claims payable as annuities; currently the Company has 7 such claims in payment with a small number (less than 20) of such claims possible in the near future. Possible solutions include transferring such claims to other entities, either within or outside the Covéa group. Claims payable as annuities represent a risk to the Company should such claims become more prevalent.

(d) Reinsurance Default Risk

The Company has considerable amounts of reinsurance recoverables on its balance sheet. The biggest counterparty is MMA IARD SA, part of the Covéa group which has a Standard & Poor's AA- rating. Covéa Lux also is a reinsurance counterparty; for the purpose of the SCR calculation, Covéa Lux and MMA IARD SA are treated as a single counterparty.

The remainder of the reinsurance panel is a diverse group of well-rated counterparties. All reinsurer credit ratings are monitored on a quarterly basis; all except one have a rating of A or better. The 100% quota share treaty with MMA IARD SA includes cover for reinsurer default.

Following implementation of the additional quota share coverage to 100%, the exposure to MMA IARD SA has been further increased; the impact of this increase in exposure is considered in the MMA Downgrade scenarios below.

The Board has discussed at some length strategies to mitigate this risk. Notwithstanding this, it is accepted that the Covéa group rating is very strong, and thus this risk is considered very remote. The Company has established a contingency plan to collateralise reinsurance exposures in certain circumstances.

(e) Financial Risk

The Company is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. In particular the key financial risk is that the proceeds from financial assets are not sufficient to fund obligations arising from contracts with policyholders. The most important components of this financial risk for the Company are credit risk and liquidity risk.

(f) Credit Risk

The Company’s key credit risks are in relation to reinsurers’ shares of insurance liabilities and to its bank deposits and financial investments. Reinsurance is used to manage insurance risk. This does not, however, discharge the Company’s liability as primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of its reinsurers and its bankers is considered on a continuous basis by monitoring their financial strength. All reinsurer credit ratings are monitored on a quarterly basis; all but one have a rating of A or better.

Counterparty credit risk is the risk that a party to a financial instrument will fail to discharge an obligation thus causing the Company to incur a financial loss. As part of the underwriting process the Company chooses to cede risk to reinsurers with A or higher credit ratings. The Company has the following balance sheet amounts carrying exposure to credit risk:

· Amounts recoverable from Reinsurers - EUR 246,288,495 (**2020:** EUR273,154,073)
· Financial investments and cash at bank - EUR 33,262,952 (**2020:** EUR 36,472,868)

Other credit risk includes the risk that the value of investments will fall due to a deterioration in the credit rating of investments within the Company's investment portfolio.

The Risk Committee assesses reinsurers’ counterparty credit risk by reviewing the reinsurers share of insurance liabilities. It monitors these amounts and whether they are in line with the Company’s risk appetite, implementing additional risk mitigation measures or escalating to the Board if the risk appetite is exceeded.

Credit risk presented by reinsurers is mitigated by:
· using 'A' rated reinsurers or better wherever possible;
· monitoring the credit rating of current and historic rated reinsurers;
· using a select number of reinsurers (reducing contagion risk).

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

Rating agency	Credit ratings 2021	Reinsurers' share of Claims Outstanding and Debtors arising out of reinsurance operations	Financial investments and cash at bank
Standard & Poor's	AA+	0%	2%
Standard & Poor's	AA	0%	8%
Standard & Poor's	AA-	75%	14%
Standard & Poor's	A+	8%	6%
Standard & Poor's	A	8%	30%
Standard & Poor's	A-	8%	6%
Fitch	AA-	0%	8%
Moodys	Aa2	0%	5%
Moodys	A2	0%	4%
Moodys	Baa1	0%	7%
Moodys	Baa3	0%	10%
Other	N/A	1%	0%
		100%	100%

(g) Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay the Company's obligations when they are due, at a reasonable cost. The reputational consequences for MIC of being unable to pay claims as they fall due because of liquidity constraints means that the Company has a very low Liquidity Risk tolerance.

Therefore the Company maintains a significant proportion of its funds in liquid form and maintains sufficient liquidity even at unexpected levels of demand. However, this does not mean that the Company keeps all its assets in liquid form and the liquidity policy is considered in the context of the Investment Risk Policy.

Liquidity risk limits are set to be at least as much as a 1-in-200 measure of the Company's Liquidity Risk. That is, the Company aims to hold sufficient liquid assets to withstand a 1-in-200 year Liquidity Event.

As a general rule the Company always holds sufficient immediately liquid assets to cover one month's expected total cash requirements. The Company has determined that liquidity risk does not currently represent a significant risk to its business. This assessment is based on the fact that all its shareholders' funds are held in liquid assets and claims settlements and reinsurance collections are carefully coordinated.

Below is a summary of MIC's current investment portfolio, including an outline schedule of maturities.

MIC Investments	Dec-21	< 30 days	30 to 90 days	90 days to 6 mths	6 mths to 1 year	> 1 year
Financial Assets	€'000	€'000	€'000	€'000	€'000	€'000
Current Accounts	8,607	8,607	0	0	0	0
Time Deposits	0	0	0	0	0	0
Government Bonds	14,847	0	0	0	0	14,847
Corporate Bonds	9,808	0	0	0	0	9,808
TOTAL	**33,262**	**8,607**	**0**	**0**	**0**	**24,655**

(h) Market risk

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

(i) Currency risk

The Company is exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than euro (i.e. Swiss Franc). The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency. In addition the Company operates a foreign branch, whose net assets are exposed to foreign currency translation risk.

