

R&Q Theta DAC
(Formerly known as Electric Insurance Ireland DAC)

Solvency and Financial Condition Report
Reporting period ended 31 December 2021

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Executive Summary

This Report refers to the business of R&Q Theta DAC ('Theta' or 'the Company'), formerly known as Electric Insurance Ireland DAC, an insurer, authorised and supervised by the Central Bank of Ireland. The report provides the reader with information on the Company's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management for the reporting period ended 31 December 2021.

Theta has prepared this report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by EIOPA.

During 2021, the Company was sold by Electric Insurance Company (within the wider General Electric group) to the R&Q Group ("R&Q", "the Group"), following which, the Company's new shareholder became "Randall & Quilter II Holdings Limited". Post-acquisition of the business by R&Q, the Company's name was also changed from "Electric Insurance Ireland DAC", to "R&Q Theta DAC" during 2021.

The Company is a former captive insurance company of the General Electric group and was entered into run off post-31/12/2020. The Company was acquired by R&Q, whereby once owned by the Group, it is envisaged that pursuant to Section 13 of the Assurance Companies Act 1909, Sections 36 of the Insurance Act 1989 and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015, if approved by the Irish High Court, all unexpired liabilities will be transferred to another R&Q Group entity; Accredited Insurance (Europe) Limited ("AIEL"), (the "Planned Portfolio Transfer").

Following the acquisition of the Company by R&Q in 2021, the Company has lost its designated 'captive' insurance company status, as defined within the *"Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015"*.

As part of the sale of the Company during 2021, the Company's previous reinsurance arrangement with Electric Insurance Company was commuted and replaced by a new outwards reinsurance contract with R&Q Re (Cayman) Ltd., based in the Cayman Islands and part of the Company's new parent company Group; R&Q.

The Board of Directors ("the Board") has identified the key risks to which Theta is exposed and established appropriate corporate governance, risk management and reporting mechanisms to ensure that the identified risks remain relevant, and that they are managed and reported on with appropriate levels of detail and frequency. The Company has established a comprehensive suite of risk policies and implemented a series of internal controls to ensure that Theta can be managed in accordance with its governance and risk management systems. Documented escalation mechanisms are in place to ensure that any breaches in risk limits and tolerances, internal controls and governance requirements can be reported promptly to the appropriate individuals

Risks to which the Company is exposed are well understood and are used to determine the level of solvency and capital required over a forward-looking business planning period. The results of this exercise are used to better inform decision making within the Company.

Investment of Company funds is in line with the documented investment strategy, reflecting a 'prudent person' approach to the management of counterparty, concentration, interest rate and currency risk.

There were no other material changes to Theta's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

As at 31 December 2021, the Company had eligible own funds of €8,311,042 (2020: €5,669,321) available to meet its Solvency Capital Requirement ("SCR") of €4,854,306 (2020: €3,909,382); resulting in a Solvency Ratio of 171% (2020: 145%), which is in compliance with the regulatory solvency requirements per the Solvency II regulations. The Board is satisfied that the Company has adequate and appropriate capital to support its business operations. The Minimum Capital Requirement ("MCR") was also satisfactorily met at the period end. There were no instances of non-compliance with the capital requirements during the period.

A. Business & Performance

A.1. Business

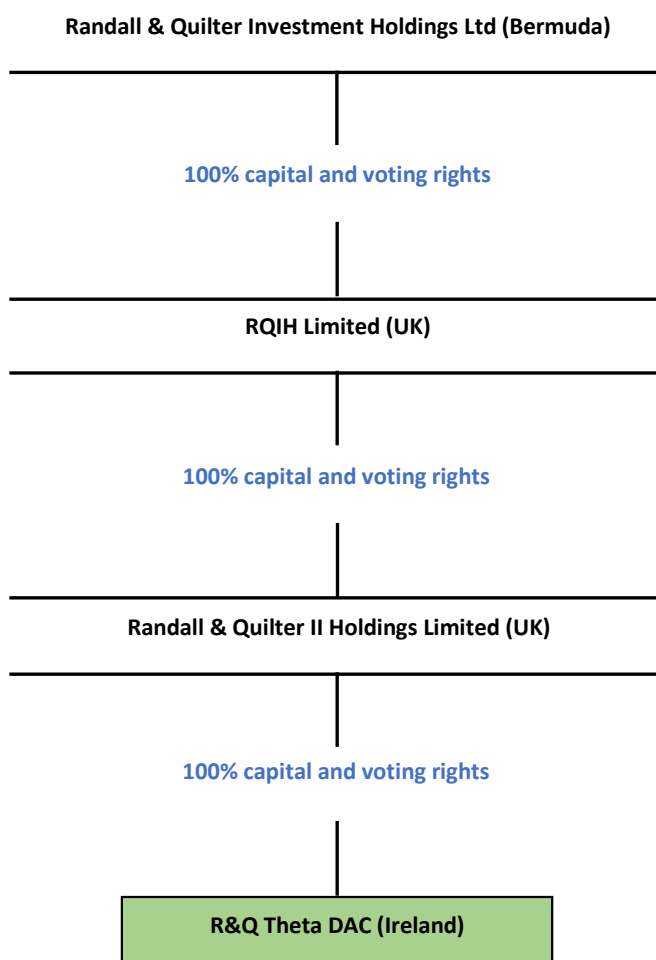
This Report refers to the business of R&Q Theta DAC ('Theta' or 'the Company'), an insurer, authorised and supervised by the Central Bank of Ireland.

The Company is the wholly owned subsidiary of Randall & Quilter II Holdings Limited, which is a financial services holding company incorporated in the United Kingdom, from 13 May 2021.

The Company's business address and registered office is 3rd Floor, The Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

Theta is authorised by the Central Bank of Ireland ("CBI"), under the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485), to carry out the business of non-life insurance. Authorisation is in respect of Class 13 - General Liability risks and Class 10 – Motor Vehicle Liability. The insurance supervision division at the CBI may be contacted at their offices in New Wapping Street, North Wall Quay, Dublin 1, Ireland.

