# Solvency and Financial Condition Report
# Everest Reinsurance Company (Ireland), dac

## For the Year Ended 31 December 2022

**Contents**

1. SUMMARY ..... 3
1.1 Business and performance ..... 4
1.2 System of governance ..... 4
1.3 Risk profile ..... 5
1.4 Valuation for solvency purpose ..... 6
1.5 Capital management ..... 6
A. BUSINESS AND PERFORMANCE ..... 7
A.1 Business profile ..... 7
A.2 Underwriting performance ..... 9
A.3 Investment Performance ..... 9
A.4 Performance of other activities ..... 11
A.5 Any other material information ..... 11
B. SYSTEM OF GOVERNANCE ..... 12
B.1 General Information on the system of governance ..... 12
B.2 Fit and proper requirements ..... 17
B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA) ..... 20
B.4 Internal control system ..... 22
B.5 Internal audit function ..... 24
B.6 Actuarial function ..... 25
B.7 Outsourcing ..... 25
B.8 Any other material information regarding the system of governance of the Company ..... 26
C. RISK PROFILE ..... 27
C.1 Underwriting risk ..... 27
C.2 Market risk ..... 30
C.3 Credit risk ..... 31
C.4 Liquidity risk ..... 32
C.5 Operational risk ..... 33
C.6 Other material risks ..... 34
C.7 Any other information ..... 34
D. VALUATION FOR SOLVENCY PURPOSES ..... 35
D.1 Assets ..... 36
D.2 Technical provisions ..... 38
D.3 Other liabilities ..... 41
D.4 Alternative methods of valuation ..... 42
D.5 Any other information ..... 43

E. CAPITAL MANAGEMENT ..... 44
E.1 Own funds ..... 44
E.2 Information regarding the Solvency Capital Requirement and Minimum Capital Requirement ..... 45
E.3 Use of duration–based equity risk sub-module for the calculation of the Solvency Capital Requirement . 47
E.4 Differences between the standard formula and any internal model used ..... 47
E.5 Non-compliance ..... 47
E.6 Any other material information regarding the capital management of the Company ..... 47
Appendix ..... 48
Quantitative Reporting Templates (QRT) ..... 48

## 1. SUMMARY

**Approval by the Board of Directors**

This report was reviewed and approved by the Board of Directors of Everest Reinsurance Company (Ireland) dac on March 28th, 2023.

**Independent auditors report**

Narrative sections D, E.1, E.2, E.3 and E.6 of the Solvency and Financial Condition Report are subject to audit review by the Company's external auditors, KPMG.

The following Quantitative Reporting Templates ('QRTs'), which are included in the Appendix, are also subject to audit by KPMG.

| Template ref | Template Name |
|---|---|
| S.02.01.02 | Balance Sheet |
| S.17.01.02 | Non-Life Technical Provisions |
| S.19.01.21 | Non-Life Claims Information |
| S.23.01.01 | Own Funds |
| S.25.01.21 | Solvency Capital Requirement |
| S.28.01.01 | Minimum Capital Requirement |

The Company's reporting currency is Euro.

**Key Solvency II Metrics**

| | €'000 | €'000 |
|---|---|---|
| **Solvency II Balance Sheet** | **2022** | **2021** |
| Assets | 1,370,253 | 1,282,538 |
| Technical Provisions | 809,113 | 787,630 |
| Other Liabilities | 121,910 | 96,188 |
| Excess of Assets over Liabilities | 439,230 | 398,720 |
| | | |
| **Solvency Capital Requirement (SCR)** | | |
| Underwriting Risk | 206,387 | 167,050 |
| Counterparty Risk | 39,981 | 30,389 |
| Market Risk | 106,010 | 120,567 |
| Diversification Benefit | -76,095 | -73,048 |
| Basic SCR | 276,283 | 244,957 |
| Operational Risk | 22,990 | 22,121 |
| **Solvency Capital Requirement** | **299,273** | **267,079** |
| | | |
| **Minimum Capital Requirement (MCR)** | 74,818 | 66,770 |
| **Eligible Own Funds** | | |
| Tier 1 Basic Own Funds | 415,587 | 398,720 |
| Tier 3 Basic Own Funds | 23,642 | - |
| Ratio of Eligible Own Funds to SCR | 147% | 149% |
| Ratio of Eligible Own Funds to MCR | 555% | 597% |

## 1.1 Business and performance

Everest Reinsurance Company (Ireland), dac ('ERCID', 'the Company') is an Irish designated activity company licensed by the Central Bank of Ireland (CBI) to write all classes of non-life reinsurance business. The ultimate parent company is Everest Re Group Ltd ('Everest Re', 'the Group') which is a global (re)insurance company registered on the New York Stock Exchange.

The Company commenced writing business in 2010 and focuses on the provision of general property, casualty treaty reinsurance to (re)insurance companies ('cedants') domiciled predominantly in Continental Europe. It underwrites from its Dublin headquarters and through a branch office domiciled in Zurich, Switzerland.

The Company produces annual financial statements in accordance with Financial Reporting Standard FRS 102 & 103 ('FRS'). On this basis the Company produced a pre-tax loss for the year ended 31 December 2022 of €93.3m compared to a €10.4m profit in the prior period. Gross Written Premiums ("GWP") and Net Earned Premiums ('NEP') were €653.5m and €110.6m respectively compared to €513.6m and €92.6m in the prior period.

As at the period end the Company was rated 'A+ Strong' by Standard & Poor's and, 'A+ Superior' by A.M Best

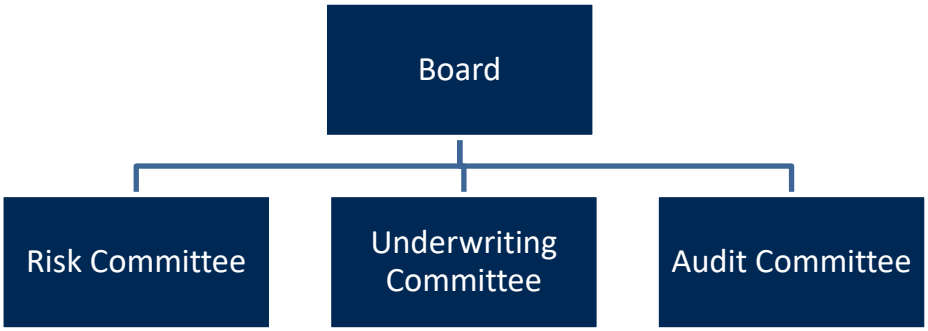
The Company continued to experience strong business growth during 2022. This premium growth continued during the 1 Jan 2023 renewal season which saw a further hardening of the reinsurance market in Continental Europe.

## 1.2 System of governance

The Company is subject to the various requirements set out by the Central Bank of Ireland including the Corporate Governance Requirements for Insurance Undertakings 2015, the Probability Risk and Impact system ('PRISM') as well as those requirements imposed as part of the Everest Re Group.

During Q42022, the CBI notified the Company, that with effect from January 1st, 2023, the PRISM rating is being amended from LOW to MEDIUM-LOW.

The Company's Board of Directors sets corporate objectives and strategy and is responsible for ensuring that the Company's system of governance is appropriately maintained and delivered. The Company has set up a governance structure comprising of the Board and sub-committees as follows:




The Board recognizes the importance of strong corporate governance and oversees the framework and operation of the system through its Audit, Risk and Underwriting sub-committees.

The Chief Executive Officer ('CEO') is responsible for the day-to-day management of risk control within the business operations as well as delivering the strategy set by the Board and optimizing business performance within the governance and risk framework set by the Board.

The Chief Risk Officer ('CRO') and Compliance Officer ('CO') are functions independent from the operational departments and provide assurance to the Risk and Audit committees with regard to the overall operation and effectiveness of the risk management system.

Risk management, compliance, actuarial and internal audit are key functions in our system of governance. Each of these functions reports regularly to the Board, Risk Committee and/or Audit Committee.

Annual audits are carried out by the Internal Audit function. These provide the Board with an independent review of the activities of the CEO, CRO, Head of Finance, CO and operational departments. Findings and recommendations are reported directly to the Audit Committee.

All persons who are either involved in the day to day running of the Company or hold positions in key functions are required to demonstrate that they have the appropriate level of fitness and probity to fulfil the requirements of those roles. Those persons holding positions in key functions are subject to the Central Bank of Ireland's Pre-Approved Control Function (PCF) regime which requires pre-approval by the CBI before they can take up the position.

There were no material changes made to the Company's system of governance during 2022 or at the time of publication.

## 1.3 Risk profile

The Company maintains a risk register that covers the risks to be included in the calculation of the Solvency Capital Requirement as set out in Article 101(4) of the SII Directive as well as the risks which are not or not fully included in the calculation thereof. The Board of Directors set the Company's risk appetite and assesses the risk profile on a regular basis. The Company carries out an Own Risk and Solvency Assessment ('ORSA') based upon its in-house economic capital model which it then compares to the Solvency Capital Requirement ('SCR') output from the SII Standard Formula model.

The Company carries out a wide-ranging assessment of the risks to which it is exposed. The Board has assessed these risks and considers that three key risks could either separately or in aggregate cause material impairment to capital:

- **Asset Risk**
  Asset or market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.
- **Catastrophe Risk**
  This is the risk that a single event or series of events, of major magnitude, usually over a short period could lead to a significant deviation in actual claims from the total expected claims.
- **Long Tail Reserving Risk**
  Casualty classes of business carry a long settlement period and a risk of inherent volatility. Long-tail risk arises when actual claims experience differs adversely from the assumptions included in setting reserves, in large part due to the length of time between the occurrences of a loss, the reporting of the loss and the ultimate payment of the claim.

These risks are monitored on a regular basis using an internal economic risk model and management system. These are described in more detail in Section C below.

The Company purchases both quota share and catastrophe excess of loss reinsurance from a mixture of Group-affiliated and external entities. These purchases serve to limit risk exposure, reduce volatility and to maintain a level of capital above the Solvency II SCR as set by the Risk Committee and the Board of Directors. This risk mitigation strategy is reviewed at least annually to ensure that it is aligned to Board approved risk appetite.

There were no material changes to the Company's risk profile during 2022.

## 1.4 Valuation for solvency purpose

In Section D below the Company sets out its approach to valuing assets and liabilities under Solvency II. The Company carried out a reconciliation of differences between the valuation of assets and liabilities made under FRS and Solvency II. These include the valuation of technical provisions and reinsurance recoveries and the exclusion of certain assets and liabilities. The reconciliation for the year ended 2022 is disclosed in section D.

There were no material changes to the Company's method of valuation for solvency purpose during 2022 or at the time of publication.

## 1.5 Capital management

The Company aims to hold sufficient own funds in order that it maintains a margin to cover the solvency Capital Requirement and Minimum Capital Requirement ('MCR') in line with the Board approved risk appetite. Further details on capital management policies can be found in section E below.