(j) Interest rate risk

Interest rate risk is that the value of future cashflows of a financial investment will fluctuate due to changes in interest rates. The Company has duration matched its liabilities within liquidity risk constraints to reduce interest rate risk.

The Company ensures interest rate risk does not represent a significant exposure to its business or solvency through its investment strategies.

The Company's Solvency II Standard Formula measure of market risk is as shown below. Concentration Risk arises from having term deposits in a relatively small number of institutions.

Risk	Capital Charge EUR'000
Interest rate risk	1,841
Equity risk	0
Property risk	0
Spread risk	635
Currency risk	345
Concentration risk	118
Sum of Charges	2,939
Diversification Effect	(853)
Market Capital Charge	**2,086**

(k) Operational risk

Operational risk is defined as the risk of loss arising from people, processes or systems, or external events. This includes risks such as legal risk, regulatory risk and risk resulting from third parties. It excludes insurance risk, market risk and counterparty default risks covered in other risk policies. It is generally qualitative in nature. Such risks include:

- Legal Risk;
- Fraud Risk;
- Reinsurance legal dispute;
- IT Risk;
- Compliance Risk;
- Health and Safety.

The Company has a full suite of governance policies and processes which further limit operational risk. The introduction of Solvency II with its governance requirements (including the requirement for Internal Control, Internal Audit, Actuarial and Risk functions) assists in further reducing operational risk.

Due to the confidential nature of the Company’s claims information, MIC has always been very sensitive to its IT security and physical data security obligations under the Data Protection Acts. The Company has a number of well-implemented policies and procedures in place. The introduction of the General Data Protection Regulation (“GDPR”) in 2018 has placed further scrutiny on the ways in which companies manage, store and share their data. MIC has had no issues with GDPR breaches or in meeting its obligations under GDPR.

The Company’s operational risk is currently considered low.

(l) Cyber risk

Cyber risk is a key risk for financial institutions. This risk has been discussed by the Board. Because of the sensitive nature of the Company’s claims information, MIC has always been particularly sensitive to its IT security obligations under the Data Protection Acts; notwithstanding the foregoing a number of measures were taken during 2021:

- The Compassur system remains in use in Cabinet Branchet with no new system envisaged in the foreseeable future. This greatly reduces any risk to Company data;
- A live replica of Compassur continues to operate from the Company’s premises and is synchronised on a daily basis. This further reduces any risk to Company data;
- The Company continues to use the Secure File Transfer System and Shared Space for securely transferring files to and from Cabinet Branchet and third parties;
- Due to the Covid-19 pandemic, MIC staff continue to work from home when necessary and no impact on productivity or IT security has been observed to date;
- The Company maintains a detailed Operational Event Log with no significant events recorded in 2021;
- The Company performed a full BCP and Disaster Recovery test which restored all file systems, data and the Management Information System from scratch. All operations took place within the required timeframe and the test was a complete success. The Company’s Disaster Recovery Plan was given a significant overhaul and was tested as part of this process.;
- The Company continues to meet all GDPR requirements with no significant events recorded in 2021;
- The Company’s external IT provider continues to apply recommended security updates on a continuous basis in order to maintain consistency with ‘best practice’. No significant risks have been identified.

(m) COVID-19

The Company has been impacted, but not materially, by Covid-19 in a number of areas:

- Operational impact
  All staff have remote-working capability, with little or no operational impact, although the medium-term sustainability of full-time remote working has been noted.
- Asset values
  There has been no COVID-related impact on asset values during the year.
- Impact on liabilities
  There is the potential for the pandemic to have a positive impact on MIC's reserves, with the increased mortality of claimants reducing claim costs. However, an estimation of this potential impact is that it is very small, and no allowance has been made.
- Claim settlement patterns
  Delays in claim processing, particularly claims that go through the court system, may have an impact on claim development patterns, and this may need to be allowed for in reserving.
- Cabinet Branchet
  CB staff have been working remotely with no operational impact.

Other material risks

There are no other material risks identified by the Company.

C.2 *(a) Risk measures*

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as more detailed in the previous paragraphs. The Company also has an established Risk Appetite Statement to assess risks in the Company and a description of the measures used therein are as follows: there have been no material changes over the reporting period:

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

C.2 (b) The nature of material risk exposures

The material risks that the Company is exposed to are:

(i) the risk of adverse claims developments; there have been no material changes over the reporting period.

(ii) Risk of reinsurer failure or default, as reinsurance is such a significant element of the Company's balance sheet;

(iii) Investment risk, particularly bank default;

(iv) Risk of failure or under-resourcing of claims handler (Cabinet Branchet).

C.2 (c) Investments in accordance with the 'prudent person principle'

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

Accordingly, the Company maintains its assets in cash equivalents, short- and medium-term deposits with EU regulated credit institutions and government and corporate bonds with a maturity of up to 10 years.