Subsequent to a change in ownership, which was completed on 13 May 2021, the current organisation structure of the Company is as follows:



The Company is a former captive insurance company of the General Electric group and was entered into run off post-31/12/2020. The Company was acquired by R&Q, whereby once owned by the Group, it is envisaged that pursuant to Section 13 of the Assurance Companies Act 1909, Sections 36 of the Insurance Act 1989 and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015, if approved by the Irish High Court, all unexpired liabilities will be transferred to another R&Q Group entity; Accredited Insurance (Europe) Limited (“AIEL”), (the “Planned Portfolio Transfer”).

Following the acquisition of the Company by R&Q in 2021, the Company has lost its designated- ‘captive’ insurance company status, as defined within the *“Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015”*.

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

Theta is incorporated in Ireland and is licensed by the CBI as an insurance undertaking. Theta conducts all of its significant business activities, including claims reserving, payments and investing from its offices in Ireland. As such Theta strives to ensure compliance with all relevant Irish laws and regulations.

Mazars is the appointed external auditor of the Company and is located at Harcourt Centre, Block 3, Harcourt Road, Dublin 2, Ireland.

A.2. Underwriting Performance

The principal risks and uncertainties that the Company faces are those for which it has historically provided insurance cover. The Company recognises the uncertainty surrounding the severity and frequency of historical claims, which can lead to significant variation in the Company’s performance in the short-term. Whilst judgement is involved within the reserving process, the directors adopt an appropriately prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary who serves as the Head of Actuarial Function.

Post-acquisition of the Company by R&Q, The Group’s strategy is to maintain minimal risk within Theta, through the use of a new a stop-loss reinsurance arrangement with R&Q Re (Cayman) Ltd.

Analysis of gross premiums written

Resulting from contracts concluded in the Republic of Ireland with clients in:

	2021	2020
	€	€
EU Member states other than the Republic of Ireland	-	6,982,788
Republic of Ireland	-	403,615
Non-EU member states	-	65,336
	-	7,451,739

Premiums written relate to business incepted during the financial year.

As the Company has entered into run off post-31/12/2020, no premium was written by the Company after this date, therefore Gross premium written for the year ended 31 December 2021 amounted to nil (2020: €7.5m).

Analysis of gross premiums written, gross premiums earned, gross claims incurred, gross operating expenses and the reinsurer's balance

2021

	Gross Premium Written	Gross Claims Incurred	Gross Operating Expenses	Reinsurer's Balance
	€	€	€	€
<u>Direct Insurance</u>				
Motor Liability	-	680,535	(60,423)	(434,927)
General Liability	-	12,497,195	(772,067)	(10,522,316)
Employer's Liability	-	2,978,958	(93,802)	(3,052,566)
	-	16,156,688	(926,292)	(14,009,809)

2020

	Gross Premium Written	Gross Claims Incurred	Gross Operating Expenses	Reinsurer's Balance
	€	€	€	€
<u>Direct Insurance</u>				
Motor Liability	486,086	648,634	(55,795)	(975,461)
General Liability	6,211,047	(8,081,913)	(712,925)	1,980,764
Employer's Liability	754,606	285,257	(86,616)	(803,146)
	7,451,739	(7,148,022)	(855,336)	202,157

Gross claims paid during the financial year ended 31 December 2021 totalled €3.7m (2020: €6.3m). This compares to net claims paid of €2.5m (2020: €2.1m). For the year ended 31 December 2021, the movement in gross claims provisions was (€19.9m) (2020: €0.9m) with the movement in the net claims provision (€1.4m) (2020: €0.1m). Net operating expenses for the year amounted to €0.9m (2020: €0.9m).

Provision is made for notified losses on all underwriting years. Provisions are calculated gross of any reinsurance recoveries with a separate estimate being made of amounts recoverable from reinsurers.

Profit after tax for the year ended 31 December 2021 amounted to €1.4m (2020: loss of €0.2m).

A.3. Investment Performance

The investment position of the Company is monitored by the Board and Group Treasury on a regular basis, to ensure the investment guidelines of the Company are adhered to.

In line with the Company's documented investment policy, investments during the period included Cash at bank, Funds at Lloyd's and fixed income bonds.

The investment income including unrealised and realised gains and losses for the year to 31 December 2021 amounted to €347k (2020: negative €36k).

The unrealised gains on investments reserves at 31 December 2021 amounted to negative €189k (2020: €370k).

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

A.4. Performance of other activities

Theta does not engage in any activities other than those associated with insurance and has not entered into any leasing agreements.

A.5. Any other information

The Company had not written any new business or accepted risk through insurance operations from 1 January 2021 and the Company is in run-off since then.

Randall & Quilter II Holdings Limited purchased the Company on 13 May 2021 and the Company's name was changed to R&Q Theta DAC from Electric Insurance Ireland DAC. All current directors were appointed on 13 May 2021.

Events Since The Year End

On 24 February 2022, Russia commenced an invasion of Ukraine. The invasion has had a significant impact on a number of financial markets. The directors have considered the impact of these developments on the Company and have determined that, to the best of their knowledge, there is no material exposure to its operations or financial position. The directors will continue to monitor this ongoing situation for further developments which may impact the Company.

There is nothing further to report with respect to the Company's business and performance.

B. System of Governance

B.1. General information on the system of governance

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

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

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

1. Governance Framework, aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.
2. Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.
3. A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.
4. A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

There have been no material changes to this structure since the prior reporting period.

In order to achieve the Company's objectives, the Board has established a system of governance with the following core components:

- the Board is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties;
- all authority emanates from the Board and responsibilities are delegated in such a manner so as to ensure that no one individual has unfettered powers of decision;
- an embedded Compliance Function aiming to ensure the continuous compliance of the Company with all applicable legal, regulatory and administrative requirements;
- an appropriate segregation of duties in order to enable the Risk Management, Internal Audit, Actuarial and Compliance Function to perform independent risk and business control mitigation, monitoring and reporting tasks;
- a meaningful and practical approach in documenting policies and strategies to formalise all processes in an efficient and fit-for-purpose manner; and
- structured reporting processes to enable an appropriate escalation of risks and issues to the Board in order to ensure a clear and comprehensive information process allowing the Board to conduct business in an efficient and prudent manner in line with the strategic objectives.