As at 31 December 2022 Basic Own Funds were €439.2m (prior year €398.7m) with a Solvency Capital Requirement of €299.3m (prior year €267.1m) resulting in a Solvency II SCR ratio of 147% (prior year 149%). The MCR at 31 December 2022 was €74.8m (prior year €66.8m). The year over year increase in required capital can be attributed to planned growth in preferred business segments such as casualty, marine and property as well as elevated reserves due to several significant catastrophe events.

In December 2022 and following an evaluation of future growth for the Company, Everest Re made unconditional contributions totalling €50.3m to ERCID. In January 2023, the transactions were formally approved by the CBI as Tier 1 own funds.

There were no material changes to the Company's method of capital management during 2022 or at the time of publication.

# A. BUSINESS AND PERFORMANCE

## A.1 Business profile

### A.1.a Name and legal form of the undertaking

Everest Reinsurance Company (Ireland), dac Incorporated in the Republic of Ireland.

Registered Address:
70 Sir John Rogerson's Quay,
Dublin,
D02 E296,
Ireland.

### A.1.b Name and contact details of the supervisory authority responsible for the financial supervision of the undertaking

The Central Bank of Ireland
New Wapping Street,
North Wall Quay,
Dublin,
D01 F7X3.

### A.1.c External Auditor of the undertaking

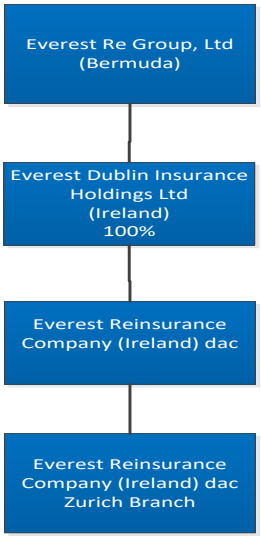
KPMG,
1 Harbourmaster Place,
IFSC,
Dublin,
D01 F6F5.

### A.1.d Description of the holders of qualifying holdings in the undertaking

| Name of Related Undertaking | Legal Form | Country | Participating Undertaking | Proportion of Ownership Interest Held by the Participating Undertaking | Proportion of Voting Rights Held by the Participating Undertaking |
|---|---|---|---|---|---|
| Everest Reinsurance Company (Ireland), dac | Limited by shares | Ireland | | | |
| Everest Dublin Insurance Holdings Limited (Ireland) | Limited by shares | Ireland | Everest Reinsurance Company (Ireland), dac | 100% | 100% |
| Everest Re Group, Ltd. (Bermuda) | Limited by shares | Bermuda | Everest Dublin Insurance Holdings Limited (Ireland) | 100% | 100% |

**A.1.e Details of the undertakings position within the legal structure of the Group**

The Company is a designated activity Company and is part of the Everest Re Group




**A.1.f Material lines of business and material geographical areas in which Business is carried out**

Gross Written Premium generated by underwriting year has been sourced as follows:

**Line of Business €'000**

| **GWP** | **2022** | | **2021** | |
|---|---|---|---|---|
| Property | 240,213 | 36.8% | 189,054 | 36.2% |
| Professional Lines | 200,151 | 30.6% | 138,646 | 19.5% |
| Marine, Aviation and Transport | 95,062 | 14.5% | 81,642 | 20.5% |
| Credit & Surety | 84,289 | 12.9% | 66,565 | 19.5% |
| Motor | 33,081 | 5.1% | 37,053 | 4.1% |
| Accident & Health | 677 | 0.1% | 655 | 0.2% |
| **Total** | **653,473** | **100%** | **513,615** | **100%** |

**Cedant Domicile €'000**

| **Country** | **2022** | | **2021** | |
|---|---|---|---|---|
| Germany | 209,823 | 32.10% | 138,212 | 26.90% |
| France | 184,287 | 28.20% | 175,130 | 34.10% |
| United Kingdom | 33,161 | 5.10% | 22,376 | 4.40% |
| Bermuda | 32,772 | 5.00% | 24,689 | 4.80% |
| Spain | 23,920 | 3.70% | 23,917 | 4.70% |
| Italy | 23,335 | 3.60% | 17,256 | 3.40% |
| Switzerland | 17,113 | 2.60% | 14,091 | 2.70% |
| Belgium | 16,065 | 2.40% | 10,445 | 2.00% |
| Czech Republic | 14,398 | 2.20% | 9,625 | 1.9% |
| Denmark | 13,481 | 2.10% | 12,832 | 2.50% |
| Other | 85,118 | 13.00% | 65,042 | 12.60% |
| **Total** | **653,473** | **100.00%** | **513,615** | **100.00%** |

### A.1.g Significant business or other events over the reporting period that have had a material impact on the Company

During the year the Company experienced loss development on 2020 COVID reserves and 2021 European Convective Storms and incurred additional losses from the 2022 French Hailstorms. These events had a significant impact on the Company's underwriting performance for the year. There were no other significant events over the reporting period that have had a material impact on the Company.

## A.2 Underwriting performance

**Performance by line of business (€'000)**

| Period Ending 31-Dec-22 | Income Protection | Motor vehicle liability | Marine Aviation and Transport | Fire and other damage to property | General liability | Credit and suretyship | Total |
|---|---|---|---|---|---|---|---|
| Net Earned Premium | 158 | 7910 | 19,412 | 32,135 | 34,985 | 15,952 | 110,552 |
| Net Incurred Claims | 198 | 6,666 | 15,732 | 56,508 | 23,466 | 7,733 | 110,303 |
| Expenses Incurred | 94 | 450 | 3,353 | 9,971 | 5,865 | 4,571 | 24,304 |
| Underwriting Profit /(Loss) | **(134)** | **794** | **327** | **(34,344)** | **5,654** | **3,648** | **(24,055)** |

| Period Ending 31-Dec-21 | Income Protection | Motor vehicle liability | Marine Aviation and Transport | Fire and other damage to property | General liability | Credit and suretyship | Total |
|---|---|---|---|---|---|---|---|
| Net Earned Premium | 240 | 6,131 | 19,294 | 24,186 | 27,309 | 15,461 | 92,621 |
| Net Incurred Claims | 372 | 4,144 | 14,867 | 36,150 | 20,698 | 8,800 | 85,031 |
| Expenses Incurred | 56 | -622 | 2,974 | 6,680 | 5,654 | 4,633 | 19,375 |
| Underwriting Profit /(Loss) | **(188)** | **2,609** | **1,454** | **(18,644)** | **957** | **2,027** | **(11,785)** |

## A.3 Investment Performance

### A.3.a Income and expenses arising from investments by asset class

The Board of directors is responsible for establishing investment policy and guidelines and, together with senior management, for overseeing their execution.

The Company's principal investment objectives are to ensure funds are available to meet its reinsurance obligations and to maximize after-tax investment income while maintaining a high-quality diversified investment portfolio. Considering these objectives, the Company views its investment portfolio as having two components:

1) the investments needed to satisfy outstanding liabilities (its core fixed maturities portfolio) and

2) investments funded by the Company's shareholders' equity.

For the portion needed to satisfy outstanding liabilities, the Company has invested in taxable and tax-preferenced fixed income securities with 72% rated A or higher at 31 December 2022. The portfolio is externally managed by an independent, professional investment manager using portfolio guidelines

approved by the Board and is adjusted periodically, consistent with current and projected market conditions and the Company's risk appetite.

The duration of an investment is based on the maturity of the security but also reflects the payment of interest and the possibility of early prepayments. The Company's fixed income investment guidelines include a general duration guideline. This investment duration guideline is established and periodically revised by management, which considers economic, and business factors, as well as the Company's average duration of potential liabilities, based on the estimated pay-outs of underwriting liabilities using standard duration calculations.

For each currency in which the Company has established substantial loss and loss adjustment expense (LAE) reserves, the Company seeks to maintain invested assets denominated in such currency in an amount approximately equal to the estimated liabilities with any surplus held in EURO or USD.

The Company's invested assets totalled a €654.3m market value as per the table below.

| **Investments** | **Market Value 2022** | **Market Value 2021** |
|---|---|---|
| | **€'000** | **€'000** |
| Government Bonds | 139,974 | 164,435 |
| Corporate Bonds | 405,773 | 440,372 |
| Collective Investment undertakings | 108,507 | 53,613 |
| **TOTAL** | **654,254** | **658,419** |

The market value of the Company's investment portfolio didn't vary significantly in the period. However, during 2022 we had a large unrealised fair value loss due to the upward movement of rates and the widening of credit spread which was offset by additional investment in Collective Investment Schemes (CIS) supported by the capital contribution received in Q422.

The split of bonds by credit rating on a market value basis is as follows (excluding accrued interest):

| **Bond Credit Rating** | **Market Value 2022 €'000** | **Market Value 2021 €'000** |
|---|---|---|
| AAA | **123,039** | 130,479 |
| AA+ | **13,201** | 15,275 |
| AA- | **31,974** | 26,158 |
| AA | **43,701** | 57,249 |
| A+ | **129,131** | 100,647 |
| A- | **78,541** | 70,436 |
| A | **43,540** | 47,096 |
| BBB+ | **58,743** | 95,351 |
| BBB- | **52,327** | 43,979 |
| BBB | **37,643** | 48,914 |
| BB+ | **2,959** | - |
| BB- | - | 896 |
| N/R | **24,975** | 17,147 |
| **TOTAL** | **639,774** | **653,626** |

A.3.b **Information about any gains and losses recognized directly in equity**

The Company has no gains and losses recognized directly in equity.

**A.3.c Information about any investments in securitisation**

The Company does not hold any investments in securitisation

## A.4 Performance of other activities

The Company has the following other material income and expenses:

| | 2022 €'000 | 2021 €'000 |
|---|---|---|
| Foreign exchange revaluation -losses/gains and other costs | 1,763 | 1,288 |

## A.5 Any other material information

There were no significant events affecting the Company since the financial year end.

# B. SYSTEM OF GOVERNANCE

## B.1 General Information on the system of governance

### B.1.a The structure of the Company's administrative, management or supervisory body and key functions

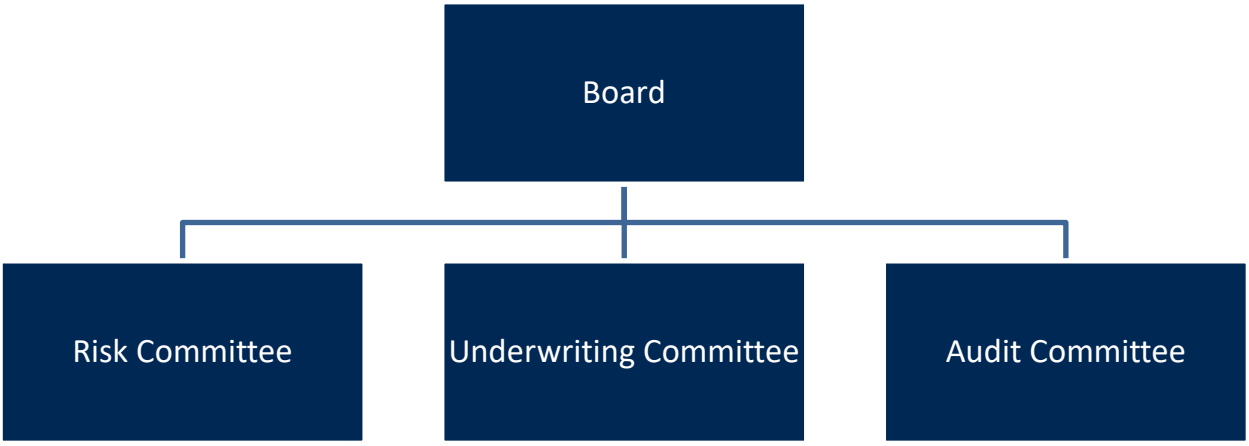
Responsibility for the design and oversight of the Company's systems of governance, in line with the Corporate Governance Requirements for Insurance Undertakings 2015 by the Central Bank of Ireland, resides with the Board of Directors.