C.3 The nature of material risk concentrations

The Company has some concentration risk in its investment portfolio with exposure to various banks in Ireland, the UK and France. The Company also has some concentration risk in its reinsurance assets with concentrations of exposure to specific reinsurers.

Concentration risk is managed and mitigated through diversification and the imposition by the Risk Committee of limits of exposure to any one bank or institution and minimum security requirements. Credit ratings of investment and reinsurance counterparties are constantly monitored.

C.4 Risk mitigation practices

The Company's main risk mitigation practice is the purchase of reinsurance:

- Quota share reinsurance to reduce the retained risk. Under the 100% arrangements with MMA, retained risk has been eliminated;
- Excess of loss reinsurance to reduce exposure to any one loss or loss event;
- The Company has put a contingency plan in place to collateralise reinsurance exposures in certain circumstances.

Market risk is not considered sufficiently material to merit risk mitigation strategies such as hedging or swaps.

C.5 Liquidity Risk

The Expected Profit in Future Premiums calculated in accordance with Article 260(2) of the Delegated Acts is nil.

C.6 Risk sensitivities

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

- MMA Downgrade by 1 Credit Quality Step
- MMA Downgrade by 2 Credit Quality Steps
- MMA Downgrade by 3 Credit Quality Steps
- Claim deterioration - 10% increase in (gross) reserves across all underwriting years
- Repayment of Subordinated Loan in 2023
- Reinsurer default in 2022
- 20% Drop in Bond Portfolio Valuation in 2022
- 5% Drop in Bond Portfolio Valuation in 2022

Scenario	DESCRIPTION	Impact - up to two years
MMA Downgrade by 1 Credit Quality Step in 2021	Downgrade of MMA credit rating by 1 Credit Quality Step from AA- to A+	SCR met in each period; the downgrade reduces the capital buffer initially but subsequently recovers

MMA Downgrade by 2 Credit Quality Steps in 2021	Downgrade of MMA credit rating by 2 Credit Quality Steps from AA- to BBB+	SCR met in each period; the downgrade reduces the capital buffer initially but subsequently recovers
MMA Downgrade by 3 Credit Quality Steps in 2021	Downgrade of MMA credit rating by 3 Credit Quality Steps from AA- to BB+	SCR not met in each period; the downgrade reduces available capital and increases the SCR; contingency plans would be invoked
Reserves deterioration - 10%	10% increase in (gross) reserves across all underwriting years.	Limited impact on SCR due to 100% reinsurance
Repayment of Subordinated Debt in 2023	Repayment of €5m Subordinated Debt in 2023	Reduction of €5m in available capital. Limited impact on SCR
Reinsurer Default in 2022	This scenario considers the impact of the default of a significant reinsurer in 2022	As the loss would be absorbed by MMA IARD, the impact of a default in 2022 is an increase in the SCR coverage
20% Drop in Bond Portfolio Valuation in 2022	Market Risk scenario of 20% drop in Bond Portfolio Valuation in 2022	This scenario causes a reduction in available capital and a reduction in SCR coverage from 563% to 504%
5% Drop in Bond Portfolio Valuation in 2022	Market Risk scenario of 5% drop in Bond Portfolio Valuation in 2022	This scenario causes a reduction in available capital and a reduction in SCR coverage from 563% to 549%

The Company met its SCR throughout the projection period in all but one of the scenarios considered above, as indicated. In October 2021 Covéa Group's credit rating was reaffirmed as AA-. This upgrade had a material positive impact on the Company's SCR in 2020 and 2021, and as a result the Company now meets SCR in all but one of the above scenarios.

C.7 Any other disclosures

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

D. Regulatory Balance Sheet

D.1 (a) Assets

As at 31st December 2021, the Company held the following assets:

Medical Insurance Company DAC Assets (EUR 000's)	Current Accounting Bases	S II Valuation Principles
Goodwill		
Deferred Acquisition Costs		
Intangible Assets	-	-
Deferred Tax Assets	-	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	0	0
Investments	24,656	24,656
Property (Other than Own Use)		-
Participations and related undertakings		-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed		-
Equities (Other than Participations) - Unlisted		-
Bonds	24,656	24,656
Government and Multilateral Banks	14,849	14,849
Corporate	9,807	9,807
Structured Notes		-
Collateralised Securities		-
Collective Investments Undertakings		-
Derivatives		-
Deposits other than cash equivalents	-	-
Other Investments		-
Mortgages and Loans Made	-	-
Mortgages & loans to individuals		-
Other Mortgages & loans		-
Loans on Policies		-
Reinsurance recoverables	223,344	220,550
Reinsurance share of TP - non-life excluding health	223,344	220,550
Reinsurance share of TP - health similar to non-life		-
Deposits to cedants		
Insurance & Intermediaries Receivables	3,210	3,210
Reinsurance Receivables	11,711	11,711
Receivables (trade, not insurance)		-
Own Shares		-
Amounts due in respect of own fund items or initial fund called up but not yet paid in		-
Cash & Cash Equivalents	8,607	8,607
Any Other Assets, Not Elsewhere Shown		
Total assets	**271,528**	**268,734**

Recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

All financial assets are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Subsequent measurement

No realised or unrealised gains and losses arising from changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise as any such earnings are credited against the provision for run-off expenses. Likewise, dividend and interest income and investment management and other related expenses are not recognised when earned as these amounts are credited against the run-off reserve.