Key Functions

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. This is facilitated by the straightforward nature of the Company's structure and fit-for-purpose documented policies and procedures which are clearly communicated and well understood by all relevant parties. The Board has ensured that the key functions are appropriately resourced and have the necessary authority and operational independence to perform their roles. The Company has engaged Aon Insurance Managers (Dublin) Limited ("AIMD") for the provision of management services, under the terms of an outsourced service and management agreement which is overseen by the Board.

(i) Risk Management

The Risk Management Function, as lead by the Chief Risk Officer ("CRO"), reports to the Board, with oversight from the Risk Committee. The CRO is supported by a team that possesses skills ranging from risk management, actuarial, claims, legal, information technology and the Irish regulatory environment. Responsibilities of the Risk Management Function are set out under section B.3.

(ii) Actuarial

The Actuarial Function, as lead by the Head of the Actuarial Function, reports to the Board, with oversight from the Risk Committee. The Head of the Actuarial Function is supported by a team of actuarial specialists. Details of the Actuarial Function duties and responsibilities are outlined under Section B.6.

(iii) Internal Audit

The Internal Audit Function, as lead by the Head of Internal Audit, reports to the Board with oversight from the Audit Committee. The Head of Internal Audit is supported by various Board approved external service providers that have the requisite skills and experience to perform the audit work. This approach ensures that there is a strong level of independence from operational activities. Details of the Internal Audit Function duties and responsibilities are outlined under Section B.5.

(iv) Compliance

The Compliance Function, as lead by the Head of Compliance Function, reports to the Board. The Head of the Compliance Function is supported by a team with skills that include the Irish regulatory environment, financial crime, data protection, monitoring and compliance etc. Responsibilities of the Compliance Function are set out in Section B.4.2, "Compliance Function". Details of the Compliance Function duties and responsibilities are outlined under Section B.4.

Remuneration and material transactions

Independent non-executive directors receive remuneration for their services as directors to the Company. There are no employees and consequently no remuneration is paid. Other than the transactions noted below, which arise in the normal course of business, the Company had no material transactions during the reporting period with members of the shareholder group or Board of Directors.

Material related party transactions

Theta entered into the following related party transactions during the year ended 31 December 2021:

- The Company had gross written premium income of €Nil (2020: €7,451,739).
- The Company entered into a commutation and release agreement with Electric Insurance Company effective on 13 May 2021 for €42,578,332 (2020: €Nil).

- The Company had outwards reinsurance premiums of €Nil (2020: €4,912,452) to Electric Insurance Company (“EIC”) and €39,300,000 to R&Q Re (Cayman) Ltd (2020: €Nil).
- The Company had claims paid, on behalf of GE, its subsidiaries and affiliates of €1,540,561 to 13 May 2021 (2020: €6,264,558).
- The Company had claims recovered from EIC of €1,489,166 to 13th May 2021 (2020: €4,141,919).
- The Company incurred service fees to EIC of €152,457 to 13th May 2021 (2020: €329,908) and to R&Q Central Services Limited of €12,103 (2020: €Nil).

No other material transactions took place with directors, shareholders or persons who exercise significant influence over the Company.

B.2. Fit & Proper requirements

Theta has documented its Fitness & Probity policy setting out the Company’s approach to the selection and assessment of the persons who effectively run the Company or are responsible for other key functions.

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

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

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

For those roles which are prescribed by the CBI as Controlled Functions (“CFs”) and Pre-approval Controlled Functions (“PCFs”), the Compliance function adopts appropriate control and due diligence processes in the selection and vetting of such individuals to ensure that they meet the regulator’s fit and proper criteria. Written approval from the CBI is obtained prior to the appointment of PCFs. Appointed individuals are required to maintain on-going compliance with the Standards of Fitness & Probity and the guidance issued by the CBI. This is assessed by the Company on an annual basis.

B.3. Risk Management System including the own risk and solvency assessment

The Company’s Risk Management System:

- sets out the level of risk acceptable by the Company (Risk Appetite and risk tolerance);
- identifies the risks which represent a threat to the achievement of its strategic objectives;
- identifies, defines and regularly measures key risk indicators enabling an efficient monitoring of risks;
- defines the appropriate actions to reduce the Company's risk exposure;
- ensures the risk management framework is implemented in day-to-day business processes; and
- regularly reviews controls and mitigation actions to ensure that they remain relevant and effective.

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

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented and specified through specific risk management policies for each key risk category. The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

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

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

Own Risk and Solvency Assessment

The Company performs an Own Risk and Solvency Assessment ("ORSA") process annually in order to provide its Board of Directors with a forward-looking risk and capital assessment. The adequacy of the available capital, the Risk Appetite Framework and the appropriateness of the risk limits is assessed for the business planning period, considering the evolving risk profile. To this end, risks and scenarios to which the Company is exposed during the business planning period and which may affect the capacity to meet its insurance obligations or pose a threat to the achievement of its business objectives are taken into account.

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in both expected and stressed situations. Business projections, stresses and scenarios are compiled by the Operations Functions with input and agreement from the Board to ensure that these are appropriate for the Company.

Capital and solvency projections are conducted by the Actuarial Function and validated by the Risk Management Function. Where applicable, any future additional capital needs will be identified and aligned to the Company's capital management plan i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

In line with CBI requirements, the Head of Actuarial Function ("HoAF") provides an actuarial opinion to the Board in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board for review and challenge. Following feedback and approval from the Board, the Company's ORSA report is finalised and results submitted to the CBI.

The ORSA report provides clarity over projected risk assessments and solvency needs to three different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching projected risks vs the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.

Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to solvency capital requirements	Gathers information about: projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

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

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

Committees

A Risk Committee has been appointed to assist the Board in performing its duties with respect to the underwriting and claims management process. The Committee's role, responsibilities, constitution, membership, reporting requirements, etc. are set out in detail in its separate Terms of Reference as approved by the Board. The main responsibilities include reviewing the underwriting and claims performance of the Company. From 2022 onwards, following confirmation from the CBI, the Company's Board may now act as the Company's Risk Committee.

An Audit Committee has been appointed to assist the Board in performing its duties with respect to the oversight responsibilities relating to the integrity of the Company's financial statements, reporting process, and systems of internal accounting and financial controls. The Committee's role, responsibilities, constitution, membership, reporting requirements etc. are set out in detail in its separate Terms of Reference as approved by the Board. The main responsibilities include reviewing financial statements and discussing the results of the annual audit. From 2022 onwards, following confirmation from the CBI, the Company's Board may now act as the Company's Audit Committee.

B.4. Internal Control System

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

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

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
2) Risk assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.

3) Reporting channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
4) Monitoring process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables to Company to continuously monitor and adapt when necessary its Internal Control System.
5) Control activities	The Company developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations, as formalized hereafter.

Detailed Processes and Embedded Control Activities

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

These items are approved by the Board and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Compliance Function

The Compliance Function is an integral component of the Company's governance system. The Company has a dedicated Head of Compliance reporting directly into the Board, supported by a Compliance Officer who coordinates the activities of the Compliance Function.

The responsibilities of the Compliance Function include:

- utilisation of compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- identification and communication throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function seeks to embed compliance with these laws, regulations and codes of conduct in the way the Company does business.
- maintenance of a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- investigation and follow up of compliance breaches, ensuring timely reporting to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- consideration of possible future changes in the legal environment and their potential effect on the Company, as well as providing regular compliance and regulatory updates to the Board.
- presentation of an annual Compliance Plan to the Board, outlining specific areas which it will focus on during a particular year.
- promotion of a culture of compliance throughout the Company.

B.5. Internal Audit Function

Purpose & Objectives

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

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

Responsibilities of the Internal Audit Function include:

- Establishing, implementing and maintaining a rolling multi-year audit plan setting out the audit work to be undertaken, taking into account the Company's activities and its system of governance and risk management
- Presenting the audit plan to the Board on an annual basis
- Provide a written report to the Board upon the completion of the annual internal audit including findings, recommendations and timelines for any remediation of work

The Internal Audit Function and the appointed Head of Internal Audit report directly to the Board.

Independence and Impartiality

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

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

B.6. Actuarial Function

The Head of Actuarial Function, a PCF, is the actuarial key function holder and part of the second line of defence in relation to reporting, oversight and controlling activities.

Role and Responsibility of the Actuarial Function include:

- Coordination of the calculation of technical provisions;
- Identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- Explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- Assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;
- The Actuarial Function, when providing its opinion on the Underwriting Policy and the reinsurance arrangements, to take into consideration the interrelations between these and the technical provisions;
- Report in writing at least annually to the Board. The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:
 - i. Details of the Technical Provisions
 - ii. Methodologies & assumptions

- iii. Data sufficiency & quality
- iv. Experience analysis
- v. Report to the Board on reliability & adequacy
- vi. Opinion on Underwriting policy
- vii. Opinion on Reinsurance arrangements.

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

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

Responsibility

The HoAF reports to the Board and issues a report in writing at least annually documenting all of the material tasks that have been undertaken by the Actuarial Function during the reporting period.

In establishing the Company's Actuarial Function, the Board has ensured that the persons involved have the requisite qualifications and demonstrable experience in the area of non-life reserving and are fully conversant with the Solvency II requirements for the calculation of Technical Provisions.

B.7. Outsourcing

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

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

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

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

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

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

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

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

Critical or important function	Outsourced Service Provider	Jurisdiction
Claims administration	AIMD	Ireland
Finance and accounting	AIMD	Ireland
Compliance Officer	AIMD	Ireland
Risk Management Function	R&Q	UK
Investment Management Function	Conning Investment Managers & R&Q	UK
Actuarial reserving	Allied Risk Management	Ireland
Actuarial Function	Allied Risk Management	Ireland
Internal Audit Function	R&Q replaced EIC 13 May 2021	UK
Statutory Audit (External)	Mazars	Ireland
Claims handling	Crawford	United Kingdom

Assessment of adequacy of system of governance

The Board, with input and expertise from the insurance manager and the Risk Management and Compliance Functions performs an annual assessment of the adequacy of Theta's system of governance, with due regards to regulatory guidance.

The Board's assessment is supplemented by periodic internal audit work.

Based on the most recent assessment, the Board has concluded that the system of governance is appropriate for the nature, scale and complexity of the Company.

B.8. Any other information

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

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

C. Risk Profile

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

- the Company's overall philosophy to risk taking and the expectations of shareholders;
- the Company's tolerance to loss of capital, profit volatility and other specified measures; and
- the risk limits that are acceptable in terms of exposures to different types of risk.

The Company's Risk Register combines operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's strategic objectives.

The Board's annual ORSA process is based on the company's current and expected risk profile over the business planning period and supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, risk management and capital management.

C.1. Underwriting Risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it has sufficient reserves to meet the cost of potential claims over time but the uncertainty surrounding the severity and frequency of claims can lead to variation in the Company's performance over the short-term. Whilst considerable judgement is involved, the directors ensure that suitable processes are in place to ensure the reliability, sufficiency and adequacy of the statistical and accounting data to be considered in loss reserving exercises.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

As the Company is a former captive insurer, it is effectively insuring the risks of one customer, that of the previous parent group, and thus is exposed to risk concentration. However, diversification is achieved through the varying geographical locations of the underlying risks.

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates, especially taking account of the longer-term nature of the risks which the Company underwrites.

The Company manages these risks through its underwriting strategy of arranging for an external qualified actuary to review reserve adequacy of the Company on an annual basis and having adequate reinsurance arrangements in place. The Company also monitors emerging issues and factors in their potential impact on the Company's claims reserving.

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

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

Annual support and certification is provided by the Company's Actuarial Function.

