Catalina Insurance Ireland dac

Solvency and Financial Condition Report
31 December 2022

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Executive Summary

Catalina Insurance Ireland dac ("the Company" or "Catalina Ireland") is an insurance undertaking authorized by the Central Bank of Ireland ("CBI"), pursuant to the European Union (Insurance and Reinsurance) Regulations 2015, to carry on non-life insurance business in classes 1 to 18 as defined in European Union (Insurance and Reinsurance) Regulations 2015 (SI No. 485 of 2015), with the right to carry on business in such classes in other European Union ("EU") jurisdictions on a freedom of services basis.

The Company is a member of the Catalina Group ("Catalina"). Catalina is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. Catalina acquires and manages portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. Catalina is domiciled in Bermuda and currently has offices in Bermuda, the United Kingdom, the Republic of Ireland, the United States of America and Singapore. Apollo Global Management, LLC (together with its consolidated subsidiaries, "Apollo") holds a majority shareholding in Catalina.

The Solvency II framework requires that the Company holds economic capital to cover the impact of a 1 in 200 year adverse event or series of events. This is known as the Solvency Capital Requirement ("SCR"). The SCR for the Company is measured using EIOPA's Solvency II standard formula.

The SCR ratio of the Company at 31 December 2022 was 147% (31 December 2021: 171%). This ratio represented surplus funds of €16 million over the SCR.

Business and performance – Section A

The Company made a loss after tax for the year of €21.6 million, compared to a loss after tax of €4.8 million in 2021. The underwriting result for the year was a loss of €17.8 million which is mainly resulting from adverse development on the run-off of the claims on the Company's German medical malpractice ("MedMal") portfolio emerging during the year. The investment return for the year was a loss of €4.3 million due to unrealised losses on the Company's fixed income investment portfolio. This compares to a profit of €2.8 million in 2021.

System of governance – Section B

The board of directors (the "Board") has ultimate responsibility for all aspects of the business and sets the corporate objectives and strategy to achieve those objectives. The Board has delegated the day to day running of the Company to the CEO. The CEO reports on these activities at each quarterly board meeting. In addition, the Board has established the four key control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015; risk management, actuarial, compliance and internal audit. There have been no material changes to the system of governance during the year.

Risk profile – Section C

The current material risks for the Company are:

- Underwriting risk: The risk of loss arising from unexpected high frequency or severity of insurance claims.
- Market risk: The risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes.
- Credit risk: The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.
- Liquidity risk: The risk that the Company cannot meet its obligations associated with financial liabilities as they fall due.
- Operational risk: The risk of the Company being exposed to losses occurring as a result of failures within its internal systems and processes.

All these risks, with the exception of liquidity, are measured using the standard formula model and are managed in line with the Board approved risk appetite. Liquidity risk is separately modelled and stressed over varying time horizons.

Valuation for solvency purposes – Section D

The Solvency II net assets (Own Funds) at 31 December 2022 were €56.8 million, compared with Irish Generally Accepted Accounting Principles ("GAAP") net assets of €41.3 million. There was no change in the approach by the Company during the year to valuing assets and liabilities according to Solvency II and GAAP valuation principles.

Capital management – Section E

The SCR ratio for the Company at 31 December 2022 was 147%. Total Own Funds were €56.8 million, of which €50.0 million were eligible to meet the SCR of €34.0 million.

Own funds

Own Funds decreased from €68.5 million to €56.8 million during the year. The increase was resulting from solvency II economic losses of €11.7 million.

Under Solvency II the Own Funds are classified in 3 tiers, with Tier 1 being the highest quality. At 31 December 2022 an amount of €33.0 million was classified as Tier 1 Own Funds and €23.8 million was classified as Tier 2 Own Funds. There were no Tier 3 Own Funds held at 31 December 2022. The eligible amounts of Tier 2 and Tier 3 items combined is limited to 50% of the SCR.

SCR

The SCR value at 31 December 2022 was €34 million (31 December 2021: €37 million). There were no instances of non-compliance of SCR coverage during the year.

MCR

The Minimum Capital Requirement ("MCR") is the minimum level of capital which an insurance company should not fall below. The MCR value at 31 December 2022 was €8.5 million (31 December 2021: €9.3 million) and the MCR ratio at 31 December 2022 was 408% (31 December 2021: 505%). There were no instances of non-compliance of MCR coverage during the year.

Information on the SFCR

Requirements of the SFCR

Solvency II became effective on 1 January 2016 for all insurance companies and groups regulated in the EU. The aim of Solvency II is to provide a risk-based approach to calculating and monitoring the required levels of capital for insurance companies. It also introduced a requirement for insurance companies to produce a publicly available Solvency and Financial Condition Report ("SFCR") to assist customers and other stakeholders in understanding the types of business written, how the business is managed and the overall financial condition of the Company, including regulatory capital coverage.

For insurance companies regulated by the CBI, the SFCR is produced in accordance with Article 52 of statutory instrument 485 of 2015, Article 290 to 303 of Commission Delegated Regulation (EU) 2015/35 and the EIOPA guidelines on reporting and public disclosures (B05-15-109). Included in the appendix to the SFCR are those Quantitative Reporting Templates ("QRTs") for the year ended 31 December 2022, as required to be included according to Article 5 of Commission Implementing Regulation (EU) 2015/2452.

Note on auditability

The following QRTs were audited by the Company's independent auditors, Deloitte Ireland LLP ("Deloitte"):

- Balance Sheet (S02.01.02)
- Life and Health SLT Technical Provisions (S12.01.02)
- Non-life Technical provisions (S17.01.02)
- Non-life Insurance Claims Information (S19.01.21)
- Own Funds (S23.01.01)
- Solvency Capital Requirement (S25.01.21)
- Minimum Capital Requirement (S28.01.01)

In accordance with CBI regulation, narrative sections of this report, section D and E1, were reviewed by Deloitte for consistency with the related QRTs.

Note on materiality

Information disclosed is considered material if its omission or misstatement could influence the decision-making or judgment of the users of the document, including the CBI.

Approval of the Solvency and Financial Condition Report

The SFCR was reviewed and approved by the Board on 30 March 2023.