The Board is primarily responsible for:

- Setting strategy and approval of the Company's business plan;
- Ensuring that the CEO and executive management implement the strategy and report on actual performance against the business plans;
- Ensuring that an appropriate system of internal control, including compliance, is in place and operating effectively;
- Assessing and monitoring the major risks facing the Company and ensuring that an appropriate risk management framework is developed and implemented by management
- Monitoring capital adequacy. Validation of the standard formula and SCR, ensuring that the minimum SCR and MCR are maintained at all times;
- Ensuring that the Company complies with all relevant laws and regulations.

The Board has formed a Risk Committee, Audit Committee and Underwriting Committee to which it has formally delegated specific functions. However, this delegation does not remove or absolve its members of their responsibilities to the Company. Both the Board and Committees are constituted in such a way as to meet the requirements of the Central Bank of Ireland's code: *Corporate Governance Requirements for Insurance Undertakings 2015*.

**Board committees**




**Risk committee**

The Risk Committee is responsible for providing oversight and advice to the Board on current risk exposures and future risk strategy. It assists the Board in setting and monitoring the Company's risk appetite and key risks as well as the maintenance and oversight of the risk register. It also oversees matters relating to compliance management.

The Committee is composed of the two Independent Non-Executive directors ('INED's') (one of whom is its Chairman) and the CEO. It meets prior to each scheduled Board meeting and accepts presentations from the Investment Manager, Head of Compliance and Chief Risk Officer. The Committee Chairman may call additional meetings as and when deemed appropriate, the minutes of which will be submitted for approval at its next meeting.

The Committee's responsibilities and level of authority are set out in the Terms of Reference document which is reviewed and approved by the Board on an annual basis. Key responsibilities are:

- Advising the Board on risk appetite and risk tolerance taking account of the Board's overall risk appetite
- Advising the Board on proposed strategic solvency targets
- Overseeing the Company's risk management system, policies, and procedures
- Overseeing the risk management function as managed on a day-to-day basis by the CRO
- Liaising regularly with the CRO to ensure the development and ongoing maintenance of an effective risk management system that is effective and proportionate to the nature, scale and complexity of the risks inherent in the business
- Ensuring the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the organisation
- Overseeing the Company's compliance with statutory and regulatory requirements
- Participating in and monitoring the ORSA process and outcomes and ensuring that the ORSA is implemented effectively within the Company
- Reviewing certain large transactions referred by the Underwriting Committee
- Monitoring compliance with legal and regulatory requirements and
- Reviewing the annual compliance plan and reviewing the outcomes of the compliance monitoring programme of the Company.

**Audit committee**

The Audit Committee is responsible for oversight of financial reporting and associated internal controls as well as the performance of both internal and external audits. The Committee provides a link between the Board and the independent internal and external auditors.

The Committee is composed of three directors, two of whom are INED's (one of which is Chair of the Committee) and one Non-Executive Director. It meets prior to each scheduled Board meeting and accepts presentations from the Head of Actuarial Function, Head of Claims and Head of Finance on operational and financial matters, as well as periodic reports from the Head of Internal Audit function and external Audit Partner. The Committee Chairman may call additional meetings as and when deemed appropriate, the minutes of which will be submitted for approval at its next meeting.

The Committee's responsibilities and level of authority are set out in the Terms of Reference document which is annually reviewed and approved by the Board. Key responsibilities are:

- Monitor the effectiveness of the Company's internal controls, internal audit function and information technology ('IT') systems.
- Ensure that the findings and recommendations of both the internal and external auditors are communicated to the Board and acted upon in a timely manner.
- Approve the appointment of the internal and external auditors, assessing both their independence and effectiveness.

- Review the scope of the audit plans presented by the external and internal auditors.
- Review the Company's interim and annual financial statements in conjunction with executive management and, on an annual basis, with the external auditor.
- Assess the effectiveness of the Company's internal financial control processes, investigating any material breaches and recommending corrective action if required.
- Review the Company's accounting policies and any significant matters raised by external and internal auditors.

**Underwriting committee**
The Underwriting Committee assists the Board in establishing and overseeing the Company's underwriting policies and procedures and reviewing compliance with the Company's Underwriting Principles.

The Committee is composed of the Head of International Reinsurance, Zurich Branch Manager, Chief Executive Officer and Head of Underwriting. Meetings take place to coincide with scheduled Board meetings or at other such times deemed to be appropriate. The Chairman of the Committee will make a report to the Board.

To fulfil its responsibilities and duties the Underwriting Committee shall:

- Delegate to underwriters' levels of acceptance, defined by Premium, limit and class.
- Set aggregate limits for all appropriate classes and territories.
- Periodically review rating and other underwriting tools and approve or amend as necessary.
- Review and sign off of risks referred by underwriters which are outside of Head of Underwriter's authority limits as stated per the Letter of Authority.
- Review all underwriting transactions which fall outside of delegated authority limits and either approve or provide underwriters with specific individual authority delegations.
- Review significant underwriting transactions where the Company's written premium exceeds a specific amount, as pre-determined by the Board on a per-cedant basis.
- Involve the Risk Committee in the decision process for significant signings.

**General Information on Key Functions**
The Company's risk management, compliance, actuarial and internal audit functions are the key functions in its system of governance. Each of these functions reports regularly to the Board, Risk Committee and /or Audit Committee. The functions may draw upon support from Group where appropriate but also may engage external resources (whether systems, tools, or people) as required.

**Risk function**
Primary responsibility for the Risk function has been delegated by the Board to the Risk Committee. The Chief Risk Officer ("CRO") has a standing invitation to the meetings of the Risk Committee to whom they provide a regular verbal and written report.

The CRO is responsible for ensuring that business decisions made by the executive management fall within the Company's risk appetite and strategy. The CRO reports directly into the Group Enterprise Risk Management department based in New Jersey, USA.

**Compliance function**
The Company's compliance function is headed up by the Head of Compliance ("HoC"). The HoC provides periodic reports to the Risk Committee and is independent from the executive functions. The key responsibilities of the Compliance Function are detailed in section B.4.5.b below. The function is primarily responsible for oversight and compliance with the requirements of the regulatory environment in which the

Company operates; mitigation of risk of financial crime, data protection and ensuring adherence to internally published company policies and procedures.

**Actuarial function**
The actuarial function is headed by the Head of Actuarial Function ('HoAF'), as set out by the Central Bank of Ireland's Fitness and Probity regime. The key responsibilities of the HOAF are detailed below in section B6.

**Internal Audit function**
The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

The internal audit process is outsourced by the Company to Mazars. Further oversight and support are provided by the Group Internal Audit department based in New Jersey, USA who carries out audits under the direction of the Group audit committee as and when required. The Board believes that this arrangement provides an enhanced level of independent oversight both from a local and global perspective.

### B.1.b Material changes in the system of governance in the reporting period

The Company has experienced strong premium growth during the 2022 and 2023 renewals. As a result of this growth and as noted in section 1.2, during Q42022 the CBI notified the Company, that with effect from January 1, 2023, the Company's PRISM rating is being amended from LOW to MEDIUM-LOW.

### B.1.c Remuneration policy

#### B.1.c.i Principles of remuneration policy

The Company's remuneration program is designed to attract, retain and motivate individuals whose abilities are important to the success of the Company while also ensuring that such practice is consistent with, and promotes, sound and effective risk management. To achieve these ends, the Company's remuneration program utilizes a short-term component, consisting of a fixed base salary, plus an annual, variable, merit-based discretionary bonus. In addition to this employees may be offered a long-term component, consisting of discretionary equity awards in the form of restricted share awards of stock in the Company's ultimate parent, Everest Re Group, Ltd.

Short term remuneration is designed to attract, reward, and retain employees for achieving optimal performance in the current year. Long term remuneration is designed to align the interests of the Company's senior management with those of the Group's shareholders by incentivizing employees to work towards achieving the Group's long-term goals.

Remuneration is based on the level of job responsibility, individual performance, and contribution to the performance of the Company.

Remuneration awards are generally intended to be reasonably competitive with the open market to minimise the potential for disruptive turnover amongst key roles.

Employees are also entitled to receive additional forms of compensation including:

- Company funded pension plan;

- Company paid life insurance;
- Medical insurance and;
- Disability insurance.

**B.1.c.ii Information on the individual and collective performance criteria on which any entitlement to share options, shares or variable components of remuneration is based**

Company executives may be offered a long-term remuneration component through the Everest Re Group, Ltd. 2020 Stock Incentive Plan, as adopted by the Group's shareholders in May 2020 (the '2020 Stock Incentive Plan'). Awards under the 2020 Stock Incentive Plan are intended to reinforce management's long-term perspective on corporate performance, provide an incentive for key executives to remain with the Company for the long-term, and provide a strong incentive for employees to work to increase shareholder value by aligning key executives' interests with the Group's shareholders.

Awards under the 2020 Stock Incentive Plans may take the form of share options, share appreciation rights, restricted shares or share awards. To date, the Group Board of Directors has only awarded restricted shares and non-qualified share options pursuant to the Plan. In 2021 only restricted shares were awarded. Restricted shares are awarded on the day that they are granted by the Group's Board of Directors and valued as of the grant date. Restricted share awards vest over a five-year period at the rate of 20% per year and are generally forfeited if the recipient leaves the Company before vesting. Generally, upon termination of employment, the recipient loses unvested options and restricted shares and has 90 days to exercise vested options. In general, equity awards are considered and granted to eligible individuals once per year by the Board of directors of Everest Re Group Ltd and are in the subjective judgment and discretion of the Group's Board of directors based upon recommendation received from the Company's executive management. The Group Board has not identified any specific factors or particular criteria that must be met by particular members of the Company's senior management and does not assign any relative weighting to any factors or criteria it considers. Rather it exercises its subjective judgment and discretion by taking into account all factors that it deems relevant. Examples of factors that the Group Board has utilised include the recipient's demonstrated past and expected future performance, the recipient's level of responsibility within the Company, his/her ability to affect shareholder value, and past awards of share options, share appreciation rights, restricted shares, or share awards.