D.1 (b)

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

D.2 Technical provisions

The Company wrote a single line of business – Medical Malpractice Insurance of Private Practitioners; this is classified as Class 8 General Liability under Solvency II. The Company pays some of its claims as annuities. For reporting purposes, these claims are classified as Annuities stemming from non-life insurance contracts and relating to other health insurance obligations; this can be seen in the S.12.01.01 Life and Health SLT Technical Provisions QRT in the appendices. These claims are not separated out in the Technical Provisions table below:

Technical Provisions	31/12/2021	31/12/2020	Change
	(EUR'000s)	(EUR'000s)	(EUR'000s)
Claims Provision Gross	224,933	244,579	19,646
Premium Provision Gross	0	0	0
Gross BEL	224,933	244,579	19,646
Reinsurance Recoverables	220,550	239,498	18,948
Net BEL	4,383	5,081	698
Risk Margin	2,580	2,653	73
Technical Provisions Net of Recoverables	**6,963**	**7,734**	**771**

The Company calculates its Technical Provisions using a Frequency x Average Cost per Claim method, although other methods are also considered.

Claims are divided into the following strata for the analysis**:**

- Stratum 1 – Less than EUR 10k;
- Stratum 2 – EUR 10k up to EUR 50k;
- Stratum 3 – EUR 50k up to EUR 250k;
- Stratum 4 – EUR 250k up to EUR 1M;
- Stratum 5 – Greater than EUR 1M.

Historical numbers of reported claims were used to derive the ultimate number of notified claims. Ultimate numbers were projected using a transition matrix representing the probability of claims transitioning from one stratum to another. The calibration of this transition matrix has been updated on an annual basis. Development factors derived from data from underwriting year 2002 and onwards were used, taking into account the most recent reserving practices.

As an enhancement in the projection methodology, since the 2019 year-end calculations the Subsequent Claims were projected separately.

A number of approaches are taken to estimate the average cost per claim in each stratum, including an analysis of average cost of open claims, average cost of closed claims, average cost of all claims, with adjustments for inflation and changes in exposure. The chosen average cost per claim is a blend of the various approaches, with the weight attaching to each blend being dependant on the maturity of the year.

The ultimate cost is then derived by multiplying the frequency by the average cost per claim. An expense provision and allowance for Events not in Data are then added to give a Gross Ultimate Cost of Claims.

The resulting Gross Ultimate Cost of Claims is adjusted for paid claims to date and the reinsurance programme applied (including allowance for reinsurer default) to derive the best estimate net reserve.

The Company has both Quota Share and Excess of Loss reinsurance on all years. The quota share reinsurance of all residual liabilities (not already covered under existing treaties) which was purchased during 2018 means that, except for allowances for reinsurer default and future claim handling expenses, the Company has no net Technical Provisions.

The Company has established a provision for ULAE expenses on its statutory balance sheet; these expenses have been allocated to Technical Provisions on a Solvency II-adjusted basis.

A payout pattern derived from the past experience of the book is applied to the gross and ceded reserves to derive a net payout pattern which is then discounted, using the EIOPA published risk-free curve for EURO as at 31 December 2021, to give the Claim Provision.

Annuity claims in payment are valued using market standard mortality tables, adjusted if required for the individual circumstances of the lives in question.

(b) a description of the level of uncertainty associated with the value of technical provisions;

The Technical Provisions are subject to considerable uncertainty. In particular,

- Medical Malpractice itself is a volatile class of business, which has had a turbulent history in France as it has in many other European countries;
- Environmental changes, such as inflation, jurisprudential changes or changes in indemnification guidelines used by courts to set reserve for loss of earnings and future care costs, changes in legislation, etc. can have a significant impact on medical malpractice claims;
- Medical Malpractice is a long tail class of business therefore and more recent underwriting years of account are relatively immature which increases the uncertainty of estimates for those years;
- Even where the completeness and accuracy of the data records may be of a high standard it is unlikely that they are perfect. Any imperfections add a degree of uncertainty to the results based upon the data;
- The book has been in run-off since 2015. Many of the smaller claims have already settled. What remains includes larger and more volatile claims that are more difficult to predict. The choice of reserving method on large claims can result in material differences in estimates.

MIC has considered several sensitivity tests to illustrate the sensitivity of the reserves to various degrees of uncertainty.

The Company uses the undiscounted Best Estimate Claims Provision as a floor for the Technical Provisions booked in its Financial Statements, with an appropriate margin for prudence added to this figure. This margin is EUR 8M (gross) and EUR 0M (net). Due to the Company's reinsurance arrangements the net Best Estimate Provision is largely insensitive to "claims scenarios".

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

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

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

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

There were no material changes in the assumptions made in the calculation of Technical Provisions in the past year.