A. Business and Performance

A.1 Business and external environment

A.1.1 Undertaking, financial supervisory authority and external auditor

Name of the undertaking:	Catalina Insurance Ireland dac
Address of its registered office:	Unit 44 Block 5 Northwood Court Northwood Crescent Northwood Santry Dublin 9, Ireland D09 EW63
Legal status:	Designated Activity Company
Company registration number:	225221
Legal Entity Identifier (LEI):	6354002SNIV14GB1BI20
Ultimate parent:	Catalina Holdings (Bermuda) Ltd.
Financial supervisory authority:	Central Bank of Ireland New Wapping Street North Wall Quay Dublin 1, Ireland
External auditor:	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House 29 Earlsfort Terrace Dublin 2, Ireland D02 AY28

The simplified Group structure chart is laid out below outlining vertical structure to the ultimate holding company.

A.1.2 Material lines of business and geographical areas where the Company carries out business

The Company's portfolios are in run-off and it is no longer underwriting insurance products. The Company was purchased from the HSBC Group in 2012 by Catalina Holdings (Bermuda) Ltd. ("Catalina" or "Group"). Catalina is a specialist consolidator of non-life general insurance and reinsurance companies and portfolios in run-off. Catalina acquires and manages companies and portfolios in run-off with the purpose of achieving a competitive return on equity and consistent growth in net tangible assets. The Group is based in Bermuda and currently has offices in Bermuda, the United Kingdom, the Republic of Ireland, the United States of America and Singapore.

The Company provided general insurance products through independent intermediaries and to external customers in the UK and other markets and products included High Net Worth property to HSBC customers in UK and the Republic of Ireland. The Company also underwrote direct business in the Irish and UK markets for retail home and motor products, some school fee protection business and the non-life element of a creditor product in the Italian market.

Motor and Property business were written in the UK and Northern Ireland from 2001 to 2004, and also from 2007 to 2009. During the latter period the Company wrote business in the Republic of Ireland. The Italian Creditor class of business was written from 2003 to 2009.

In 2015 the Company acquired a portfolio of insurance liabilities from Quinn Insurance Limited (Under Administration). The portfolio comprises business in the UK, Northern Ireland and Europe (Germany, Belgium and the Netherlands). The business is predominantly UK and Northern Ireland motor insurance and professional indemnity (UK solicitors), with some employer's liability and public liability business. All classes of business transferred are in run-off.

During 2018 the Company acquired a portfolio of insurance liabilities from Zurich Insurance Plc. The business consists of a portfolio of insurance policies which provide cover for various types of losses arising in connection with the business and healthcare operations of hospitals, clinics and other healthcare providers in Germany including as a result of medical malpractice. The business was written through specialist German brokers to German hospitals between 1946 and 2012.

The Company may potentially acquire other companies and/or portfolios in the future, but this would be subject to the approval of the CBI.

A.2 Performance from underwriting activities

The table below shows the underwriting performance for the year end 31 December 2022, together with comparatives for the previous year.

	2022	2021
	€000	€000
Gross written premium	(2)	(17)
Earned premiums, net of reinsurance	-	-
Allocated investment return	(2,561)	1,331
Other technical income	30	(39)
Claims incurred, net of reinsurance	(12,164)	(3,021)
Net operating expenses	(3,101)	(3,203)
Balance on the technical account	**(17,796)**	**(4,932)**
By class of business:		
Motor	(1,202)	493
Liability	(16,597)	(5,425)
Property	3	-
Reinsurance	-	-
Balance on the technical account	**(17,796)**	**(4,932)**
By geographical area:		
United Kingdom	(899)	266
Ireland	3	-
Germany	(16,878)	(5,197)
Other	(22)	(1)
Balance on the technical account	**(17,796)**	**(4,932)**

A.3 Performance from investment activities

The table below shows the investment income performance for the year end 31 December 2022, together with comparatives for the previous year.

	Net investment income	Net investment expense	Net realised gains and losses	Changes in fair value	Net investment result
	2022	2022	2022	2022	2022
	€000	€000	€000	€000	€000
Financial assets:					
- measured at FVTPL	2,595	(855)	(298)	(4,517)	(3,075)
- measured at amortised cost	791	-	-	-	791
- measured at cost	45	-	-	-	45
- forward currency contracts	-	-	(384)	(1,629)	(2,013)
	3,431	(855)	(682)	(6,146)	(4,252)
	2021	2021	2021	2021	2021
	€000	€000	€000	€000	€000
Financial assets:					
- measured at FVTPL	996	(360)	1,803	(1,216)	1,223
- measured at amortised cost	1,018	-	-	-	1,018
- measured at cost	(66)	-	-	-	(66)
- forward currency contracts	-	-	(76)	653	577
	1,948	(360)	1,727	(563)	2,752

A.4 Other operating income and expenses

The table below details any other material operating income and expenses not shown in A2 and A3 above.

	2022	2021
	€000	€000
Foreign exchange gains/(losses)	(203)	496
	(203)	496

A.5 Any other disclosures

Not applicable.

B. System of Governance

B.1 General Governance arrangements

The Board of Directors has mandated a basis for effective risk management within the Company dictated by a clear system of governance that covers all significant aspects of the business, provides an open forum for challenge, and allocates clear and transparent lines of responsibilities for both collective management committees and individuals. In addition, the Board has established the four key control functions required under the Corporate Governance Requirements for Insurance Undertakings 2015 ("the CGR"); risk management, actuarial, compliance and internal audit. 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. The Board has delegated the day to day running of the Company to the CEO who has been instructed to appoint a management team to assist him in these duties. The CEO reports on these activities at each quarterly board meeting and presents a business update for its approval.

In line with the CGR, the Board has established the following sub-committees:

Board Risk Committee
Section 23 of the CGR permits the Board to carry out the functions which would otherwise be delegated to a Risk Committee once the CBI's prior written approval has been obtained. This approval was previously obtained by the Company. The Board, acting as the Risk Committee, ("BRC") has the responsibility of analysing and taking ownership of the fundamental risk management principles employed by the Company.