**B.1.c.iii A description of the main characteristics of supplementary pension or early retirement schemes for members of the administrative, management or supervisory body and other key function holders**

The Company operates a pension plan for all staff, regardless of level of seniority, on a defined contribution basis. Employees are subject to the standard rules of the schemes in place at their place of work. Independent non-executive directors of the Board receive a fixed annual fee as remuneration and are not members of the supplementary pension scheme. Members of the administrative, management or supervisory body and other key function holders who are not directly employed by the Company are subject to the schemes provided by their employer.

**B.1.d Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body and other key function holders**

There were no material transactions during the reporting period.

## B.2 Fit and proper requirements

### B.2.a A description of the undertakings specific requirements concerning skills, knowledge and expertise applicable to the persons who effectively run the undertaking or have other key functions

The Company is required to fulfil the minimum requirements as set out by the CBI in Fitness and Probity Standards 2014. The Company is required to nominate employees in specific control function ('CF') roles and in certain cases obtain the pre-approval of the CBI, by completing online individual questionnaires, before appointing individuals to Pre-approved Controlled Functions ('PCF') roles.

The Company requires that a person who holds a PCF or CF role can demonstrate that they have the necessary competence and proficiency to undertake the relevant function, have a sound knowledge of the business, and their specific responsibilities together with a clear and comprehensive understanding of the legal/ regulatory obligations to undertake that function.

**Chief Executive Officer**

The CEO is designated as (PCF-8) and Executive Director (PCF-1) with overall responsibility for the operation of the Company, the CEO is the most senior executive of the Company and is the link between management and the Board. The CEO reports directly to the Chairman of the Board.

**Head of Actuarial Function**

The role of HoAF is designated at PCF-48 by the CBI. The current incumbent is a qualified actuary with over 14 years of experience in the European insurance industry across most types of actuarial disciplines. He holds a PhD in Systems and Control Theory, is a qualified actuary and is a member of the Society of Actuaries in Ireland. The HoAF is supported by staff that hold, or are training towards, internationally recognized actuarial qualifications. HoAF support is based mainly in Everest's Dublin office where ERCID hired a full-time risk and reserving actuary in 2022. The actuarial function shall possess, and be able to demonstrate, appropriate knowledge of actuarial and financial mathematics commensurate with the nature, scale, and complexity of the risks of the Company and:

- have the necessary skill and experience;
- have not been disqualified by their professional body;
- be competent and capable;
- be honest, ethical, and act with integrity; and
- be financially sound.

**Chief Risk Officer**

The role of CRO is designated at PCF-14 by the CBI and held by the Group Accumulation Lead in the Zurich Branch. The Board has satisfied itself that:

- The CRO has demonstrated that he has the relevant expertise gained in risk management/ actuarial science supported by appropriate formal qualifications and has confirmed continued professional development.
- Has sufficient seniority and independence to influence proposals or challenge decisions which affect an insurance undertaking's exposure to risk.

**Head of Compliance**

The HoC is designated at PCF-12 by the CBI and held by a direct employee of the Company. The HoC is independent of the executive function. The HoC has demonstrated knowledge of legislation and regulatory matters impacting the Company and be able to articulate these to the Board.

**Head of Internal Audit ('HoIA')**

The role of HoIA is designated at PCF-13 by the CBI and held by a nominated senior officer of a firm of Dublin based Chartered Accountants and is independent of the executive function.

The internal audit plan sets out the internal audit approach and methodology which will be applied in undertaking the internal audit program. The plan facilitates:

- Production of Internal Audit Reports for the Audit Committee on the system of internal control;
- Auditing ERCID's risk management, governance and internal control arrangements through an internal audit plan, prioritised according to the key objectives and risks;
- Identifying the audit resources required to deliver the internal audit program in accordance with the required professional standards;
- Provision to senior management and the Audit Committee of recommendations resulting from audit work which are intended to improve the internal control, risk management and governance environment; and
- Co-operating and communicating effectively with ERCID's Statutory Auditors, Group Internal Audit and the CBI.

**Head of Finance ('HoF')**

The HoF is designated at PCF-11 (Head of Finance) by the CBI and held by a direct employee of the Company, who reports to the CEO of the Company. The HoF is responsible for the financial reporting of the Company and demonstrated knowledge of accounting and regulatory matters impacting the Company and be able to articulate these to the Board.

**Head of Underwriting ('HoU')**

The HoU is designated as PCF-18 by the CBI and is responsible for the underwriting process and strategy in the Company. The HoU is assisted in this role by a team of experienced underwriters who operate under delegated authorities overseen by the Underwriting Committee and approved by the Board.

**Head of Claims ('HoCl')**

The HoCl is designated as PCF-43 by the CBI and is responsible for the claims process and strategy in the Company. The HoCl is assisted in this role by a team of experienced claim handlers including those who operate under the terms of the outsourcing contract. The HoCl makes a presentation on claim developments at each scheduled meeting of the Board.

**B.2.b A description of the undertakings process for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions**

Where the Company has determined that an individual is appropriate for the role of PCF, the application process is undertaken for the submission of the Individual Questionnaire ('IQ') via the CBI Online System. The process involves:

- Completing the relevant sections of the IQ by both the applicant and proposer
- Documentation of supporting experience and relevant qualifications
- Declaration by the proposed holder of the PCF of the accuracy and veracity of the information provided
- Declaration by an appropriate officer confirming the checks of the individual were undertaken by the Company (e.g., appropriate due diligence with regard to qualifications and experience, previous employer reference checks etc.) and confirming that the Company is satisfied that the proposed holder of the PCF is fit and proper.

When the CBI confirms their approval of the appointment, the individual may commence their PCF role within the Company. The ongoing monitoring, including annual declarations and due diligence shall be the responsibility of the HoC.

Persons undertaking CFs roles are notified in writing by the Head of Compliance of their obligations under the Fitness and Probity standard, the letter will also identify the relevant Control Function code. The ongoing monitoring, including annual declarations and due diligence shall be the responsibility by the HoC and the Human Resource unit for certain aspects.

For the cases where employees are not required to be nominated into control function roles the Company ensures that the employees are able to fulfil the requirements of their roles by holding such professional qualifications, knowledge and experience that would be reasonably expected by a knowledgeable third party and are of good repute and integrity.

The Company has a process in place to enable the annual confirmation to the CBI that the Company is in compliance with the relevant regulatory requirements under the CBI's Fitness and Probity Standards 2014 and associated CBI Guidance (the 'Fitness and Probity Standards'). In addition to this the company has adopted the standards and recommendations as recommended by the CBI per their 'Dear CEO' letter of 17th November 2020.

These processes will ensure that all relevant persons meet, and continue to meet, the Fitness and Probity Standards and fulfil any training obligations.

The Company has in place a Fitness and Probity policy document which covers:

- Recruitment of persons undertaking PCF and CF roles
- Individuals performing PCFs and CFs on a temporary basis
- Outsourcing of PCFs and CFs
- On-going due diligence of individuals performing PCFs and CFs. Each CF and PCF holder must complete annual declarations on conflicts of interests, reputation and character, and civil and criminal record
- Addressing the consequences where a person's circumstances change and can no longer able to meet the F&P standard.

## B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA)

### B.3.a Description of the risk management system comprising strategies, processes and reporting procedures, and how the Company is able to effectively identify, measure, monitor, manage and report, on a continuous basis, the risks on an individual and aggregated level, to which the Company is or could be exposed

The assumption of risk is central to the industry in which the Company operates. The Board of Directors provides direction to executive management by setting the Company's risk appetite and identifying the principal risks faced by the Company which are articulated in a risk register based on the CBI PRISM regime. The Board has identified three key risks which it believes could have the potential to cause material impairment of the Company's solvency position based on both the ECM and standard formula SCR. At the time of reporting the Company considers the following risks to be key:

- Asset Risk
- Catastrophe Risk
- Long Tail Reserving Risk

The Board delegates to the CEO and executive management primary responsibility for day-to-day risk management and control. The Company utilizes three lines of defence to identify, control and mitigate risk across all of its functions and to feedback information to the Board on the efficiency of the control system.

- **First line of defence**: Operational management assumes ownership of day-to-day business processes which assess, control and mitigate operational risk. These take the form of written policies and procedures.
- **Second line of defence**: the Risk Management function, Compliance function as well as expert functions, such as Actuarial and Finance, oversee the risk management framework and provide feedback to executive management and the Board.
- **Third line of defence**: the Internal Audit function provides independent assurance to the Board in respect of the effectiveness of risk management and controls.

### B.3.b Description of how the risk management system including the risk management function are implemented and integrated into the organizational structure and decision-making processes

The majority of the reinsurance contracts written by the Company incept 1st January and have twelve-month duration. The Group Economic Capital Model generates the Company's internal capital requirement based on an annual plan prepared in Q4.

Underwriters are provided with guidelines and specific levels of authority that limit the size and type of risk written. Actual performance is monitored against plan both at entity and Group level. The Group ERM function provides regular updates on the key risk position versus appetite and prior period to enable the Board to monitor risk position against appetite and tolerance.

Asset Risk is assessed on a quarterly basis and investment decisions are controlled by investment guidelines. The Company chooses to invest in mainly low volatility, highly rated sovereign or corporate bonds. Asset durations and currency exposures are matched to liabilities.

Adequacy of loss reserves are assessed by the HoAF by an annual actuarial reserve study. This study is internally verified by the Group Chief Reserving Actuary. The appropriateness of estimated loss ratios is assessed on a quarterly basis which includes an actual versus expected analysis by underwriting year and line of business. Any variances deemed to be significant are discussed with executive management with appropriate adjustments being made. The HoAF is required by the CBI to prepare a formal report to the Board and statement of opinion to the CBI.

Catastrophic events are deemed to be events that create a loss to the Group of US$10m or more when combining Group affiliates. These events are tracked on a quarterly basis. Exposure to Natural Catastrophe events is controlled through aggregate management by peril and zone.

The Company believes that it holds an adequate surplus of capital to allow it to pursue its strategic goal of achieving market leading average ROE over the insurance cycle.

Overall volatility of solvency needs, relevant to capital is deemed to be low. ECM capital is relatively close to the SII required capital. As statutory capital stands at nearly €500m the Board believe there is an adequate buffer in place to cover regulatory capital requirements.

**B.3.4.a The ORSA assessment process**

The ORSA process can be defined as an overarching process made up of the entirety of the policies and procedures employed by business functions to:

- Identify, assess, monitor, manage and report the short- and long-term risks that the Company faces or may face (Risk Assessment)
- Determine the own funds necessary (Capital Requirements) to ensure that the Company's overall solvency needs are continuously met (Solvency Assessment)
- Document the outcome of the Risk Assessment and calculation of Capital Requirements in an ORSA Report.

The ORSA is the Company's own view of its future risk and solvency position. As such it is embedded into the planning and strategic decision-making process. Where large or non-standard deals are being considered, their potential quantitative impact on the Company's solvency capital position will be identified and articulated to the Underwriting Committee who will consider the output in line with the Company's strategic objectives. Any such assessments will be brought to the attention of the Board if the deal is considered to be commercially viable by the Underwriting Committee.