As part of the Company's ORSA process, stress and scenario tests incorporating claims experience are considered.

Sensitivity analysis is also performed for underwriting risks by selecting conservative movements in the ultimate loss ratios ("ULRs") used in the estimation of claims reserves for financial statements purposes and holding all other assumptions constant. The resultant impact on gross claims reserves and Profit before Tax ("PBT") for the financial period is shown below:

	Gross Claims Reserve	Impact on PBT for the year	Impact on Equity for the year
	€	€	€
2021			
Increase in loss reserves by 10%	35,837,887	(130,205)	(113,930)
Decrease in loss reserves by 10%	29,321,907	130,205	113,930
2020			
Increase in loss reserves by 10%	57,679,537	(353,342)	(309,174)
Decrease in loss reserves by 10%	47,192,349	132,923	116,307

The Company takes all reasonable steps to ensure that it has appropriate information regarding its underwriting exposures.

C.2. Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to, value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. Management diversifies its portfolio to reduce the exposure to market fluctuations.

Theta has an investment strategy in place in line with its Risk Appetite Framework and the related 'Prudent Person' regulatory requirements. The Company endeavours to:

- prudently invest with consideration of the prevailing financial market environment;
- ensure the Company invests appropriately so as not to result in the Company failing to meet its Solvency Capital Requirements;
- ensure that the Company holds assets of sufficient value and liquidity to meet all liabilities as they become due;
- maximise investment return within the levels of risk as defined by the Company's Risk Appetite;
- ensure compliance with the Liquidity Strategy and Policy;
- ensure compliance with the Asset-Liability Management Strategy and Policy; and
- ensure effective risk management of investments at all times, with due consideration of the risks associated with investments and procedures to monitor, manage and report these risks in a timely manner as part of the Company's overall Risk Management System.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

Interest rate risk arises on the Company's fixed income portfolio. The fair value of the fixed income portfolio is generally inversely correlated to movements in market interest rates. If market interest rates fall, the fair value of the Company's fixed income investments would tend to rise and vice versa. The sensitivity of the price of fixed income securities is impacted by its duration. The greater a security's duration, the greater its percentage price volatility.

Given the short-term cash nature of the assets and the fixed interest on debt securities, the impact of interest rate risk is limited. The exposure is kept under review, however, the Company did not carry out any stress testing or sensitivity analysis relating to the interest rate risk during the reporting period.

Foreign currency risk can be described as the risk that the Company might be affected due to an adverse movement in foreign exchange rates. The Company is a Euro regulated company that operates in Ireland.

The Company's principal transactions are carried out in USD and Euro and its exposure to foreign exchange risk arises primarily with respect to GBP. Premium was formerly paid in Euro, with claims incurred in countries denominated in currencies; EUR, GBP, HUF, NOK PLN and SEK.

C.3. Credit Risk

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

- Cash and cash equivalents;
- Other financial investments
- Reinsurers' share of technical provisions; and
- Debtors arising out of direct insurance operations

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents (including Funds at Lloyd's) and financial investments .

The Company cedes a portion of risk to R&Q Re (Cayman) Ltd., a Group company. The purchase of reinsurance does not relieve the Company of its obligation to its reinsured and accordingly a credit risk exists to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance agreements. The risk is mitigated as the premium payable by the Company to the Reinsurer is on a withheld basis.

C.4. Liquidity Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial obligations. The Company manages liquidity risk by investing all of its investments in banks or within fixed income bonds held with State Street, both of which are of high credit quality.

Investments in the fund are in compliance with the Company's investment guidelines. As such, the Company has determined that liquidity risk does not represent a significant exposure to its business. The exposure is kept under review, and although they have stressed this in prior years, the Company did not carry out any stress testing or sensitivity analysis relating to the liquidity risk during this reporting period.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period.

C.5. Operational Risk

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

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

The Company has a rigorous control framework and monitoring process in place to manage operational risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures. Outsourced activities are monitored and managed in the same manner in line with the Outsourcing policy.

In addition, Theta is subject to Internal and External Audit review.

The Company maintains a regulatory dialogue with the CBI to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible, Theta has put in place service level agreements and regularly reviews the outsourced service providers

There have been no other changes in the operational risk environment during the reporting period.

C.6. Other Material Risks

Strategic Risk

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

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

- Review at least annually the appropriateness of the high-level overall objectives for the Company; the major risks facing the Company; the Risk Appetite for each of these major risks identified.
- Ensure the Company Strategy is implemented correctly.
- Ensure that Risk Tolerance levels are not exceeded individually or in total.

There have been no changes to the measures used to assess the risk exposure or the material risks over the reporting period. The exposure is kept under review, however, the Company did not carry out any stress testing or sensitivity analysis relating to the above risk(s) during the reporting period.

C.7. Any other information

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

D. Valuation for Solvency Purposes

D.1. Assets

The directors intend to transfer the technical provisions of the Company to a sister Group company, subject to relevant legal and regulatory approvals. Following which, the Company is expected to return its insurance licence to the CBI and to recommend to the shareholder to wind up the Company. The financial statements have been prepared on a basis other than going concern. The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realise and liabilities include any amounts which have crystallised as a result of the intention to return the Company's insurance licence and to wind up the entity.

The results and liabilities as at 31 December 2021 included the expected costs to be incurred in winding up the company, including liquidation costs. In all other respects, the financial statements have been prepared in accordance with the accounting framework and Irish law, in compliance with FRS 102 and FRS 103 issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants Ireland, being applicable in UK and Irish GAAP accounting standards, and in accordance with the provisions of the Companies Act 2014 and the European Union (Insurance undertakings: Financial Statements Regulations 2015).