Audit Committee
The principal purpose of the Audit Committee is to assist the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements, directors' report and statement of directors' responsibilities. In addition, it reviews the adequacy and effectiveness of the Company's systems of internal control and monitors the effectiveness, performance and objectivity of the internal and external auditors.

Loss Reserving Committee
The Loss Reserving Committee ("LRC") reports to both the Board and Audit Committee. The LRC is in place to review and challenge the output from both internal and external actuarial reviews. It is responsible for reviewing the adequacy of, and approving, the reserves of the Company.

Remuneration Committee
The Company has applied the principle of proportionality to requirements regarding the remuneration committee. The Company does not have a remuneration committee, but it does have a policy on remuneration. The objectives of the Company's remuneration policy are to ensure that:

- policy and practices are aligned with the company's overall strategy, risk management strategy and risk appetite, objectives, values and long-term interests of the company;
- the policy applies to the undertaking as a whole in a proportionate and risk focused way, taking into account the respective roles of the company's employees;
- the policy does not foster practices adverse to policyholders' interests;
- the company can attract and retain highly qualified employees with skills required to effectively manage the company;
- employees are compensated appropriately for the services they provide the company; and
- employees are motivated to perform in the best interests of the company and its stakeholders.

All employees are retained on a fixed basic salary, considered annually and determined in light of market best practice.

B.2 Fit and proper requirements

Management at Group and entity level must ensure that key roles performed within their operations are identified, and filled by staff who are demonstrably qualified for the role. The CEO is responsible for ensuring that activities are undertaken and managed by professionals with the appropriate experience, skill levels, and degrees of specialisation.

Solvency II requirements

Solvency II requires that "all persons who effectively run the undertaking or have other key functions are Fit and Proper at all times". 'Fit and proper' persons must have the appropriate professional qualifications, knowledge and experience to enable them to perform their duties and fulfil their obligations, as well as being of good repute and integrity. Key functions are defined as all functions considered important or critical in the system of governance, including at least the Risk Management Function, Compliance Function, Internal Audit Function and Actuarial Function. The requirement for Fit and Proper extends to the Board, which collectively should contain the qualifications, knowledge and experience to be able to provide for the sound and prudent management of the business.

Regulatory Requirements

Part 3 of the Central Bank Reform Act 2010 ("the Act") provides that a person performing pre-approved controlled functions ("PCFs") and controlled functions ("CFs") in a regulated financial service provider must have a level of fitness and probity appropriate to the performance of that particular function. In general, the Fitness and Probity Standards require that persons must (i) be competent and capable, (ii) act honestly, ethically and with integrity, and (iii) be financially sound.

The Company must notify the CBI of any changes to the identity of the persons who effectively run the undertaking or are responsible for other key functions, along with all information needed to assess whether any new persons appointed to manage the undertaking are fit and proper. In addition, the CBI must be notified in the event a person is replaced because they no longer fulfil the fitness and probity requirements.

All employees are required to undergo a range of fitness and probity checks that enable the Company to make an informed decision about the suitability of an individual for employment. These include the following verifications/checks:

- Record of employment history
- References from former employers
- Verification of qualifications
- Authorisation to work in the jurisdiction
- Details of concurrent responsibilities – other directorships/employments etc.
- Financial soundness checks
- Disqualification, disciplinary, and administrative sanction checks

In addition, for members of senior management in PCFs and CFs, external directorship/conflict of interest checks are performed. These checks are conducted independently to any checks performed by the CBI under its fit and proper review for "approved persons". PCF and CF holders provide a declaration to abide by the fitness and probity standards annually.

A controlled function remains a controlled function of the Company even if outsourced to a third party.

B.3 Risk management system

Catalina's enterprise risk management function is coordinated by the Chief Risk Officer, who works under the authority of the BRC. In line with the internal risk management policies of the Group, management at the Company, acting as the 'first line of defence' are primarily responsible for the running of the business and the operation of controls within their own areas as well as the management of the business' risk profile, in line with Board expectations. However, acting as part of the 'second line of defence', the Risk Management Function is responsible for the ongoing monitoring of business operations and the effectiveness and integrity of the risk management framework.

The overall risk management strategy is to ensure that a proper balance is struck between:

- The risks that are economically attractive to take. These must be properly modelled, measured and priced.
- The risks that are economically unattractive to take. These should be avoided, identified, managed, mitigated and reduced where it is efficient to do so.

Within the Company's Risk Management framework there are measures in place to ensure:

- Appropriate risk tolerances are in place to govern risk taking activities;
- The Company maintains an appropriate risk culture and risk appetite forms an essential part of its strategic decision making;
- The Company measures and monitors risk appropriately and reports key risk metrics to senior management and the Board; and
- Appropriate business planning and capital planning processes are in place to support the Company's risk taking activities.

The risk management framework is intended to reduce, but cannot eliminate, the range of possibilities which might cause detriment to the Company. Similarly the risk management framework cannot provide protection with certainty against any failure of the Company to meet its business objectives, or guard against material errors, losses, fraud, or breaches of laws and regulations. The risk management framework is intended to provide reasonable assurance that the Company will conduct its business in an orderly manner and that that reasonably foreseeable circumstances will not prevent or limit the Company from achieving its business objectives.

Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") process documents the output of the Company's Enterprise Risk Management process. The aim of the ORSA report is principally to inform the Board of Directors and Company management with an aggregated view of the economic risk and capital requirements during the period and allow a strategic, forward-looking discussion of both future and emerging risks and capital needs.

The Board and senior management's involvement are integrated in the ORSA and they are engaged to challenge, discuss and debate the process. The ORSA process allows management and the Board to review the risk and capital requirements and take a strategic, forward-looking view of future risks and capital needs. The ORSA process is used to highlight key issues to management, and should allow management to confirm that:

a) The current risk profile is understood and appropriate for the nature of a legacy portfolio and is within the risk appetite of the firm;
b) Capital requirements during the reporting period have continuously been met (or if not corrective action has been taken);
c) The Company's current capital and solvency position is appropriate;
d) The Standard Formula model has been used appropriately for strategic decisions throughout the period;
e) The risks to the enterprise that could likely change the risk profile are understood;
f) Plans to cover the solvency position and planned capital distributions over the required period are appropriate.