The Company's approach focuses on ensuring that the ORSA process is well integrated into the Company's strategic management and decision-making framework. Therefore, the ORSA process forms part of the model for decision making in which the Company's solvency position is considered at all times. The Board and executive management adopt a risk-based approach to decision making, taking into account risk and associated capital requirements.

The Company ORSA processes are grouped into "Own Risk Assessment" processes which relate to the identification and assessment of risks faced by the Company and "Solvency Assessment" processes which are used for setting the appropriate level of capital based on the Company risk profile. These processes and

their outputs are embedded in the day to day "business as usual" processes and therefore not specifically identified as "ORSA processes" or "ORSA reports".

#### B.3.4.b Frequency of the review and approval of the ORSA by the Company's administrative, management or supervisory body

The Board of Directors reviews and approves the ORSA at least annually, or at such times when a material change in business strategy would necessitate an update to more accurately illustrate the Company's risk environment.

A "dynamic ORSA" process runs throughout the course of the year with reports being made to the Board at their regular meetings.

#### B.3.4.c Determination of the Company's own solvency needs given the Company's risk profile and how capital management activities and risk management system interact with one another

The Company, as part of the Everest Re Group, has access to, and utilises, the skill and expertise of a centralised Enterprise Risk Management department, headed by the Group CRO. The Company utilises a sub-set of the Group Economic Capital Model (ECM) when calculating current risk positions of its three key risks.

The Company's annual business planning process takes place during the fourth quarter. The process includes the determination of capital requirements, including SCR and internal Economic Capital Requirement (ECR), resulting from the plan in line with the strategic objectives set by management and expected market conditions.

In order to ensure that the evolving nature of the risks identified in the ORSA are adequately monitored on an ongoing basis the Chief Risk Officer maintains an open and regular dialogue with the Group Emerging Risk Committee.

The ORSA processes and outputs used to assist Board in decision making are:

- **Risk Profile**: Assessment of the impact on the portfolio risk appetite and tolerance due to either a change in business mix or premium volumes in the proposed annual business plan.
- **Capital setting**: The SCR and ECM play a central role in calculating the necessary capital and solvency requirements resulting from the plan. The process aims to ensure that the SCR and ECR set for the following year are adequate to cover the Company's solvency needs as set by the Board.
- **Stress and scenario testing**: This is carried out to test the effect of a range of possible outcomes and set a range of acceptable parameters to ensure that the business bound remains within the risk appetite and tolerances set by the Board.

## B.4 Internal control system

### B.4.a Description of the internal control system

The Company's internal control framework has been designed to cover the following processes.

The Board of Directors, through the operation of the Audit, Risk and Underwriting committees ensures that the internal control framework is maintained to ensure the accuracy and timely reporting of financial and regulatory reporting. In addition to administrative and accounting procedures, the internal control framework covers the governance and oversight of:

- Underwriting,
- Calculation of technical provisions,
- Actuarial pricing and reserving,
- Claims adjustment,
- Compliance,
- Outsourcing, and
- Data protection and Information Technology.

The Company's internal control framework is subject to an annual review. As part of an SEC regulated Group, the Company is also subject to the requirements of Sarbanes Oxley and as such a review by the Company's external auditors on the appropriateness and effectiveness of controls. All internal controls are documented and include at least the following:

- A narrative overview of the processes and procedures,
- Identification of Key Controls,
- A risk assessment of each Key Control; and
- A management testing plan for each Key Control

**B.4.5.b Description of how the compliance function is implemented**

The compliance function acts independently from other functions and departments and provides assurance to the Board in respect of the effectiveness of the risk management framework. The Compliance Officer is not involved in any day-to-day operational activities, other than those required to fulfil their duties and to ensure that no conflicts of interest arise. The Compliance Officer has been given authority to access information necessary to ensure that they fulfil their duties in respect of the oversight of the Company's internal control framework.

The Compliance function works closely with the Internal and External Audit functions to ensure that any deficiencies are noted, remediation measures are implemented, and all material issues are brought to the attention of the Audit and Risk Committees.

Supervision of the Company's compliance function is achieved through Board oversight together with the interaction of senior management and the CEO.

Periodic compliance risk assessments of the Company's business activities are undertaken by the Compliance Officer in conjunction with operational management. Compliance monitoring is achieved through scheduled and unscheduled reviews, incident/issue reporting, recording regulatory developments and the logging of complaints.

The Compliance Officer undertakes an annual review of the Company's procedures and practices to determine if they are being carried out in accordance with applicable regulatory requirements and best practices. The result of this review is presented to the Board for review and consideration.

## B.5 Internal audit function

The purpose of the internal audit function is to determine whether the Company's risk management, internal control, and governance processes are adequate and functioning in a manner which ensures:

- Risks are appropriately identified and brought to the attention of the Board.
- Verification of the Company's assets.
- The reliability and integrity of the Company's financial and regulatory information.
- Compliance with policies, standards, procedures, and applicable laws and regulations.

In addition, the internal audit function shall, as required, provide management value-added activities outside the traditional criteria of internal auditing services.

The head of internal audit function formulates an annual audit plan which is put before the Audit Committee of the Board. The plan evaluates the effectiveness of risk management and control processes across the business and selects risks in order to provide full coverage of key risks on a three-year cycle. The Audit Committee and executive management may also request the inclusion of additional areas for review.

### B.5.a Description of how the Company's internal audit function is implemented

The Company outsources the Head of Internal Audit PCF function to a third party. The Head of Internal Audit reports to the Chair of the Audit Committee who is an Independent Non-Executive Director. The internal audit report is reviewed by the Audit Committee and presented to the Board by the Chair.

The mission of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. The Company is subject to oversight by both Group and local internal functions.

### B.5.b Description of how the Company's internal audit function maintains its independence and objectivity from the activities it reviews

By outsourcing the internal audit function to a third party which is not engaged in any executive or operational function that relate to the day-to-day running of the Company, the Board ensures an appropriate separation of duties and independence.

In addition to this, the Internal Audit department of Everest Global Services carries out the Group Internal Audit function as directed by the Audit Committee of Everest Re Group Ltd.

## B.6 Actuarial function

### B.6. Description of how the actuarial function of the Company is implemented

The Company is required to meet the requirements of the Central Bank of Ireland's Domestic Actuarial Regime in respect of the Actuarial Function. The HoAF (PCF-48) is a qualified actuary and is a Fellow of the Society of Actuaries in Ireland. The HoAF is supported by a risk and reserving actuary with industry specific experience, as well actuarial and enterprise risk resource provided by Group.

The actuarial function is required to:

- Calculate the Technical Provisions and inform the Board on the adequacy of the calculation. In addition, the HoAF is required to provide an opinion and accompanying report to the Central Bank of Ireland.
- Prepare an opinion to the Board on underwriting policy and the adequacy of any reinsurance arrangements.
- Contribute to the effective design and maintenance of the Company's risk management system.
- On an annual basis provide to the Board with a statement on data quality and controls.

The Actuarial Function works as part of the Reinsurance International Pricing Team, separately from other operational departments and reports directly to the Group Chief Actuary and Chief Risk Officer Head of International Pricing.

As a consequence of the PRISM rating being changed from LOW to MEDIUM-LOW, the Company will be required from the 2023 Underwriting Year to appoint a Reviewing Actuary to undertake the five-year peer review.

## B.7 Outsourcing

**Description of the outsourcing policy of the Company, any outsourcing of any critical or important operational functions or activities and the jurisdiction in which the service providers of such functions or activities are located**

With the exception of the outsourcing of the Internal Audit Function, investment managers, custodian and payroll, the Company does not have any outsourcing arrangements in place with third parties outside of the Everest Re Group. All outsourcing arrangements are subject to service level agreements.

The Company is required to notify the CBI of any proposal to outsource critical or important functions or activities i.e., those activities which are essential to the operation of the Company as it would be unable to deliver its services to policyholders without them. The Company is required to carry out a detailed examination to ensure that the service provider has the necessary ability to carry out the outsourcing function or activity, taking into account the impact of the proposed outsourcing arrangement on the operations of the Company.

The Company has a comprehensive outsourcing policy in place which has been approved by the Board. The purpose of the Company's outsourcing policy is to:

- Clearly set out the roles and responsibilities within the Company in relation to outsourcing;
- Clearly set out those functions which the Board feel may be outsourced by the Company;
- Clearly set out the principles on which the Company outsources material functions;
- Provide a description of the processes and procedures which the Company carries out prior to outsourcing, including the assessment and impact of the outsourcing on its business;
- Provide a description of the processes and procedures post outsourcing including the review of service levels and the associated reporting and monitoring required by the Company to ensure that the outsourced service meets the same standard expected as if it remained within the Company.

The Company considers the following outsourced functions to be critical or important operational functions or activities:

| **Activity** | **Service Provider** | **Jurisdiction** |
|---|---|---|
| Claims handling and adjusting | Everest Advisors (UK) Ltd | UK |
| Information Technology | Everest Advisors (UK) Ltd<br>Everest Global Services | UK<br>USA |
| Actuarial Pricing and Reserving | Everest Advisors (UK) Ltd | UK |
| Enterprise Risk Management | Everest Global Services | USA |
| Internal Audit | Mazars | Ireland |
| Investment Management | Everest Global Services<br>Deutsche Asset Management International<br>Crescent Capital Group<br>BNY (Custodian) | USA<br>Germany<br>UK |

## B.8 Any other material information regarding the system of governance of the Company

The Company carries out a series of internal reviews as to the adequacy of the components of the systems of governance, with any deficiencies reported to the Audit Committee. The Board considers that the system of governance is adequate with regard to the nature, scale, and complexity of the risks inherent in the Company's business.

The Company does not have any other material information to disclose in regard to system of governance.

## C. RISK PROFILE

The Company's risk profile directly reflects the business strategy which is to accept Property & Casualty reinsurance underwriting risk. As a consequence, the Company is also exposed to a range of other risks necessary to run the business. These risks are articulated and assessed in a risk register based upon the CBI PRISM regime. The risk register describes the risks to which the Company is exposed, including asset/market, insurance, mortgage, operational, credit, liquidity, strategic, fungibility, Eurozone, concentration, and environmental risks.

The Board aligns risk appetite and tolerances with its strategic goals. On at least an annual basis the Chief Risk Officer, following consultation with executive management, produces a submission to the Board regarding the effectiveness of current risk mitigating techniques and a proposal for those required in the future. The Board monitors the continued effectiveness through a variety of submissions made by the Chief Risk Officer, Head of Actuarial Function, Head of Finance and Underwriting Committee at the regular Board meetings.