D.3 (a) Other liabilities

As at 31st December 2021, the company recorded the following liabilities for solvency purposes:

Medical Insurance Company DAC Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	228,619	227,513
TP calculated as a whole (Best estimate + Risk margin)	228,619	
Best Estimate		224,933
Risk Margin		2,580
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)		
Best Estimate		-
Risk margin		-
Other Technical Provisions		
Contingent Liabilities	-	-
Provisions Other Than Technical Provisions	-	-
Pension Benefit Obligations	-	-
Deposits from Reinsurers	-	-
Deferred Tax Liabilities	-	-
Derivatives	-	-
Debts owed to credit institutions	-	-
Financial liabilities other than debts owed to credit institutions	-	-
Insurance & intermediaries payables	-	-
Reinsurance payables	-	-
Payables (trade, not insurance)	-	-
Subordinated liabilities	5,000	5,000
Subordinated liabilities not in BOF		-
Subordinated liabilities in BOF		5,000
Any other liabilities, not elsewhere shown	557	557
Total liabilities	**234,176**	**233,070**

Assets less Liabilities	**37,352**	**35,664**

Any other liabilities, not elsewhere shown

This account represents amounts payable to the claims handler and general accruals.

D.3 (b) Solvency II technical provisions are discounted and must include any expenses relating to the servicing of insurance or reinsurance agreements, any payables or receivables which are not past due and an allowance for reinsurer default. Apart from this, there are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

D.4 Any other disclosures

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

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

Basis of preparation

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Going Concern

In accordance with FRS 102, the Directors have made an assessment of the Company's ability to continue as a going concern. Under FRS 102, an entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, the Directors consider all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised for issue.

In assessing the Company's ability to continue as a going concern, the Directors have considered, inter alia, the following key factors, covering the period under review and subsequently:

- Solvency Projections;
- Claims Run-Off;
- Balance Sheet – assets & liabilities;
- Impact of COVID-19

Solvency projections indicate that the Company will continue to maintain adequate solvency coverage for the next twelve months. As the Company's outstanding claims are long-tail in nature, the Directors are satisfied that there will continue to be a significant volume of ongoing claims in process during and following the period under consideration, and that the Company will continue to have sufficient resources to process such claims. During this period, the Company is projected to be able to maintain sufficient liquidity to meet normal claims payments. The risk of default of reinsurers and investments has been assessed and is considered to be remote. There continues to be no observable impact on the Company arising from the COVID-19 pandemic, and all operational activities continue to be performed as normal.

Furthermore, the Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period under review.

For these reasons, and based on the projected outcomes of the above-mentioned factors, the Directors continue to adopt the going concern basis in preparing the financial statements.

Basis of accounting
The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss. As the Company has no premium income, the technical result is determined at the end of each accounting period whereby the incurred cost of claims, commission and related expenses are charged against the Profit and Loss account.

Claims incurred comprise claims and related expenses paid in the period and changes in provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses. Where applicable, deductions are made for salvage and other recoveries.

Estimation techniques - claims outstanding
Outstanding claims comprise provisions for the estimated cost of settling all claims incurred up to, but not paid at, the balance sheet date, whether reported or not, together with all related claims handling expenses. Provisions for reported but unpaid claims at the balance sheet date are based on appropriate technical claims assessments. Provisions for claims that have been incurred but not reported (IBNR) at the balance sheet date are based upon the results of an actuarial evaluation undertaken by independent actuarial consultants.

Financial investments
Financial investments comprise deposits with credit institutions and investments in government and corporate bonds and are measured at fair value through the profit and loss account.

Deferred tax
Provision is made for deferred taxation on all timing differences that exist at the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. At present no such deferred tax asset is recognised.

Foreign currency
The Company's head-office and its Swiss branch maintain their accounting records in their respective local currencies. To the extent that they incur transactions in foreign currencies, these are translated into the respective local currencies at exchange rates prevailing when such transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated into the respective local currencies at exchange rates prevailing at the balance sheet date. The translation gains or losses arising are taken to the Statement of Comprehensive Income.

The Company’s financial statements are presented in euro, which is the Company’s presentation currency.

The results and financial position of the branch are translated into the presentation currency as follows:
• assets and liabilities are translated at the balance sheet date;
• income and expenses are translated at the average rate of exchange during the year; and
• all resulting exchange differences are recognised through the statement of comprehensive income.

Reinsurance
Reinsurance is a key tool in balance sheet protection and risk management. The Company’s reserves are 100% reinsured, thus reducing insurance risk to virtually nil.

Due to the long-tail nature of MIC's business, reliability on the security of reinsurers is a key component of the Company's strategy. The Company's reliance on the protection of reinsurers means that any reinsurer default could have a significant impact on the Company's balance sheet. The Company's strategy is to ensure the security of its reinsurance panel at all times and, as such, minimum credit ratings are applied to reinsurers.

Insurance Debtors
Insurance Debtors arise from (i) monthly advances made to the Company's claim handlers to settle claims, and (ii) claims payments recoverable from reinsurers under reinsurance treaties. Advances to claims handlers are made monthly, and net balances due to the Company after settlements have been made to claimants are recorded as debtors. Insurance debtor balances are settled by the claims handler on a quarterly basis.

Payments recoverable from reinsurers are recorded as debtors quarterly when bordereaux statements are issued to reinsurers.

Insurance Creditors
Insurance Creditors represent amounts payable to reinsurers in respect of reinstatement premium under Excess of Loss treaties.

Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgement in applying the accounting policies
In the application of the Company's accounting policies, as described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Critical accounting estimates and assumptions
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate primarily to the actuarial assumptions used in the determination of claims outstanding.