The ORSA is produced by Management in conjunction with the Actuarial and Risk Management functions. The ORSA is presented to the Board for challenge, comment, review and approval. The result of the Board's review forms the basis for the future strategy of the business, which forms the basis for the following years ORSA.

B.4 Internal control system

The Company's internal control system provides assurance that it is compliant with applicable laws and regulations its financial reporting is reliable and its operations are effectively managed and controlled. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the risk management and internal control systems. The oversight and management of these systems necessarily involves participation of the Board, the Audit Committee, the Board Risk Committee, senior management executive committee, Finance, Legal, Compliance, business managers and Internal Audit.

Responsibility for ensuring day-to-day oversight of the internal control system lies with the Company's Controlled Function holders and Key Function holders.

The Company promotes the importance of appropriate internal controls throughout the organisation. All employees are aware of the Company's risk management ethos and are reminded to consider the risks they encounter as they go about their day to day work. Risk awareness is promulgated through the organisation, and both senior management and the risk management function are pro-active at keeping risk awareness to the forefront of daily operations by: i) ensuring that

all employees are aware of their role in the internal control system as per the Internal Control Policy; ii) ensuring consistent communication and implementation of the internal control systems; and iii) establishing monitoring and reporting mechanisms to review and report the decision making processes.

How the Compliance function is implemented

The Compliance Function, overseen by the Head of Compliance, is part of the Company's overall corporate governance structure and sits within the Company's second line of defence. The function is responsible for identifying, assessing, monitoring, managing, and the reporting of Compliance risks to which the Company is exposed. Regular compliance reviews take place to ensure the Company's operational business functions and its service providers are adhering to their obligations. The Head of Compliance regularly reports to the Board on their assessment of the effectiveness and adequacy of compliance within the Company and its service providers. The effectiveness of the Compliance function's framework and operations are subject to periodic review by Internal Audit.

Management of the Company, and its service providers, are responsible for notifying the Head of Compliance of any breach of applicable laws and regulations that fall within the scope of their responsibilities. Upon receipt of notification, the Head of Compliance records the relevant breach item in the Company's breach register and discusses remedial actions with the management concerned. Where appropriate, reporting is made to the Board and to the CBI.

B.5 Internal audit function

The mission of the Internal Audit function ("IA") is to enhance and protect organisational value by providing risk-based, independent and objective assurance, advice, and insight. IA is an independent assurance function within the Company's third line of defence, providing the Board, Audit Committee and Management with independent and objective assurance and value adding insight on the effectiveness and efficiency of governance, risk management, and internal control processes.

IA applies a risk-based approach, performing its own risk assessment as well as making use of risk assessments performed by Catalina's Enterprise Risk Management and other assurance functions. Based on the results of the risk assessment, IA produces an annual Audit Plan for review and approval by the Audit Committee. The Audit Plan is updated on a regular basis according to the Company's evolving risk landscape and needs. IA regularly provides formal updates on its activities to the Audit Committee, which include audit results, the status of management actions required, the appropriateness of the resources and skills of IA and any changes in the tools and methodologies it uses.

The Head of Internal Audit ("HIA") also meets independently with the Audit Committee and will immediately report any issue which could have a potentially material impact on the business of the Company to the Chair of the Audit Committee. The HIA and IA staff are authorised to review all areas of the Company and to have full, free and unrestricted access to all of its activities, records, property and personnel necessary to complete their work. IA is authorised to allocate resources, set frequencies, select areas, determine audit scopes and apply audit tools and techniques, and to obtain the necessary assistance and specialised services within or outside the Group to accomplish its audit objectives.

The operating guidance for the IA function is documented in the Group Internal Audit Framework. This document aims to ensure that the procedures followed by the Internal Audit team are aligned with the Mandatory Guidelines within the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (IIA).

B.6 Actuarial function

The Actuarial function is made up of an in house actuarial team, based in the UK, with support from other actuaries across the Group, and as appropriate, external firms of consulting actuaries.

Under the leadership of the Company's Head of Actuarial Function, the team:

- Co-ordinates the GAAP reserving for the Company;
- Adjusts the GAAP reserves to Solvency II Best Estimate of Liabilities ("BEL");
- Uses the BEL and audited balance sheet to develop the Standard Formula SCRs and Risk Margin;
- Projects the capital level and capital requirements of the Company over the planning period for the ORSA;
- Reports to the Board on an annual basis, including opining on levels of reserve adequacy, reinsurance arrangements and underwriting policy;

- Assesses the impact of a material change to the Company in terms of its capital position, such as a material change in its reinsurance arrangements;
- Evaluates and advises on the impact, on request, for minor changes in (for example) the Company's investments.

Each of these activities is undertaken at least annually, but also on an "as and when required" basis to support the business and its decision making processes.

B.7 Outsourcing

Outsourcing is the delegation of a process, service or activity to a service provider. The service provider can be both intra-Group or an external firm. In considering whether to outsource any process, service or activity, the Company will take into account:

- its own resource levels and availability;
- its own internal capabilities and cost structures;
- the timing and extent of any requirements in comparison with the capabilities; and
- costings and security of an outsource service provider.

The overarching principle will be that whereas processes, services or activities may be delegated to an outsource service provider, ultimate responsibility for those processes, services and activities will remain with the Company.

The Company has an outsourcing policy, the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for its critical or important operational functions or activities. The objective of the outsourcing policy is to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's responsibility for, or influence over key functions of the Company;
- Material impairment of the quality of the Company's system of Governance;
- 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.

The Board is ultimately responsible for the approval 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 is responsible for ensuring the performance of outsourced service providers is monitored and assessed against the agreed Service Level Agreements.

B.8 Assessment of governance

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

B.9 Any other disclosures

Not applicable.

C. Risk Profile

C.1 Underwriting Risk

Underwriting or insurance risk is concerned with fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. Given the Company's run-off status, the principal insurance risk the Company is subject to is reserve risk, whereby there is potential for future claims to deteriorate beyond the Company's estimates. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims.