The Company has the following classes of assets:

- **Cash and cash equivalents** - €0.55m (2020: €0.83m)
- **Funds at Lloyd's** - €3.53m (2020: €0)
- **Investments** - €45.6m (2020: €9.76m)
- **Debtors arising out of direct insurance operations and tax receivable** - €0.16m (2020: €0.28m)
- **Prepayments and accrued income** - €0.44m (2020: €0.09m)
- **Reinsurers share of insurance liabilities** - €30.70m (2020: €49.15m)

Cash and cash equivalents comprise cash at banks and in-hand and Funds at Lloyd's. All are highly liquid with maturity of ninety days or less. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments. The only material differences in the valuation of these assets between the financial statements and the Solvency II Annual Quantitative Reporting Templates ("QRT's") relate to:

- accrued interest on the cash and cash equivalents, which is shown separately in the Financial Statements.
- Funds at Lloyd's is treated as Cash and cash equivalents in the Financial statements but categorised and valued as 'Unlisted equity' for Solvency II valuation purposes.

Debt securities, other fixed income securities and equities are included as Investments in the balance sheet at carrying value, with realised and unrealised gains being included in Other Comprehensive Income.

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

Debtors arising out of direct insurance operations comprise Crawford's Escrow account balances. In prior year there was a tax receivable included.

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

The Solvency II deferred tax asset arises due to valuation differences between the Financial Statement Balance Sheet and the Solvency II Balance Sheet. The size of the deferred tax asset is the valuation difference multiplied by the applicable tax rate (12.5%).

A reconciliation of the valuation for Solvency II purposes is as follows:

2021

Asset (€)	Financial Statements	Solvency II
Cash and cash equivalents	4,080,007	552,588
Unlisted equity	-	3,527,419
Investments	45,549,065	45,991,087
Reinsurers' share of technical provisions	30,702,660	29,336,291
Prepayments and accrued income	441,989	-
Other debtors	161,664	161,664
Deferred tax asset	-	23,590
Total	80,935,385	79,592,606

2020

Asset (€)	Financial Statements	Solvency II
Cash and cash equivalents	831,406	831,406
Investments	9,755,635	9,849,429
Reinsurers' share of technical provisions	49,145,419	46,464,898
Prepayments and accrued income	95,083	-
Other debtors	277,528	277,528
Total	60,105,071	57,423,261

D.2. Technical Provisions

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

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

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of the Head of Actuarial Function. The reserves include estimates for both case reserves (and future claims handling expense) and losses incurred but not reported ("IBNR").

In determining the technical provisions, Theta's actuaries use the following deterministic methodologies;

- Link Ratio Method
- Credibility methods
- Initial Estimated Loss Ratio
- Estimated Loss Ratio Method

Further details of the methodologies used are located below:

Link Ratio Method

A "link ratio" is the name given to the ratios formed for each underwriting year by taking: *Cumulative claims to period of development T* / *Cumulative claims to period of development (T-1)*.

The method involves using the crude link ratios in two stages:

- Selection of smoothed link ratios for those periods where sufficient development data is available.
- Estimation of link ratios for periods where the development data available is sparse or non-existent.

The first stage involves examining various weighted averages of past development and the selection of representative estimates to be applied to future years. The second stage involves fitting curves to the ratios selected in the first stage and using these curves to project ratios for the tail of the development.

These ratios are then applied to the latest cumulative claim figures, separately for each year of account, to project future claims to ultimate.

Credibility Methods

Credibility Methods are mainly used to estimate claims for the most recent accident years, where it is considered that the Link Ratio Method gives unreliable answers due to the immaturity of the development.

The Bornheutter-Ferguson ("BF") method produces a weighted average of an ultimate claim estimate derived by the link ratio method and another "a priori" estimate using an ultimate loss ratio.

The "Cape Cod" method uses weights proportional to exposure and inversely proportional to development to deduce the overall developed loss ratio, and hence the IBNR reserves. It increases the credibility weights given to actual experience over projected experience.

Initial Estimated Loss Ratio ("IELR")

The IELR is the "a priori" estimate of the ultimate loss ratio used in the Bornhuetter-Ferguson method. The IELR could be based on prior claims experience, expert judgement, external benchmarks or a combination of these factors.

Estimated Loss Ratio Method

This method is mainly used to estimate claims for the most recent accident years or for years where there is limited historic claims experience. For these years, it is considered that the Link Ratio Method gives unreliable answers due to the immaturity of the development. An estimated loss ratio is applied to the ultimate premium to calculate the ultimate claims estimate. The estimated loss ratio could be based on prior claims experience, expert judgement, external benchmarks or a combination of these factors.

Solvency II Technical Provisions

The technical provisions of Theta relate solely to the liability business, gross and net of reinsurance amounts are set out below in EUR:

Solvency II technical provision (EUR)	31/12/2021	31/12/2020
Gross best estimate	30,931,468	50,899,054
Reinsurance recoverable	29,336,291	46,464,898
Net best estimate	1,595,177	4,434,156
Risk Margin	121,927	767,519
Total net technical provision	1,717,104	5,201,675

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities (“BEL”) and a Risk Margin (“RM”). The Solvency II BEL is comprised of a provision for claims outstanding (“PCO”) and a premium provision (“PP”). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted (“BBNI”). The PCO is derived from actuarial estimate of Theta’s IFRS unpaid claim liabilities. The adjustment of IFRS estimate of unpaid claim liabilities to a Solvency II basis requires that IFRS unpaid claim liabilities are discounted to a present value basis. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 December 2021 as published by EIOPA to discount the cash flows underlying the PCO. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II TPs. A provision for expenses related to the runoff of these liabilities is then added, as required by Solvency II, as the IFRS estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The BEL is calculated as the sum of the PCO and the PP.

Risk Margin

The Solvency II risk margin is intended to represent an amount that Theta would be required to pay, in excess of the Best Estimate of the Liabilities, for a third party to assume the risk of running of the existing liabilities. The actuarial calculation of the Solvency II risk margin is consistent with the Solvency II regulations, which applies a 6% cost of capital to the amount of capital required at the beginning of each year to support the runoff of the insurance obligations.