E. Capital Management

E.1 (a) Own funds

The positive effect of the measures taken in 2018 to strengthen the Company's Solvency Capital Ratio, including an increase in issued share capital and increase in reinsurance cover to 100%, continues to be reflected in the 2021 financial results and solvency position.

The Company's solvency position at 31 December 2021 is as follows:

YE 2021	EUR 000
SCR	8,248
Available Capital SCR	40,664
SCR Coverage Ratio	493%
SCR Margin	32,416
MCR	3,700
Available Capital MCR	40,664
MCR Coverage Ratio	1099.02%
MCR Margin	36,964

The Company's share capital of EUR 99M is fully paid up. It has EUR 5M of subordinated debt from its parent company, and does not have any plans to raise debt or issue new shares in the short or medium term.

The Company's own funds are invested in cash, fixed-term money market deposits and government and corporate bonds. There is no current intention to change this investment strategy.

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

- Target SCR coverage (see above) to be sufficient to absorb *at least* a 10% increase in gross Technical Provisions;
- No capital is planned to be issued in the short or medium term;
- No dividends are anticipated in the short or medium term; and
- Own fund items are to be invested in external bank deposits, cash or bonds in accordance with the Board's approved counterparty limits as set out in the Company's Investment Policy.

E.1 (b), (c) and (d) Own funds

The Company classifies its own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

The Company's own funds are as follows.

Own Funds Item	Value at 1 January 2021 (€)	Value at 31 December 2021 (€)
Tier 1 unrestricted	36,845,154	35,663,590
Tier 1 restricted	5,000,000	5,000,000
Tier 2 basic	0	0
Tier 2 ancillary	0	0
Tier 3	0	0
Tier 3 ancillary	0	0

Tier 1 unrestricted funds represent the net amount of shareholders' funds, i.e. the excess of assets over liabilities as calculated for solvency purposes.
Tier 1 restricted funds represent the EUR 5m subordinated debt from MIC's parent company.

E.1 (e) The equity as shown in the undertaking's financial statements is less than the excess of assets over liabilities as calculated for solvency purposes; this difference is because the technical provisions in the Financial Statements are calculated on a more prudent basis than the Solvency II Technical Provisions.

E.1 (f) The Company has subordinated debt of EUR 5M subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC

E.1 (g) The Company has no items of ancillary own funds.

E.1 (h) The Company has no items deducted from own funds.

E.2. Minimum capital requirement and solvency capital requirement

(a)

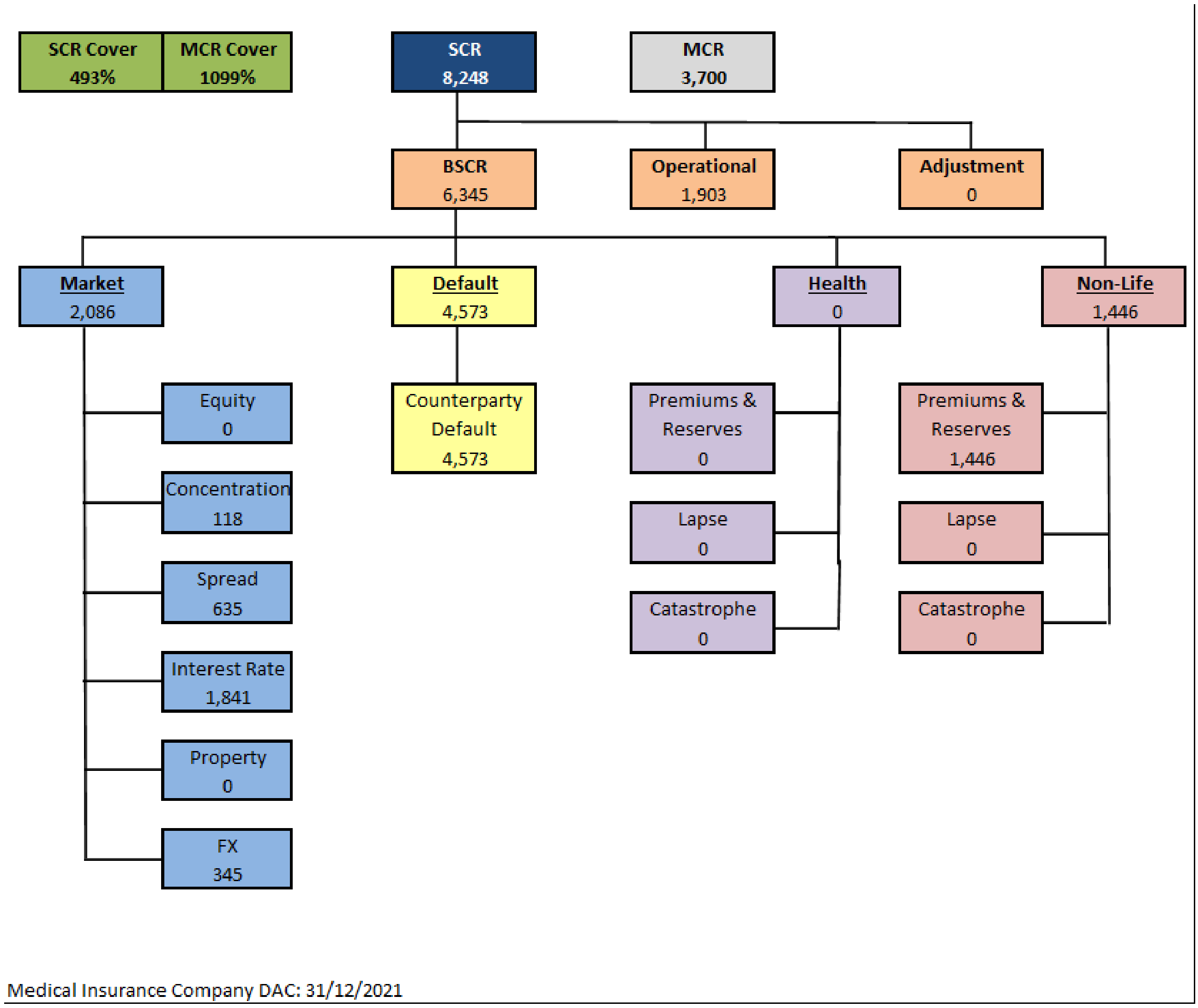
Solvency	Capital requirement (€'000)	Eligible capital (€'000)	Solvency ratio
SCR	8,248	40,664	493.02%
MCR	3,700	40,664	1099%