Actual underwriting results are monitored against budgeted results on a monthly basis, although for meaningful variances the underwriting reserves, gross and net, are reviewed actuarially bi-annually and compared to the business plan. Premium income, reinsurance recoveries and notified claims and reserves are compared to plan. The policy incorporates identification, measurement and explanation of variances which are reported to senior management. Given the Company's run-off status, management focuses primarily on variances in claims reserves. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The insurance liabilities, net of external reinsurance, are protected by a collateralised intra-group reinsurance arrangement. Furthermore, strict claim review policies are in place to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent review of all claims are the key policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

C.2 Market Risk

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The Investment policy governs the Company's exposure to market risks. Exposures are controlled by the setting of investment limits in line with the Company's risk appetite framework and strategic asset allocation policy. The Investment policy is approved by the Board and is applied by the Group Investment team, who are responsible for making and implementing investment decisions on behalf of the Company in line with the Investment policy, risk appetite framework and strategic asset allocation policy, all of which are approved by the Board.

The primary goal of the Company's investment strategy is to maximise investment returns within the risk appetite framework. The investment management philosophy is implemented through both internal investment management decisions and the assistance of external investment managers to best achieve the objectives of the Investment policy. Investments are held at fair value, with changes in fair value recorded through the profit and loss account as their performance is actively monitored and they are managed on a fair value basis.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk as it invests in long term investments at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate investments in line with the asset liability management policy.

The sensitivity analyses below have been determined based on the exposure to interest rates for investments held at the accounting balance sheet date. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Pre-tax profit		Shareholders' equity	
	2022	2021	2022	2021
	€000	€000	€000	€000
1% increase	(2,979)	(4,256)	(2,607)	(3,724)
1% decrease	2,979	4,256	2,607	3,724

The sensitivity to interest rates is mitigated in terms of Catalina Ireland's solvency, as the value of its future claims also depends on interest rates. Therefore, the value of assets and liabilities both tend to reduce when interest rates increase, and increase when interest rates fall.

Foreign exchange risk

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The risk of exposing the Company's assets or liabilities to exchange rate fluctuations is managed by broadly matching liabilities with assets in the same currencies.

The Company reviews assets and liabilities by currency each month to ensure they are matched where possible and that cash is available to discharge liabilities in their respective currencies. A detailed analysis of liability payout patterns to extinction by currency is then matched to the asset cashflows to eliminate material currency risk. From time to time the Company utilises foreign currency forward contracts as part of its overall foreign currency risk management strategy or to obtain exposure to a particular financial market, as well as for yield enhancement. These derivatives are not designated as hedging investments.

The most significant currency to which the Company is exposed is the Pound Sterling. At 31 December 2022, if Euro had weakened/strengthened by 20% against Pound Sterling, with all other variables held constant, shareholder's funds would have been €0.2 million (2021: €0.7 million) higher/lower.

Other price risk

The Company is exposed to price risk arising from fluctuations in the value of financial instruments as a result of changes in the market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The risk is managed by the Company by maintaining an appropriate mix of investment instruments.

The Company's sensitivity to a 1% increase and decrease in market prices is as follows:

	2022	2021
	€000	€000
1% increase		
Movement in fair value of share and other variable securities in unit trusts	209	210
Movement in fair value of debt securities and other fixed income securities	656	990
Movement in fair value of investments in group undertakings	156	56
1% decrease		
Movement in fair value of share and other variable securities in unit trusts	(209)	(210)
Movement in fair value of debt securities and other fixed income securities	(656)	(990)
Movement in fair value of investments in group undertakings	(156)	(56)

C.3 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from intermediaries. The objective of the Company in managing its credit risk is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it.

The Company monitors credit risk in relation to its investment portfolio and reinsurance programme by monitoring external credit ratings for the investments and reinsurance assets held by the Company on a regular basis. The Company's intra-group reinsurance arrangement is protected by collateral held in a trust fund at a level equivalent to at least 100% of the Company's Solvency II technical provisions and a letter of credit with a value of at least 10% of the Solvency II technical provisions. The following table shows aggregated credit risk exposure for assets with external credit ratings. The table also shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining whether the value of an asset is impaired are: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

	2022	2021
	€000	€000
By class of asset:		
Investment in group undertakings	15,589	5,644
Shares and other variable yield securities in unit trusts	20,860	21,001
Debt securities	65,638	98,959
Loans and receivables	-	7,207
Loans to group undertakings	3,085	2,941
Forward currency contracts	-	313
Assets arising from reinsurance contracts held	276,591	274,732
Debtors arising out of direct insurance operations	14,619	13,705
Accrued interest	716	1,020
Cash and cash equivalents	9,495	3,763
Total assets bearing credit risk	**406,593**	**429,285**
By credit rating:		
AAA	17,472	13,695
AA	739	833
A	22,545	33,074
BBB	40,031	53,478
Below BBB or not rated	325,806	328,205
Total assets bearing credit risk	**406,593**	**429,285**
By past due aging:		
Neither past due nor impaired	406,587	429,285
Past due less than 30 days	6	-
Past due less 31 to 60 days	-	-
Past due less 61 to 90 days	-	-
Past due more than 90 days	-	-
Past due and impaired	-	-
Total assets bearing credit risk	**406,593**	**429,285**

C.4 Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations associated with financial liabilities as they fall due. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. Liquidity management ensures that the Company has sufficient access to funds necessary to cover insurance claims. Most of the Company's assets are marketable securities which could be converted into cash when required. The Company participates in Catalina's cash pooling arrangement which provides access to immediate, short term liquidity. The facility is held with Bank Mendes Gans N.V., a member of the ING Group.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. The table includes both interest and principal cash flows.

	Less than 1 year	1 - 5 years	5+ years	Total
	2022	2022	2022	2022
	€000	€000	€000	€000
Financial liabilities and claims outstanding				
Subordinated loan notes	-	23,787	-	23,787
Creditors arising out of direct insurance operations	17	-	-	17
Other creditors	1,427	-	-	1,427
Claims outstanding - undiscounted	30,391	85,666	213,130	329,187
	31,835	109,453	213,130	354,418
	2021	2021	2021	2021
	€000	€000	€000	€000
Financial liabilities and claims outstanding				
Subordinated loan notes	-	-	23,618	23,618
Creditors arising out of direct insurance operations	7	-	-	7
Other creditors	468	-	-	468
Claims outstanding - undiscounted	32,707	89,116	215,540	337,363
	33,182	89,116	239,158	361,456

C.5 Operational Risk

Operational risk relates to the possibility that the Company becomes exposed to losses occurring as a result of failures within its internal systems and processes. It is anticipated that the regular audits by Internal Audit and the statutory auditor will identify any existing or potential areas of weakness within the Company's infrastructure and process.