The Company is satisfied that it has access to sufficient historical claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company’s needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, Theta has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

2021	Gross of Reinsurance				Net of Reinsurance			
	Claims	Premium	Risk	Solvency	Claims	Premium	Risk	Solvency
	Provision	Provision	Margin	II TPs	Provision	Provision	Margin	II TPs
€'000	BEL	BEL			BEL	BEL		
Motor Vehicle Liability	287	-	1	288	10	-	1	10
General Liability	30,644	-	121	30,766	1,586	-	121	1,707
Total	30,931	-	122	31,053	1,595	-	122	1,717

2020	Gross of Reinsurance				Net of Reinsurance			
	Claims	Premium	Risk	Solvency	Claims	Premium	Risk	Solvency
	Provision	Provision	Margin	II TPs	Provision	Provision	Margin	II TPs
€'000	BEL	BEL			BEL	BEL		
Motor Vehicle Liability	302	-	4	306	22	-	4	26
General Liability	50,597	-	764	51,361	4,412	-	764	5,176
Total	50,899	-	768	51,667	4,434	-	768	5,202

D.3. Other Liabilities

Aside from technical provisions, the valuation of which is detailed above, the Company has three other principal classes of liabilities;

- Creditors arising out of direct insurance operations €39.3m (2020: Nil)
- Other creditors including taxation €196k (2020: €46K)
- Accrued expenses €417k (2020: €41K)

Creditors arising out of direct insurance operations relates to reinsurance premium payable to R&Q Re (Cayman) Ltd. that has been withheld. A reconciliation of the valuation for Solvency II purposes is as follows:

2021

Other liabilities	Financial Statements	Solvency II
Creditors arising out of direct insurance operations	39,300,000	39,300,000
Other creditors including taxation	172,539	196,129
Accrued expenses	416,869	416,869
Deferred tax liability	-	20,017
Total	39,889,408	39,933,015

D.4. Alternative Methods of Valuation

No alternative methods were used.

D.5. Any Other Information

There is no other information to report.

E. Capital Management

The total capital of the Company as at 31 December 2021 consists of shareholder's equity of €8.5m (2020: €7.6m).

Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant statement of financial position risks and regulatory requirements. As at 31 December 2021 the Company has adequate capital to meet these objectives.

E.1. Own Funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that on an on-going basis the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

As part of the annual review of the medium-term capital plan, the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of SCR and MCR. A forward-looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over this business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's insurance business. Should additional funds be required outside of that, they will be advanced by the shareholder.

The Company's own funds consist of the following items:

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted on a quarterly basis to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period.

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

Own fund items at the end of reporting period and the prior year comparative period are as follows:

	2021	2020
	€	€
Ordinary paid up share capital	2,000,000	2,000,000
Reconciliation reserve	6,287,452	3,669,321
Total Tier 1 capital	8,287,452	5,669,321

The reconciliation reserve represents the Company's retained profits as adjusted for valuation principals. The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

At the end of the current reporting period eligible own funds available to meet the Company's SCR and MCR are €8,287,452 (2020: €5,699,321) of Tier 1 capital and nil (2020: nil) of Tier 3 capital. Tier 3 capital is not eligible in respect of the MCR ratio.

The equity position as shown in the Company's 2021 period-end financial statements can be reconciled to the basic own funds balance under Solvency II as follows:

	2021	2020
	€	€
Equity per the Company's financial statements	8,466,094	7,581,761
Adjustments to reinsurance recoverable	(1,366,369)	(2,680,521)
Adjustments to technical provisions	1,526,502	769,370
Adjustment to prepaid expenses	-	(1,289)
Net deferred tax asset / liability (includes rounding)	(23,605)	-
Adjustment for the Funds at Lloyd's Investment	(315,170)	-
Own funds (excess of assets over liabilities for solvency purposes)	8,287,452	5,669,321

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. In addition, Theta's debtor/creditor items relating to unpaid claims and reinsurance balances are included within the technical provision calculation, given that they are all within credit terms. These adjustments are reflected in the Company's reconciliation reserve. A deferred tax asset is recognised due to the decrease in available capital between the financial statements and the regulatory own funds. No deferred tax asset is recognised at 2021 period-end as the run-off nature of the business means that it is unlikely that sufficient future profits will emerge to generate tax liabilities to monetise the tax asset. The 2020 amount represents 12.5% of the above adjustments.

Theta has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2. Solvency Capital Requirement & Minimum Capital Requirement

Theta's SCR as of 31 December 2021 was €4.9m (2020: €3.9m). Theta's Solvency II recognised own funds totalling €8.3m (2020: €5.7m) were sufficient to meet its SCR and resulted in a Solvency Ratio of 171% (2020: 145%). Theta's MCR as of 31 December 2021 totals €3.7m (2020: €3.7m). The final amount of the SCR is subject to supervisory assessment.

The table below lists out the Solvency Capital Requirements of Theta based on the most recent results of the Company as at 31 December 2021 compared to the prior year's results.

€'000	31 Dec 21	31 Dec 20
BSCR	3,430	3,007
SCR	4,854	3,909
Eligible Capital	8,311	5,669
Surplus (+) / Deficit (-)	3,457	1,760
SCR Ratio	171%	145%
MCR	3,700	3,700

As at 31 December 2021, Theta's SCR has increased by €0.9m relative to its SCR as of 31 December 2020 with own funds increased by €2.6m. The increase in the SCR is primarily driven by the inclusion of the Funds at Lloyd's investment adjustment and partially offset by a significant reduction in the Counterparty Default Risk charge as well as a decrease in Non-life Underwriting Risk charge resulting from the Company's new reinsurance arrangement.

The MCR cover as at 31 December 2021 was 224% (2020: 153%). The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives.

Theta's Solvency II balance sheet equity as of 31 December 2021 totals €8.6m (2020: €5.7m).

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

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

E.4. Differences between the Standard Model & Any Internal Model

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

E.5. Non-Compliance with MCR and SCR

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

E.6. Any Other Information

There is no other information to report.

Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet*

S.05.01.02 – Premiums, claims and expenses

S.05.02.01 - Premiums, claims and expenses by country

S.17.01.02 – Non Life technical provisions*

S.19.01.21 – Claim development triangles*

S23.01.01 – Own funds*

S25.01.21 – SCR using standard formula*

S28.01.01 – MCR*

*templates subject to external audit.