The **Solvency Capital Requirement ("SCR")** is the level of available capital that undertakings are required to hold under Solvency II. It is a risk-based capital measure, calibrated at a 1-in-200 year loss. Whilst it may be calculated using an Internal Model, in MIC's case it is appropriate to calculate it using the Standard Formula.

The **Minimum Capital Requirement ("MCR")** is the absolute minimum level of available capital that undertakings are required to hold under Solvency II. It is calculated as a linear formula of premium and reserves, subject to a minimum of 25% of the SCR and a maximum of 45% of the SCR.

The SCR of the Company as at 31 December 2021 was EUR 8,247,878. The SCR of the Company as at 31 December 2020 was EUR 8,871,205. The MCR of the Company as at 31 December 2021 was the AMCR of EUR 3,700,000. The main reason for the reduction in the SCR requirement was the maintenance of the AA- credit rating of Covéa Group during 2021 which resulted in a corresponding reduction in the Company's Counterparty default risk charge.

(b)



(c) The Company does not use simplified calculations for the technical provisions or any risk modules or sub-modules of the Standard Formula.

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

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

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
General liability insurance	4,383	0	10%	13%	451

Since the figure of EUR 0.451M is less than the AMCR, the AMCR is applied – i.e. EUR 3.7M.

E.3 The option set out in Article 305b used for the calculation of its solvency capital requirement

The Company does not use the duration-based equity risk sub-module as set out in Article 304 of Directive 2009/138/EC in the calculation of the Solvency Capital Requirement.

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

An internal model is not used by the Company.

E.5 Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement

There has been full compliance with the Minimum Capital Requirement and the Solvency Capital Requirement during the year.

E.6 Any other disclosures

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

F. Quantitative Reporting Templates

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	0
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	24,656
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	24,656
Government Bonds	**R0140**	14,849
Corporate Bonds	**R0150**	9,807
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**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	220,550
Non-life and health similar to non-life	**R0280**	217,527
Non-life excluding health	**R0290**	217,527
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	3,023
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	3,023
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	3,210
Reinsurance receivables	**R0370**	11,711
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**	8,607
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	268,734

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	224,455
Technical provisions – non-life (excluding health)	**R0520**	224,455
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	221,910
Risk margin	**R0550**	2,545
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**	3,058
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**	3,058
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	3,023
Risk margin	**R0680**	35
Technical provisions – index-linked and unit-linked	**R0690**	
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	
Subordinated liabilities	**R0850**	5,000
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	5,000
Any other liabilities, not elsewhere shown	**R0880**	557
Total liabilities	**R0900**	233,070
Excess of assets over liabilities	**R1000**	35,664

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	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0200**
Premiums written											
Gross - Direct Business	**R0110**										
Gross - Proportional reinsurance accepted	**R0120**										
Gross - Non-proportional reinsurance accepted	**R0130**										
Reinsurers' share	**R0140**										
Net	**R0200**										
Premiums earned											
Gross - Direct Business	**R0210**										
Gross - Proportional reinsurance accepted	**R0220**										
Gross - Non-proportional reinsurance accepted	**R0230**										
Reinsurers' share	**R0240**										
Net	**R0300**										
Claims incurred											
Gross - Direct Business	**R0310**								13,463		13,463
Gross - Proportional reinsurance accepted	**R0320**										
Gross - Non-proportional reinsurance accepted	**R0330**										
Reinsurers' share	**R0340**								13,925		13,925
Net	**R0400**								-462		-462
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**								1,500		1,500
Other expenses	**R1200**										
Total expenses	**R1300**										1,500

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

		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	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**									
Reinsurers' share	**R1420**									
Net	**R1500**									
Premiums earned										
Gross	**R1510**									
Reinsurers' share	**R1520**									
Net	**R1600**									
Claims incurred										
Gross	**R1610**						165			165
Reinsurers' share	**R1620**						165			165
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**									
Other expenses	**R2500**									
Total expenses	**R2600**									