As the Group acquires more businesses, there is more scope to deal with 'key staff' operational risks associated with individuals and offices, as there is increased scope to use other Group staff and/or offices which will help to mitigate those risks. Management believes strongly in setting performance precedents for their staff, and ensuring as far as practicable the maintenance of the Company's business systems.

Close collaboration with Human Resources ("HR") and Information Technology ("IT") will allow the Chief Risk Officer and the local executive teams to identify any vulnerabilities before they are able to adversely affect business process or maintenance of accounts. Processes and procedures are regularly enhanced.

C.6 Other Material Risks

Emerging Risks

Run-off carriers tend to be somewhat isolated from exogenous emerging risks which may change the frequency and severity of loss distributions used to price and accumulate portfolios of live insurance risk. Since the loss has already occurred the Company focuses its attention on reserve, investment and regulatory emerging risks and their mitigants. The Board Risk Committee plays an important role in assessing whether there are new emerging risks facing the Company in addition to its assessment of changes in existing risks. On an ongoing basis the ERM team utilises PESTLE (Political, Economic, Social, Technological, Legal and Environmental) methodology to identify emerging risks, including climate changes risks, and where relevant, these risks are added to the Company's risk register so that appropriate mitigation can be considered.

Cyber Risk

Cyber risk is any risk of financial loss, disruption or damage to the reputation of an organisation from some sort of failure of its information technology systems. With the increase of dependence on electronic communications and volume electronic data storage, there is increasing risk of data theft, and malicious data and service disruption within the industry. The Group's Head of IT has implemented many cyber intrusion prevention processes designed to protect networks, computers, programs and data from attack, damage or unauthorised access. Cyber risks are fully integrated into the risk management process, with many mitigating measures in place, together with a fully documented and robustly tested Business Recovery Plan.

Life Risk

The Company is making Periodic Payment Order ("PPO") payments to several claimants in the UK and similar long term payments to claimants in Germany. These are essentially life annuities, on the order of the relevant court, typically to pay for care and/or loss of earnings. Therefore, although the Company is a non-life insurance company, it is exposed to life risk. The life risks to which the Company is exposed to are a) longevity risk (the claimant lives longer than expected), b) revision risk (the payment to the claimant increases), and c) expense risk (the administration expenses associated with making each payment increases), although this is immaterial.

Inflation Risk

Inflation has continued to rise during 2022. Higher inflation, particularly over long periods, can impact both the Company's claims reserves and the value of its investment portfolio. The Company's long term claims are most at risk to inflation. This risk is mitigated by the intra-group reinsurance arrangement, where these liabilities are 100% reinsured. On the investment portfolio, Group wide the aim is to match liabilities across duration for interest rate risk and inflation and this is monitored for compliance at all entities including Catalina Ireland.

C.7 Any other disclosures

Not applicable.

D. Valuation for Solvency Purposes

D.1 Assets

The value of each material class of assets is provided in the table below, comparing the carrying value in the financial statements to the valuation used for solvency purposes. The valuation basis is also described and details provided of any material differences between the valuation basis used in the financial statements and the valuation basis under solvency II.

	Notes	Statutory accounts	Solvency II value
		€000	€000
Cash, investments and accrued interest		115,383	115,383
Reinsurers' share of technical provisions	1	276,591	179,234
Debtors arising out of direct insurance operations		13,391	13,391
Other assets		1,282	1,282
Total assets		**406,647**	**309,290**

Notes:
1. Difference due to difference between Irish GAAP and Solvency II regime, mainly due to non-discounting and additional prudence margins under GAAP.

D.2 Technical provisions

The technical provisions comprise the best estimate of liabilities ("BEL") and risk margin according to Articles 75 to 86 of the Solvency II Directive. The best estimate technical provision is the sum of the claims provision and the premium provision.

The claims provision is the discounted best estimate of all future cashflows relating to claim events prior to the valuation date, including claims which have not yet been notified to the (re)insurer. Hence the claims provision is calculated as the expected present value of claims incurred, including incurred but not reported claims ("IBNR"), plus future expenses incurred to settle these claims, less future premium receivable in relation to the past exposure.

The premium provision is the discounted best estimate of all future cashflows relating to future exposure arising from policies that the (re)insurer is obligated to at the valuation date. Hence the premium provision is calculated as the expected present value of future claims from future exposure, plus future expenses incurred to settle these claims, less future premium receivable in relation to future exposure.

The risk margin represents the amount that another (re)insurer taking on the liabilities would require over and above the best estimate technical provisions. This is calculated using a cost-of-capital approach. The risk margin calculation is dependent on the Solvency Capital Requirement which itself is dependent on the best estimate technical provisions.

The table below shows the total technical provisions, gross and net of reinsurance at 31 December 2022, together with comparatives for the previous year.

	Gross Best Estimate	Net Best Estimate	Risk margin
	2022	2022	2022
	€000	€000	€000
By material line of business:			
Motor	3,802	1,337	136
Liability	154,900	57,887	5,869
Property	-	-	-
Other	2,713	1	0
Annuities stemming from non-life insurance contracts	79,801	2,757	2,969
	241,216	61,982	8,974
	2021	2021	2021
	€000	€000	€000
By material line of business:			
Motor	1,982	698	69
Liability	184,398	68,837	6,819
Property	26	9	1
Other	3,029	1	0
Annuities stemming from non-life insurance contracts	125,021	3,692	4,547
	314,456	73,237	11,436

The Company has adopted a deterministic approach to estimating the BEL by making the following adjustments to the GAAP reserves in the Company's statutory accounts:

- The GAAP reserves include an explicit prudence margin for uncertainty. In the Solvency II balance sheet this prudence margin is removed, as technical provisions are intended to be best estimates.
- Solvency II reserves are discounted at the risk free rate. The GAAP reserves are undiscounted.
- An ENID (events not in data) was included in the Solvency II balance sheet.
- An increased expense provision was included in the Solvency II balance sheet.