**Stress testing and sensitivity analysis for material risks**

A number of stress and scenario tests are used to assist the Board in understanding how the Company's risk profile would look under stressed conditions and to determining the associated impact on capital requirements. These tests and their results form part of the ORSA process. The types of testing performed by the Company include the following:

- **Stress and Scenario testing**: These are plausible scenarios performed as stresses to the Company's balance sheet and with the purpose of informing users about resulting changes to profitability and required capital.
- **Reverse Stress Testing:** This technique is used to consider combinations of extreme events that could result in the business model becoming unviable at the point when crystallising risks cause counterparties and other stakeholders to be unwilling to transact with or provide capital to the Company and, where relevant, existing counterparties may seek to terminate their contracts, or the market Regulator may require the Company to be put into run-off due to exhaustion of regulatory capital. As the Company relies on provision of capital and rating from Everest Re Group, Ltd, this scenario would most likely take place where Group is unable, or unwilling, to recapitalise the Company.

There were no material changes in risk profile during the reporting period.

### C.1 Underwriting risk

**Risk measure**

| €000's | 2022 | 2021 |
|---|---|---|
| Premium and Reserve Risk | 185,334 | 145,387 |
| Catastrophe Risk | 54,248 | 53,158 |
| Lapse Risk | 14,747 | 5,882 |
| Diversification Benefit | -47,942 | -37,377 |
| **Total Underwriting Risk** | **206,387** | **167,050** |

Underwriting risk is the risk that the total cost of claims, claims adjustment expenses and premium acquisition expenses will exceed premiums received. It can arise as a result of numerous factors, including premium (pricing) risk, reserving risk, catastrophe risk and lapse risk (the risk of non-renewal of a material part of the portfolio).

Failure to accurately assess underwriting risk and establish adequate premium rates and terms and conditions as a result of market cycle fluctuations, competition, macroeconomic trends, and regulatory/legal issues can result in reduced earnings and capital.

**Premium risk**

The Company manages its premium risk through approved underwriting guidelines and specific underwriting authority limits, overseen by the Board of Directors.

The Company manages its non-catastrophe underwriting risk through a cycle of planning, underwriting/pricing and monitoring. This cycle incorporates assessing accumulated exposures, establishing underwriting guidelines that take into account exposure risk, prices and coverage, and placing aggregate exposure limits. Planning primarily involves determining how much premium will be written for each line of business segment and forecasting loss and expense ratios. Underwriting/pricing is carried out by underwriters using approved guidelines that place limits on the amount of business that can be written based on a variety of factors, including ceding company profile, line of business, geographic location, and risk hazards.

Management regularly reviews these guidelines in response to changes in market conditions, risk versus reward analysis and the Company's underwriting risk management processes. Monitoring involves tracking premium, reported and incurred but not reported (IBNR) losses and acquisition expenses.

The Company is exposed to pricing risk to the extent that unearned premiums are insufficient to meet the related future policy costs. Evaluation is performed regularly to estimate future claims costs, related expenses, investment income and expected profit in relation to unearned premiums. Premium deficiencies, if any, are netted against deferred acquisition costs.

**Reserve risk**

Reserve risk arises when actual claims experience differs adversely from the assumptions included in setting reserves, in large part due to the length of time between the occurrences of a loss, the reporting of the loss and the ultimate resolution of the claim. Provisions may ultimately develop differently from the actuarial assumptions made when initially estimating the provision for claims. To the extent reserves prove to be insufficient to cover actual losses and adjustment expenses, the Company would have to recognise such reserve shortfalls and incur a charge to earnings, which could be material in the period such recognition takes place.

The Company reserves on a best estimate basis in accordance with the requirements of Solvency II. An annual reserve study of loss development is carried out by the Chief European Actuary. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures, including carrying out claims audits to ensure the insured is complying with all procedures as documented in reinsurance contracts and validating claims made to the Company by the reinsured.

The Company's loss reserving methodologies continuously monitor the emergence of loss and loss development trends, seeking, on a timely basis, to both adjust reserves for the impact of trends shifts and to factor the impact of such shifts into the Company's underwriting and pricing on a prospective basis.

**Natural Catastrophic ("Cat") risk**

The Company is exposed to unpredictable Cat events arising from man-made or natural catastrophes that could significantly impact the operating results and financial condition of the Company. The Company

manages its catastrophe-exposed risks through a cycle of planning, pricing, accumulation, and post-event monitoring.

Planning primarily involves determining how much capacity the Company can absorb using return on equity targets. Accumulations of cat exposures are performed using Everest's proprietary catastrophe pricing and accumulation model.

In order to mitigate the effects of Cat events, the Company has in place a Catastrophe Excess of Loss agreement with a Group affiliated company to limit exposure to Cat losses. The Company remains liable to its policyholders with respect to ceded reinsurance if any reinsurer fails to meet the obligations it assumes.

**Risk concentration**

The Company writes non-life reinsurance property, casualty, catastrophe, financial and marine lines of business in Continental Europe. Accumulations of risk across different lines of business are monitored regularly.

Accumulation analysis helps to ensure that the Company is not exposed to more risk in any particular area or line of business than that set by risk appetite. The Company's accumulation strategy aims to:

- Contain underwriting loss across the Company to a manageable financial level, in line with risk appetite, which minimizes the financial impact to the balance sheet.
- Manage the accumulated underwriting risk across all lines of business so that the Company's market share of a loss is not out of line with acceptable expectations.
- Manage the Company's market share of a loss to less than the market share of the premium to that loss, i.e., profitable diversification of the book.
- Continuously enhance the Company's ability to identify, mitigate and avoid shock losses.

**Risk mitigation**

The Company purchases a whole account quota share and an excess of loss catastrophe protection in addition to other reinsurance to limit underwriting risk exposure and reduce volatility in underwriting results.

**Risk sensitivity**

The principal assumption underlying the claims liabilities estimates is that the Company's future claims development will follow similar pattern to past claims development experience. These estimates are based on various quantitative and qualitative factors including:

- average claim costs including claim handling costs;
- trends in claims severity and frequency; and
- other factors such as inflation, expected or in-force government pricing and coverage reforms, and the level of insurance fraud.

Most or all of the qualitative factors are not directly quantifiable, particularly on a prospective basis, and the effects of these and unforeseen factors could negatively impact the Company's ability to accurately assess the risk of the insurance contracts that the Company underwrites. In addition, there may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to the Company and additional lags between the time of reporting and final settlement of claims.

The Company refines its claims liabilities estimates on an ongoing basis as claims are reported and settled. Establishing an appropriate level of claims liabilities is an inherently uncertain process and the policies surrounding this are overseen by the Actuarial function.

## C.2 Market risk

**Risk measure**

| €'000 | **2022** | **2021** |
|---|---|---|
| Interest Rate Risk | 31,611 | 26,958 |
| Equity Risk | 4,603 | 29,959 |
| Spread Risk | 34,693 | 44,756 |
| Currency Risk | 77,461 | 71,823 |
| Property Risk | 346 | 384 |
| Concentration Risk | 345 | 6,298 |
| Diversification Benefit | -43,049 | -59,611 |
| **Total Market risk** | **106,010** | **120,567** |

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company manages its market risk through a cycle of interactions between the Board of Directors, the Group Chief Investment Officer and investment managers. The Group Chief Investment Officer monitors the performance of the Company's financial instruments and approved investment policies. When appropriate, recommendations are made to the investment managers to ensure compliance with local regulatory requirements and Company capital needs.

Assets are invested in line with Board approved investment guidelines and in accordance with the 'prudent person principle'. The Board periodically reviews and monitors the security, quality, liquidity and profitability of the portfolio as a whole to ensure that it aligns with the Company's strategic goals and risk appetite.

A significant majority of the Company's assets are held in cash and fixed income securities with the vast majority rated A or higher. The Board periodically adjusts investment mix consistent with current and projected market conditions and the Company's risk appetite. The Board's periodic review ensures that fixed income securities are not concentrated with any individual issuer.

**Interest rate risk**

Movements in interest rates affect the level and timing of cash flows for the Company and the fair value of the fixed income securities. As interest rates rise, the fair value of fixed income portfolio declines and, conversely, as interest rates decline, the fair value of fixed income portfolio rises. To minimize this risk, the investment manager follows investment policy guidelines in line with Company specific guidelines and objectives. The Company invests principally in fixed interest rate bonds.

**Equity risk**

Equity risk arises from the level or volatility of market prices for equities. Exposure to equity risk arises in respect of all assets and liabilities whose value is sensitive to changes in equity prices. The Company generally does not invest in the equity markets and but does have some Type 2 equity exposure in the portfolio from various collective investment undertakings.

**Spread 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 risk is managed by the Company by maintaining an appropriate mix of investment instruments.

**Property risk**

Property Risk arises from the volatility of real estate investments made by the Company. Similar to equity markets, the Company does not invest heavily in real estate and is not exposed to any great degree in Property Risk.

**Currency risk**

Foreign currency risk in the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in exchange rates and produce an adverse effect on net income and capital when measured in the Company's functional currency. The Company's cash flow and earnings are subject to fluctuations due to exchange rate variation. Foreign currency risk exists by nature of the Company's global reinsurance programme and its investment strategy where it invests in both Euro and non-Euro assets and cash. The Company's principal transactions are carried out in Euro though it has exposure to foreign exchange risk principally with respect to US Dollars. The Company's financial assets are denominated in Euro, Sterling, Swiss Francs and US Dollars currencies which mitigate the foreign currency exchange rate risk. For each currency in which the Company has established substantial loss and LAE reserves, the Company seeks to maintain invested assets denominated in such currency in an amount approximately equal to the estimated liabilities in order to mitigate foreign currency exposure.

**Concentration risk**

The Company continues to maintain an investment portfolio that is well diversified both geographically and by sector. The Company's investment mix is similar to that of a typical EU undertaking, consisting of significantly more bonds than equities. This strategy will carry forward, while limiting any concentration risks in the investment space.

**Risk mitigation**

While no specific risk mitigation technique is employed to decrease the Company's solvency capital requirement in regard to Market Risk, the risk itself is managed thoroughly as described above per sub-risk.

**Risk sensitivity**

A material portion of Market Risk for the Company is the Currency Risk. This risk is justifiably significant as the Company holds much of its surplus in USD. Sensitivity and stress analyses are performed by the CIO on a quarterly basis and reported to the Board. Based on economic scenario generator output in regard to foreign exchange rates, distributions are created and analysed at various return periods. As of the date of this report, the Company remains well within its Board-approved risk appetite at a 1 in 200 return period for this risk.

## C.3 Credit risk

**Risk measure**

| €'000 | **2022** | **2021** |
|---|---|---|
| Counterparty Risk | 39,981 | 30,389 |

Credit risk is the risk of loss or of adverse change in the financial situation, resulting from fluctuations in the credit standing of issuers of securities, of counterparties and any debtors to which the Company is exposed.

The Company's credit risk exposure is concentrated primarily in its debt securities, fixed income bonds, reinsurance assets and reinsurance premium receivable.

**Risk concentration**

The major concentration within Credit Risk lies in the Company's reinsurance arrangements with affiliated companies. Because of the Group's robust balance sheet and rating strength, the Company does not view this concentration as a significant exposure.