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		FR	CH				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200							
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300							
Claims incurred								
Gross - Direct Business	R0310		13,619	10				13,628
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		13,619	10				13,628
Net	R0400							
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		1,500					1,500
Other expenses	R1200							
Total expenses	R1300							1,500

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

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

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)	Health insurance (direct business): Contracts without options and guarantees	Health insurance (direct business): Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**													
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**													
Technical provisions calculated as a sum of BE and RM														
Best Estimate														
Gross Best Estimate	**R0030**					3,023		3,023						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**					3,023		3,023						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**													
Risk Margin	**R0100**					35		35						
Amount of the transitional on Technical Provisions														
Technical Provisions calculated as a whole	**R0110**													
Best estimate	**R0120**													
Risk margin	**R0130**													
Technical provisions - total	**R0200**					3,058								

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			
		Medical expense insurance	Income protection insurance	General liability insurance	Total Non-Life obligation
		C0020	**C0030**	**C0090**	**C0180**
Technical provisions calculated as a whole	**R0010**				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**				
Technical provisions calculated as a sum of BE and RM					
Best estimate					
Premium provisions					
Gross	**R0060**				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**				
Net Best Estimate of Premium Provisions	**R0150**				
Claims provisions					
Gross	**R0160**			221,910	221,910
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**			217,527	217,527
Net Best Estimate of Claims Provisions	**R0250**			4,383	4,383
Total Best estimate - gross	**R0260**			221,910	221,910
Total Best estimate - net	**R0270**			4,383	4,383
Risk margin	**R0280**			2,545	2,545
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**			224,455	224,455
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**			217,527	217,527
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**			6,928	6,928

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	Underwriting year [UWY]

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

	Year		**Development year**									
		0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											14,743
2012	**R0160**	1,868	4,520	3,530	5,423	4,745	3,565	2,903	6,237	10,096	-1,047	
2013	**R0170**	1,492	4,359	3,280	4,086	3,036	4,964	2,520	3,231	3,837		
2014	**R0180**	1,618	4,246	4,112	3,610	4,822	6,408	3,196	4,156			
2015	**R0190**	1,029	2,910	3,309	3,333	3,133	3,715	3,413				
2016	**R0200**											
2017	**R0210**											
2018	**R0220**											
2019	**R0230**											
2020	**R0240**											
2021	**R0250**											

		In Current year	**Sum of years (cumulative)**
		C0170	**C0180**
	R0100	14,743	14,743
	R0160	-1,047	41,839
	R0170	3,837	30,805
	R0180	4,156	32,168
	R0190	3,413	20,842
	R0200		
	R0210		
	R0220		
	R0230		
	R0240		
	R0250		
Total	**R0260**	25,102	140,397

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year		**Development year**									
		0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											92,004
2012	**R0160**					41,608	38,668	35,062	31,804	28,713	33,886	
2013	**R0170**				34,148	31,735	30,468	25,852	23,420	19,824		
2014	**R0180**			49,986	46,454	48,189	44,468	39,196	40,405			
2015	**R0190**		43,016	39,976	46,918	56,080	42,475	38,552				
2016	**R0200**											
2017	**R0210**											
2018	**R0220**											
2019	**R0230**											
2020	**R0240**											
2021	**R0250**											

		Year end (discounted data)
		C0360
	R0100	90,873
	R0160	33,470
	R0170	19,580
	R0180	39,909
	R0190	38,078
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	**R0260**	221,910

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	99,000	99,000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-63,336	-63,336			
Subordinated liabilities	R0140	5,000		5,000		
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	40,664	35,664	5,000		
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	40,664	35,664	5,000		
Total available own funds to meet the MCR	R0510	40,664	35,664	5,000		
Total eligible own funds to meet the SCR	R0540	40,664	35,664	5,000		
Total eligible own funds to meet the MCR	R0550	40,664	35,664	5,000		
SCR	R0580	8,248				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	493.02%				
Ratio of Eligible own funds to MCR	R0640	1099.02%				

Annex I

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	35,664				
Own shares (held directly and indirectly)	**R0710**					
Foreseeable dividends, distributions and charges	**R0720**					
Other basic own fund items	**R0730**	99,000				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**					
Reconciliation reserve	**R0760**	-63,336				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**					
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**					
Total Expected profits included in future premiums (EPIFP)	**R0790**					

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	2,086		
Counterparty default risk	**R0020**	4,573		
Life underwriting risk	**R0030**			
Health underwriting risk	**R0040**			
Non-life underwriting risk	**R0050**	1,446		
Diversification	**R0060**	-1,761		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	6,345		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	1,903
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	8,248
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	8,248
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	2 - No

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

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	451

		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		
General liability insurance and proportional reinsurance	R0090	4,383	
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	451
SCR	R0310	8,248
MCR cap	R0320	3,712
MCR floor	R0330	2,062
Combined MCR	R0340	2,062
Absolute floor of the MCR	R0350	3,700
		C0070
Minimum Capital Requirement	R0400	3,700

Means of Disclosure

The Company does not own or maintain a website related to its business, nor is it a member of a trade association. The Company will provide an electronic copy of this report to any person who requests a copy of this report.