The total of these adjustments result in the technical provisions on the Solvency II balance sheet being €79 million lower (2021: €11.5 million lower) than the technical provisions shown in the financial statements.

The main risks and uncertainties associated with the technical provisions relate to the following:

- Risk free rates: whilst those used as at a given date are prescribed and provided by EIOPA, they are volatile over time. The Company has long tail liabilities arising from UK PPOs and German annuities, and there are uncertainties over future risk free rates which cause long term Best Estimate of Liabilities to be volatile (other liabilities are also affected, but the impact is less material).
- Unavoidable risk associated with the technical provisions: claims provisions are best estimates of future costs, both in terms of the amounts of future cashflows, but outcomes will inevitably differ from any prior estimate.
- The Company's business model is to manage claims actively. The technical provisions assume the runoff of claims over time as they are estimated to become due. This difference results in actual technical provision tending to reduce over time more quickly than the estimates used in the BEL.
- The active management of claims tends to involve actual expenses being higher than those assumed in the technical provisions. One cause of this is the staff costs of the relevant staff who do the active claims management.
- ENIDs and expense provisions: these necessarily rely on expert judgements (especially ENIDs) and so there are uncertainties associated with these being too high or too low.

D.3 Other liabilities

In November 2016 the Company issued €23.8 million of floating rate subordinated loan notes. The notes are due in January 2027 and they are listed on the Channel Island Stock Exchange. Interest on the notes is based on EURIBOR plus a margin of 7.95%. The notes are eligible to count towards the Company's Tier 2 basic own funds based on the criteria as set out in the Solvency II Framework Directive (2009/138/EC), the European Union (Insurance and Reinsurance) Regulations 2015 and Commission Delegated Regulation (EU) 2015/35.

D.4 Alternative methods for valuation

No other alternative methods for valuation are used.

D.5 Any other information

Not applicable.

E. Capital Management

Capital management refers to implementing measures to maintain sufficient capital and assessing the internal capital adequacy of the Company. The Company has a capital management plan which ensures it maintains a prudent cushion of equity to protect the Company's economic viability and to finance new growth opportunities and maintains sufficient capital in order to meet regulatory requirements. The Company was in compliance with regulatory capital requirements throughout the financial year.

In November 2017, the Company issued €23.8 million in subordinated loan notes which increased the Tier 2 own funds regulatory capital of the Company in accordance with the provisions of the Solvency II directive.

In March 2018, the Company issued share capital of €52 million to support the acquisition of the German MedMal portfolio from ZIP. In May 2019, the Company received a capital contribution of €11 million from its parent, in line with the Company's Capital Management Plan, after the regulatory solvency coverage fell below the internal target ratio.

E.1 Own funds

The table below shows the Company's own funds at 31 December 2022.

	Tier 1	Tier 2	Tier 3	Total
	€000	€000	€000	€000
Basic own funds				
Ordinary share capital	52,717	-	-	52,717
Reconciliation reserve	(19,731)	-	-	(19,731)
Subordinated liabilities	-	23,787	-	23,787
Total basic own funds	**32,986**	**23,787**	**-**	**56,773**
Available and eligible own funds				
Total available own funds to meet the SCR	32,986	23,787	-	56,773
Total available own funds to meet the MCR	32,986	23,787	-	56,773
Total eligible own funds to meet the SCR	32,986	16,997	-	49,983
Total eligible own funds to meet the MCR	32,986	1,700	-	34,686
SCR				**33,994**
MCR				**8,499**
Ratio of Eligible own funds to SCR				**147.0%**
Ratio of Eligible own funds to MCR				**408.1%**

The reconciliation reserve represents the reserves of the Company (e.g. retained earnings) and results mainly from differences between accounting valuation and valuation according to the Solvency II directive.

Tier 2 and Tier 3 items are subject to eligibility rules for meeting the SCR and MCR. For meeting the SCR, the sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 50% of the SCR, and for meeting the MCR, the sum of the eligible amounts of Tier 2 and Tier 3 items shall not exceed 20% of the MCR.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the components of the SCR at 31 December 2022, together with comparatives for the previous year.

	2022	2021
	€000	€000
By risk module		
Market risk	15,300	15,030
Default risk	2,856	1,346
Non-life risk	18,965	22,434
Life risk	619	786
Basic SCR before diversification	37,740	39,596
Diversification Benefits	(8,948)	(8,824)
Basic SCR	28,792	30,772
Operational risk	5,202	6,246
SCR	33,994	37,018
MCR	8,499	9,255

The SCR has decreased by €3 million since the prior year. This is mainly due to a decrease in the reserve risk charges, in line with the reduction in the Company's technical provisions.

The Company uses EIOPA's Solvency II Standard Formula. The Company does not use Company specific parameters in its computation.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

The Company has not used the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Internal model

The Company calculates the SCR using the standard formula. No internal or partial internal model is used in the calculation of the SCR.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

There has not been any non-compliance with the SCR or the MCR over the financial year nor is there expected to be any non-compliance with the SCR and MCR in the business planning period.

E.6 Any other information

Not applicable.

Appendix: Annual reporting templates

The quantitative reporting templates which form part of the Annual Regulatory Templates listed below are required to be published alongside the SFCR.