**Risk mitigation**

The Company manages investment portfolio credit risks by ensuring adherence to its investment policy, which is regularly reviewed by the Board of Directors and through the use of approved investment guidelines that restrict quality and diversification of bond holdings that mitigate risk. The Company's policies limit and monitor its exposure to individual issuers and classes of issuers of investment securities by currency, duration, asset class and credit rating. The requirements of the Company's investment policy were met at all times during the year.

Reinsurance assets are reinsurers' share of outstanding claims, UPR and IBNR. As the Company mainly engages in internal reinsurance with affiliates, and the credit risk of its major reinsurers are highly rated, the Company does not regard the recoverability of reinsurance assets as a material credit risk.

The Company holds cash deposits with Barclays Bank Ireland plc, (A rated), Deutsche Bank (A), Bank of New York Mellon (AA) and HSBC France (AA).

**Risk sensitivity**

As the Company relies on provision of capital and rating from Everest Re Group, Ltd, reverse stress testing is performed as affiliated companies constitute a concentration within Credit Risk. This scenario would most likely take place where Group is unable, or unwilling, to recapitalise the Company. According to the ECM, the likelihood of this is quite remote.

## C.4 Liquidity risk

**Risk measure**

| €'000 | | 2022 | 2021 |
|---|---|---|---|
| | EPIFP | 301,902 | 117,898 |

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due.

The Company has to meet its liabilities as and when they fall due, notably from claims arising from its general reinsurance contracts. There is therefore a risk that the cash and cash equivalents held will not be sufficient to meet its liabilities when they become due. Given the credit quality of the Company's financial assets as per the tables above, and with 42% of the bond portfolio having a maturity of 5 years or less, the Company is able to quickly liquidate its investments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In addition, the Company holds cash to assist in meeting its liquidity requirements, if necessary. The portfolio is externally managed by an independent, professional investment manager using portfolio guidelines approved by the Company.

**Risk concentration**

The Company strives to maintain a balanced, diversified, non-correlating book of business along with a well-diversified investment portfolio. The Company ensures liquid surplus is available at hand. In this way, the Company does not have a significant concentration of liquidity risk.

**Risk mitigation**

The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims and expense outflows over time and maintains its short-term cash commitments as readily available bank deposits with highly rated financial institutions.

**Risk sensitivity**

The Company performs stress scenario testing to ensure it retains sufficient Own Funds to meet both internal and external capital requirements. These tests consider the adverse impact of events across a range of measures including catastrophe loss, interest rate movement, loss reserve development and equity devaluation. In the case of simultaneous events, the Company remains within its Board-approved risk appetite.

**Expected profit included in future premiums**

The total gross amount of expected profit included in future premiums, calculated pursuant to Article 260(2) of Delegated Regulation (EU) 2015/35, amounts to €301.902m.

## C.5 Operational risk

| €'000 | 2022 | 2021 |
|---|---|---|
| Operational Risk | 22,990 | 22,121 |

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel, systems or other external events. The Company has identified and mitigated against a number of operational risks including fraud, business interruption, failure of outsourcing providers, internal control failure and loss of key personnel. A wide range of checks and controls further help mitigate Operational Risk. This section is divided into four parts:

**(i) Information Technology (IT)**

The Company has in place a Board approved IT Policy as well as adopting the standards and policies of Group. The Company has set technical, physical, logical and procedural security defences that include:

- Perimeter and internal defences such as firewall products; anti-virus, anti-spam, and anti-spyware software; as well as encryption technology for laptops, backup tapes & data transmissions over the Internet.
- Physical security of hardware assets, locked facilities, and data centre environmental controls.
- Logical security over hardware, software, data and remote access, restricting access to only the appropriate people and enforcing strict password rules, including two-factor authentication.
- Procedural defences such as documented security policies, automatic system "time-outs", and regular monitoring of areas at risk.
- An extensive Business Contingency Plan (BCP) has been developed with Group which is updated annually. In addition to internal security reviews, a Group Network Vulnerability Assessment is conducted annually by an external third party. The Company tests BCP on an annual basis.
- To mitigate the possibility of damage and loss to Everest Systems from a cyber-attack, employees are required to undergo annual cyber awareness training.

**(ii) Legal**

Ethical behaviour by all employees is the key to reducing a number of risks, in particular, Reputation Risk and Legal / Litigation Risk. Every employee is expected to always adhere to the highest ethical standards. Local legal expertise can be accessed by ERCID as required. In addition to this, Group provides legal support in business risk (including reputational risk), regulatory, transactional and litigation contexts. All legal matters are brought to the attention of either the Group's General Counsel or the Associate General Counsel at Everest Advisors in London and managed in coordination with senior management.

All materially significant legal matters are brought before the Board.

**(iii) Internal Audit**

Internal Audit (IA) which assists management by providing objective assurance that the major operational risks are being managed appropriately and by providing assurance that the risk management and internal control framework is operating effectively.

The mission of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. The Company is subject to oversight by both Group and local internal functions.

The Internal Audit function is co-sourced by Group Internal Audit and a local Irish firm of chartered accountants who holds the Pre-Approval Controlled title of Head of Internal Audit.

**(iv) Compensation and key role succession planning**

The Company compensates relevant employees with a mixture of salary, bonus and stock-based awards commensurate with their level of seniority, job responsibility, individual performance and contribution to the performance of the Company.

The Company has a policy in place concerning succession planning.

## C.6 Other material risks

The Risk Committee of the Board discusses emerging risks during the regular assessments of the Risk Register. In addition, risk identification, analysis, evaluation and monitoring of emerging risks are carried out by the Group Emerging Risk Committee. The Committee will identify new and developing risks that could lead to material adverse consequences for the Group, and then will translate those insights into actionable strategic recommendations for consideration by the ERCID Risk Committee and Board. Any recommendations, which will include the perceived size of the impact and likelihood of such emerging risks affecting the Everest Group and the Company; thereby ensuring key individuals are kept up to date on current developments. Following the risk analysis at Group level the outputs are considered by the Company and the Risk Register updated where applicable.

## C.7 Any other information

The Company does not have any other material information to disclose in regard to risk.

## D. VALUATION FOR SOLVENCY PURPOSES

The Company values assets and liabilities, other than technical provisions, according to the risk-based approach prescribed under Solvency II valuation rules and Irish GAAP.

Valuations are at fair value, being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction, using market consistent valuation methods. Assets and liabilities are recorded in the Solvency II Market Consistent Balance Sheet ('MCBS') according to the value of expected future cash flows.

The following summarized balance sheet as at 31 December 2022 analyses the differences in valuation between the Company's annual financial statements produced under Irish GAAP and the MCBS.

| | | Statutory accounts value | Adjustment | Solvency II value |
|---|---|---|---|---|
| **Assets** | | **€'000** | **€'000** | **€'000** |
| Deferred acquisition costs | R0020 | 17,428 | -17,428 | - |
| Deferred tax assets | R0040 | 17,456 | 6,186 | 23,642 |
| Property, plant & equipment held for own use | R0060 | 1,382 | - | 1,382 |
| Government Bonds | R0140 | 139,054 | 920 | 139,974 |
| Corporate Bonds | R0150 | 401,897 | 3,876 | 405,773 |
| Collective Investments Undertakings | R0180 | 98,824 | 9,683 | 108,507 |
| Reinsurance recoverable | R0270 | 1,009,127 | -480,445 | 528,682 |
| Deposits to cedants | R0350 | 46,122 | - | 46,122 |
| Insurance and intermediaries receivables | R0360 | 407,373 | -354,062 | 53,311 |
| Reinsurance receivables | R0370 | - | 12,878 | 12,878 |
| Receivables (trade, not insurance) | R0380 | 18,501 | 9 | 18,510 |
| Cash and cash equivalents | R0410 | 39,879 | -9,683 | 30,196 |
| Any other assets, not elsewhere shown | R0420 | 6,072 | -4,796 | 1,276 |
| Total assets | R0500 | 2,203,115 | -832,862 | 1,370,253 |
| **Liabilities** | | | | |
| Best Estimate | R0540 | 1,063,432 | -299,072 | 764,360 |
| Risk Margin | R0550 | - | 42,589 | 42,589 |
| Best Estimate | R0580 | - | 1,981 | 1,981 |
| Risk Margin | R0590 | - | 183 | 183 |
| Other technical provisions | R0730 | 288,219 | -288,219 | - |
| Deposits from reinsurers | R0770 | 35,099 | - | 35,099 |
| Deferred tax liabilities | R0780 | - | - | - |
| Insurance & intermediaries payables | R0820 | 45,000 | -25,443 | 19,557 |
| Reinsurance payables | R0830 | 298,142 | -234,228 | 63,914 |
| Payables (trade, not insurance) | R0840 | 3,112 | -869 | 2,243 |
| Any other liabilities, not elsewhere shown | R0880 | 228 | 869 | 1,097 |
| Total liabilities | R0900 | 1,733,232 | -802,209 | 931,023 |
| **Excess of assets over liabilities** | **R1000** | **469,883** | **-30,653** | **439,230** |

## D.1 Assets

### D.1.a Solvency II valuation for each material class of asset expressed in €'000:

**Deferred acquisition costs**

Deferred acquisition costs are costs relating to contracts in force at the balance sheet date arising from the unexpired period of risk at the reporting date, but which relate to a subsequent reporting period and are carried forward to subsequent reporting periods. Deferred acquisition costs are valued at nil for Solvency II purposes as it does not have a future cash flow.

**Deferred tax assets**

Deferred tax assets represent balances that may be used for tax relief purposes in the future due to a loss incurred that is available for offset against future taxable profits. Deferred tax assets are also valued based on the tax impact of the temporary difference between the values ascribed to assets and liabilities recognised and valued in accordance with Solvency II rules and the values ascribed to assets and liabilities as recognised and valued for tax purposes.

The difference between the values of the Solvency II balance sheet deferred tax assets and the Statutory accounts are due to the tax impact of valuation adjustments to assets over liabilities for SII purposes.

**Investments - Government bonds, corporate bonds and collective investment undertakings**

| €'000 | 2022 | 2021 |
|---|---|---|
| Valuation for solvency purposes | 654,254 | 658,419 |

For fair valuation purposes investments may be classified into three levels of fair value hierarchy based on the characteristics of inputs available in the marketplace.

- Level 1 – Quoted prices for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 – When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g., because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
- Level 3 – If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement.

The Company chooses to invest a significant majority of its assets in low volatility, highly rated government or corporate bonds. No equities are held in the portfolio. Government bonds are those issued by central and regional governments and supra-national institutions. Corporate bonds are those issued by corporations, including contingent convertible securities. Both Government and Corporate bond investments are valued at level 2.

As at 31 December 2022 the Company held investments in an Undertaking for Collective Investments in Transferable Securities (UCITS) Money Market Fund (the "UCITS") and an Alternative Investment Fund (the "AIF"). The classification of the Collective Investment Schemes (CIS) within the Fair Value Hierarchy is based on the nature of the underlying investments held by the CIS and the redemption terms available to the Company.

The UCITS consists of a French Government 'C' bonds held as collateral by a third-party custodian at the request of several ceding companies. These are contractually required to cover outstanding reserves under the terms of a collateral agreement between the Company and the cedant companies. These investments are valued under hierarchy Level 1.