Amounts are in Eur'000

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

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	24
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	49,518
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	3,527
R0110	Equities - listed	
R0120	Equities - unlisted	3,527
R0130	Bonds	45,991
R0140	Government Bonds	35,537
R0150	Corporate Bonds	10,454
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	29,336
R0280	Non-life and health similar to non-life	29,336
R0290	Non-life excluding health	29,336
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	162
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	553
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	79,593

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

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	31,053
R0520	Technical provisions – non-life (excluding health)	31,053
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	30,931
R0550	Risk margin	122
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	39,300
R0780	Deferred tax liabilities	20
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	417
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	196
R0900	Total liabilities	70,986
R1000	Excess of assets over liabilities	8,606

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written									
Gross - Direct Business	R0110								0
Gross - Prop reinsurance accepted	R0120								0
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								-3,278
Net	R0200	0	0	0	0	0	0	0	3,278
Premiums earned									
Gross - Direct Business	R0210								0
Gross - Prop reinsurance accepted	R0220								0
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								-3,278
Net	R0300	0	0	0	0	0	0	0	3,278
Claims incurred									
Gross - Direct Business	R0310								-7,175
Gross - Prop reinsurance accepted	R0320								0
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								-5,182
Net	R0400	0	0	0	0	0	0	0	-1,993
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								4,050
Other expenses	R1200								
Total expenses	R1300								4,050

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

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			FR	DE	PT	ES	GB	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110							0
Gross - Proportional reinsurance accepted	R0120							0
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140	-178	-353	-313	-27	-121	-936	-1,928
Net	R0200	178	353	313	27	121	936	1,928
Premiums earned								
Gross - Direct Business	R0210							0
Gross - Proportional reinsurance accepted	R0220							0
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240	-178	-353	-313	-27	-121	-936	-1,928
Net	R0300	178	353	313	27	121	936	1,928
Claims incurred								
Gross - Direct Business	R0310	9,069	860	-271	516	-24,956	6,401	-8,381
Gross - Proportional reinsurance accepted	R0320							0
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340	7,395	701	-221	462	-20,350	5,256	-6,756
Net	R0400	1,674	159	-50	54	-4,606	1,144	-1,625
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	916	2,710	-382	51	-1,310	1,965	3,951
Other expenses	R1200							
Total expenses	R1300							3,951

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

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensatio n insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060												
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	0	0	0	0	0	0	0	0	0	0	0	0
Claims provisions													
Gross	R0160				287				30,644				
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				277				29,059				
Net Best Estimate of Claims Provisions	R0250	0	0	0	10	0	0	0	1,586	0	0	0	0
Total Best estimate - gross	R0260	0	0	0	287	0	0	0	30,644	0	0	0	0
Total Best estimate - net	R0270	0	0	0	10	0	0	0	1,586	0	0	0	0
Risk margin	R0280				1				121				
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	288	0	0	0	30,766	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	277	0	0	0	29,059	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	10	0	0	0	1,707	0	0	0	0

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

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
<u>Premium provisions</u>						
Gross	R0060					0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0
<u>Claims provisions</u>						
Gross	R0160					30,931
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					29,336
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	1,595
Total Best estimate - gross	R0260	0	0	0	0	30,931
Total Best estimate - net	R0270	0	0	0	0	1,595
Risk margin	R0280					122
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	31,053
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	29,336
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	1,717

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

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		
Prior	R0100											103	103	103
N-9	R0160	29	551	661	140	749	-97	-71	124				0	2,086
N-8	R0170	39	350	874	50	482	257	149					0	2,200
N-7	R0180	215	172	121	74	245	592	51	381				381	1,852
N-6	R0190	52	432	70	890	701	132						0	2,277
N-5	R0200	23	395	2,131	106	580	518						518	3,752
N-4	R0210	476	660	175	1,122	863							863	3,296
N-3	R0220	21	14,185	1,026	232								232	15,464
N-2	R0230	73	1,469	83									83	1,626
N-1	R0240	15	208										208	223
N	R0250												0	0
Total													2,388	32,878

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

		0	1	2	3	4	5	6	7	8	9	10+	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior	R0100											351	
N-9	R0160						1,617	1,039	923	1,335	368		
N-8	R0170					3,894	1,363	1,091	5,004	3,888			
N-7	R0180				5,598	5,323	3,607	4,052	2,408				
N-6	R0190			5,603	3,093	2,036	2,760	1,298					
N-5	R0200		9,344	9,461	8,379	6,651	3,547						
N-4	R0210	8,005	9,986	10,439	8,478	5,950							
N-3	R0220	17,421	10,676	6,323	4,581								
N-2	R0230	9,910	6,127	4,329									
N-1	R0240	6,216	4,536										
N	R0250												
Total													30,931

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	2,000	2,000			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	6,287	6,287			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	4				4
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	8,291	8,287	0	0	4
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

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

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	8,291	8,287	0	0	4
Total available own funds to meet the MCR	R0510	8,287	8,287	0	0	
Total eligible own funds to meet the SCR	R0540	8,291	8,287	0	0	4
Total eligible own funds to meet the MCR	R0550	8,287	8,287	0	0	
SCR	R0580	4,854				
MCR	R0600	3,700				
Ratio of Eligible own funds to SCR	R0620	1.707973704				
Ratio of Eligible own funds to MCR	R0640	2.239852432				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	8,606
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	2,004
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	315
Reconciliation reserve	R0760	6,287
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	0

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

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	4,403		
Counterparty default risk	R0020	96		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	523		
Diversification	R0060	-546		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	4,475		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	379
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	4,854
Capital add-on already set	R0210	
Solvency capital requirement	R0220	4,854
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	1,642
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	3,212
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	164

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	10	
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	1,586	
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
MCRL Result	R0200	0

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

Overall MCR calculation		C0070
Linear MCR	R0300	164
SCR	R0310	4,854
MCR cap	R0320	2,184
MCR floor	R0330	1,214
Combined MCR	R0340	1,214
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	3,700