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses - by line of business
S.05.02.01	Premiums, Claims and Expenses - by country
S.12.01.02	Life and Health Technical Provisions
S.17.01.02	Non-life technical provisions by line of business
S.19.01.21	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement using the Standard Formula
S.28.01.01	Minimum Capital Requirement

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**	2
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	106,076
Property (other than for own use)	**R0080**	15,637
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	1,611
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	1,611
Bonds	**R0130**	69,439
Government Bonds	**R0140**	8,014
Corporate Bonds	**R0150**	61,424
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	19,200
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	189
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**	179,234
Non-life and health similar to non-life	**R0280**	102,190
Non-life excluding health	**R0290**	102,190
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	77,044
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	77,044
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	6,156
Reinsurance receivables	**R0370**	7,235
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**	9,306
Any other assets, not elsewhere shown	**R0420**	1,280
Total assets	**R0500**	309,290
		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	167,420
Technical provisions – non-life (excluding health)	**R0520**	167,420
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	161,415
Risk margin	**R0550**	6,005
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**	82,769
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**	82,769
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	79,801
Risk margin	**R0680**	2,969
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**	1,315
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	17
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	112
Subordinated liabilities	**R0850**	23,787
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	23,787
Any other liabilities, not elsewhere shown	**R0880**	883
Total liabilities	**R0900**	276,303
Excess of assets over liabilities	**R1000**	32,986

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for:				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**												-2					-2
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**												-2					-2
Net	**R0200**																	
Premiums earned																		
Gross - Direct Business	**R0210**												-1					-1
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**												-1					-1
Net	**R0300**																	
Claims incurred																		
Gross - Direct Business	**R0310**				3,543			-10	30,553				-139					33,946
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**				2,303			-7	19,859				-139					22,017
Net	**R0400**				1,240			-4	10,693									11,930
Changes in other technical provisions																		
Gross - Direct Business	**R0410**								-85									-85
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**								-55									-55
Net	**R0500**								-30									-30
Expenses incurred	**R0550**				-198				332				0					134
Other expenses	**R1200**																	
Total expenses	**R1300**																	134

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	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**						-2,283			-2,283
Reinsurers' share	**R1620**						-2,283			-2,283
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**						72			72
Reinsurers' share	**R1720**						72			72
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		GB	IT	DE			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110			-2				-2
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140			-2				-2
Net	R0200							
Premiums earned								
Gross - Direct Business	R0210			-1				-1
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240			-1				-1
Net	R0300							
Claims incurred								
Gross - Direct Business	R0310	-11	2,325	-139	31,771			33,946
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	-7	1,511	-139	20,651			22,017
Net	R0400	-4	814		11,120			11,930
Changes in other technical provisions								
Gross - Direct Business	R0410				584			584
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers'share	R0440				380			380
Net	R0500				204			204
Expenses incurred	R0550		-142		42			-100
Other expenses	R1200							
Total expenses	R1300							-100

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		GB	IT	DE			
		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		-9,478		7,194			-2,283
Reinsurers' share	R1620		-9,478		7,194			-2,283
Net	R1700							
Changes in other technical provisions								
Gross	R1710				305			305
Reinsurers' share	R1720				305			305
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			Other life insurance			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)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**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**								79,801		79,801						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**								77,044		77,044						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**								2,757		2,757						
Risk Margin	**R0100**								2,969		2,969						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**								82,769								

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP 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**				3,802				154,900				2,713					161,415
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**				2,465				97,013				2,712					102,190
Net Best Estimate of Claims Provisions	**R0250**				1,337				57,887				1					59,225
Total Best estimate - gross	**R0260**				3,802				154,900				2,713					161,415
Total Best estimate - net	**R0270**				1,337				57,887				1					59,225
Risk margin	**R0280**				136				5,869				0					6,005
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**				3,937				160,769				2,713					167,420
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**				2,465				97,013				2,712					102,190
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**				1,473				63,756				1					65,230

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]

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

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior R0100											33,675	R0100	33,675	33,675
2013 R0160	9,945	7,050	3,806	2,536	2,648	1,412	483	415	531	7		R0160	7	28,833
2014 R0170	1,698	1,020	1,068	200	61	7	8		0			R0170	0	4,062
2015 R0180	248	495	142	192	24	-62	-1	0				R0180	0	1,038
2016 R0190	83	207	147	34	10	7						R0190		488
2017 R0200	59	81	25	3	2							R0200		170
2018 R0210	16	26	5	11								R0210		58
2019 R0220												R0220		
2020 R0230												R0230		
2021 R0240												R0240		
2022 R0250												R0250		
												Total R0260	33,681	68,324

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior R0100											189,004	R0100	159,927
2013 R0160				5,820	7,366	3,180	1,306	1,265	434	324		R0160	295
2014 R0170			938	305	241	221	232	247	212			R0170	204
2015 R0180		1,461	828	378	407	423	443	471				R0180	452
2016 R0190	2,571	604	410	385	353	305	279					R0190	268
2017 R0200	2,349	354	309	300	288	295						R0200	284
2018 R0210	69	14	32	5	-8							R0210	-7
2019 R0220	-3	-7	-7	-8								R0220	-8
2020 R0230	2	2										R0230	
2021 R0240												R0240	
2022 R0250												R0250	
												Total R0260	161,415

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	52,717	52,717			
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	-30,730	-30,730			
Subordinated liabilities	R0140	23,787			23,787	
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	11,000	11,000			
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	56,773	32,986		23,787	
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	56,773	32,986		23,787	
Total available own funds to meet the MCR	R0510	56,773	32,986		23,787	
Total eligible own funds to meet the SCR	R0540	49,984	32,986		16,997	
Total eligible own funds to meet the MCR	R0550	34,686	32,986		1,700	
SCR	R0580	33,994				
MCR	R0600	8,499				
Ratio of Eligible own funds to SCR	R0620	147.03%				
Ratio of Eligible own funds to MCR	R0640	408.14%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	32,986
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	63,717
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-30,730
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	15,300		
Counterparty default risk	R0020	2,856		
Life underwriting risk	R0030	619		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	18,965		
Diversification	R0060	-8,948		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	28,793		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	5,202
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	33,994
Capital add-on already set	R0210	
Solvency capital requirement	R0220	33,994
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	

Approach to tax rate		Yes/No C0109
Approach based on average tax rate	R0590	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable)

Calculation of loss absorbing capacity of deferred taxes		LAC DT 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	6,076

		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	1,337	
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	57,887	
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	1	
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	58

		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	2,757	
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	6,134
SCR	R0310	33,994
MCR cap	R0320	15,298
MCR floor	R0330	8,499
Combined MCR	R0340	8,499
Absolute floor of the MCR	R0350	4,000
		C0070
Minimum Capital Requirement	R0400	8,499