The AIF is classified as Level 3 as the underlying investment portfolio is valued by the AIF Manager using unobservable inputs. In addition, the AIF is a close-ended fund which provides for limited redemption rights by the Company throughout the expected life of the AIF during the period to 10 December 2024.

Further details relating to these investments are given in section A.3.a.

Accrued investment income disclosed under Irish GAAP as 'Any other assets, not elsewhere shown' has been reclassified to Government and Corporate bonds in the MCBS. Also, an equity investment disclosed under Irish GAAP as 'Cash and other cash equivalents' has been reclassified as Collective Investments Undertakings in the MCBS

**Reinsurance recoverable**

| | |
|---|---|
| Valuation for solvency purposes | **€528,682** |

Reinsurance recoverable balances represent recoveries due to the Company under outwards reinsurance agreements. A recalculation of the value is required under Solvency II as part of the calculation of technical provisions.

**Deposits to cedants**

| | |
|---|---|
| Valuation for solvency purposes | **€46,122** |

This balance represents cash funds held by cedants as security against future claim payments. Such balances are considered to be held at fair value under Solvency II.

**Insurance and intermediaries receivables**

| | |
|---|---|
| Valuation for solvency purposes | **€53,311** |
| Valuation in financial statements | **€407,373** |

These represent debtor balances which are greater than 90 days past due. Balances which are less than 90 days past due are deemed to be future cash flows and reclassified as part of technical provisions. Under Solvency II amounts receivable in respect of premium accruals are excluded and subsequently included as part of technical provisions calculation.

**Reinsurance receivables**

| | |
|---|---|
| Valuation for solvency purposes | **€12,878** |

Reinsurance receivable balances represent recoveries due to the Company from a segregated cell company capitalised by third party investors and Everest Re Group, Ltd which are specialty reinsurers of catastrophe risks.

**Receivables (trade, not insurance)**

Valuation for solvency purposes **€18,510**

Included in Receivables (trade, not insurance) is a subrogation amount of €18.9m which is recoverable against a loss arising on a financial reinsurance contract. The loss arose from the default of an aviation finance loan following the bankruptcy of Norwegian Airlines, with the subrogation expected from the sale of the aircraft provided as collateral against the defaulted loan. Such balances are considered to be held at fair value under Solvency II.

**Cash and other cash equivalents**

Valuation for solvency purposes **€30,196**

Cash and cash equivalents are monies held as cash on hand, cash and short-term deposits held on call with banks. Such balances are considered to be held at fair value under Solvency II. An equity investment disclosed under Irish GAAP as 'Cash and other cash equivalents' has been reclassified as Collective Investments Undertakings in the MCBS.

**Any other assets, not elsewhere shown**

This balance represents current tax asset.

Under Irish GAAP accrued investment income is included under the category 'Any other assets, not elsewhere shown'. This has been reclassified to Government and Corporate bonds in the MCBS.

Valuation for solvency purposes **€1,276**

**D.1.b** There are no material differences between the bases, methods and main assumptions used by the Company for the valuation for solvency purposes and those used for its valuation in financial statements.

## D.2 Technical provisions

**D.2.abc**

The Head of Actuarial Function is responsible for the oversight of the calculation of technical provisions. As at 31 December 2022 the gross technical provisions are €809.1m. The technical provisions net of reinsurance as at 31 December 2022 are €280.4m. The table below lists the Company's technical provisions by line of business.

| Gross Technical Provisions - 31 December 2022<br>€ 000's | Gross Technical Provisions | Gross Best Estimate | Risk Margin |
|---|---|---|---|
| **Direct business and accepted proportional reinsurance** | | | |
| Income protection insurance | 1,223 | 1,129 | 94 |
| Motor vehicle liability insurance | 19,891 | 18,835 | 1,056 |
| Marine, aviation and transport insurance | 65,496 | 61,495 | 4,001 |
| Fire and other damage to property insurance | 75,763 | 71,916 | 3,847 |
| General liability insurance | 60,869 | 59,247 | 1,623 |
| Credit and suretyship insurance | 51,082 | 48,874 | 2,208 |
| | 274,324 | 261,496 | 12,829 |

| | | | |
|---|---|---|---|
| **Accepted non-proportional reinsurance** | | | |
| Non-proportional health reinsurance | 942 | 853 | 89 |
| Non-proportional casualty reinsurance | 87,177 | 80,629 | 6,548 |
| Non-proportional marine, aviation and transport reinsurance | 46,928 | 43,942 | 2,986 |
| Non-proportional property reinsurance | 399,743 | 379,422 | 20,321 |
| | 534,790 | 504,846 | 29,944 |
| **Total** | **809,114** | **766,342** | **42,773** |

The Company's reserving process uses generally accepted actuarial methods to estimate the amount of technical provisions required as part of an annual reserves review exercise. The process includes a detailed review by actuarial, underwriting and claims staff of each line of business and of development patterns and loss ratios.

Due to the inherent uncertainty and differences between lines of business and claims payment patterns there is an acceptable range of uncertainty included in the calculation of technical provisions. This can vary year on year depending on various factors including the nature of the underlying business and its volatility, the current economic climate, the frequency and severity of claims reported during the year, historical patterns and management's view on any of these factors.

- Best Estimate uncertainty due to future claims experience is caused by a number of external factors (i.e., legal, economic and social) which are considered during the Company's reserving process. The Company's provisions for its 3-pillared approach in Property, Casualty, and Specialty Lines can be impacted by, for example, catastrophe model uncertainty, litigation reform and political environment, respectively.
- WBNI (written but not incepted) uncertainty exists in the estimate of premium per the Company's definition of contract boundaries. As the major renewal date for the Company is January 1 of each year, this assumption's sensitivity is not significant, but can have a slight impact.
- As Solvency II requires payment of future claims and receipt of future premiums is discounted to present value, assumptions on payment and earning patterns can cause uncertainty. Patterns are developed based on historical information and assumed to be consistent with future cash flows.
- Expense estimate uncertainty exists as historically incurred expenses are used to predict future expenses on a SII basis. Using past experience and expert judgment, operating expenses are allocated accordingly.

There is no allowance provided for any unexpired risk. Adjustments are made where the modelled calculation is thought to give unreasonable answers. These can arise where:

- The default calculated pattern for a given line of business is inadequate, distorting the expected amount, or
- Material premium or claim data is reported after the event, the omission of which may distort the actual amount.

**Data and grouping of risks**

Technical information relating to each treaty written, including the class grouping to which they are allocated, and underwriting year written is held within the Company's underwriting and accounting systems. Reserving data is grouped by underwriting year. Claims and premiums relating to contracts written in a calendar year i.e., policies where cover commenced in that calendar year, are grouped together, irrespective

of when they reported or paid, or received or due for premiums, and irrespective of the year in which the loss occurred or the period of exposure which the premium covered.

Within each year, written premium, paid claims and reported claims information is recorded on a quarterly basis. The projection methods used by Reserving rely on past inflation data for older years and rely on assumptions used at the pricing/planning stage for the recent underwriting years, expressed via the pricing/planning LRs. There we make the implicit assumption that future inflation per line of business and country/region is a function of past inflation. This simplification is deemed to be the most robust and appropriate approach to be applied to reinsurance data, which is often less detailed and more volatile than direct insurance data.

Claims data is converted into the Company's functional currency (Euro) at the exchange rate effective at the end of the reporting period. It is then grouped by reserving product and underwriting year. This enables the Company to utilise larger volumes of data for analysis.

At the moment and for the current portfolio the same groupings are used for calculations required for statutory reporting and Solvency II purposes. This allows for close reconciliation of both the underlying inputs and data outputs. Catastrophe losses are monitored separately by event, with quarterly updates in the loss ultimate presented to management.

**Best estimate calculation**

The best estimate is a discounted probability-weighted average of future cash flows.

This estimate is based on ultimate amounts that reflect an actuarial analysis of experience to date and projections of future development using patterns and assumptions derived from internal data and/or industry information.

The claims ultimate is typically selected after considering indications from several established actuarial methods:

- Paid and reported chain ladder (CL)
- Initial expected ultimate loss ratio (IEULR)
- Reported Bornhuetter-Ferguson (BF)

The best estimate calculation is based on assumptions, models and methods that have no known bias to underestimation or overestimation (since defined as expected value) and that are internally consistent. Assumptions may be either implicit or explicit and involve interpreting past data or projecting future trends.

The ultimate is determined based on facts and circumstances known to, or reasonably foreseeable, by the Head of Actuarial Function and management at the time of the estimation.

The discount of future cash-flows is performed using the risk-free interest rate term structure provided by EIOPA.

**Risk margin**

The approach to calculate the risk margin is the simplification Method 2 disclosed in the hierarchy of methods presented by EIOPA.

**Simplifications**

The risk margin is allocated by line of business using the best estimate technical provisions, as they are deemed to be an adequate reflection of the contribution of each line of business to the overall Solvency Capital Requirement.

**Governance**

The HoAF is required by the Central Bank of Ireland, the Company's regulatory authority, to provide them with an annual Actuarial Opinion on Technical Provisions ('AOTPs'). This provides an opinion on the compliance of the technical provisions, as reported in the annual QRT's with all relevant Solvency II requirements. In addition, the HoAF is required to provide an Actuarial Report on Technical Provisions (ARTPs') to the Board on an annual basis.

Details of these requirements are provided by the Central Bank of Ireland document *Domestic Actuarial Regime and Related Governance Requirements under Solvency II*.

**Identification of deficiencies and recommendations on areas of improvement**

The reserving framework is set by the Group Chief Reserving Actuary and the Head of Actuarial Function deems it to be robust and well documented. The integrity of the data used is verified by a documented control system is regularly tested by the Compliance and Internal Audit functions. The methods used, and assumptions made, in calculating the technical provisions are deemed by the Board to be reasonable and appropriate to the nature scale and complexity of the Company. Any deficiencies identified will be addressed by the audit committee and Board.

**D.2.d** The matching adjustment referred to in Article 77b of Directive 2009/138/EC is not applied

**D.2.e** The volatility adjustment referred to in Article 77d of Directive 2009/138/EC is not used.

**D.2.f** The transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC is not applied.

**D.2.g** The transitional deduction referred to in Article 308d of Directive 2009/138/EC is not applied.

**D.2.h.i Recoverables from Reinsurance Contracts and Special Purpose Vehicles**

The Company purchases both quota share and excess of loss reinsurance from Group affiliated entities and from external entities. The recoverable amounts from these contracts are calculated separately from the gross best estimate in accordance with Article 81 of Directive 2009/138/EC. The Company has no recoverable from Special Purpose Vehicles.

**D.2.h.ii** There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to the previous reporting period.

## D.3 Other liabilities

The Company values other liabilities according to the risk-based approach of the Solvency II Directive. Valuations are at fair value being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods.

**D.3.a Solvency II valuation for each material class of other liabilities expressed in €'000:**

**Deposits from reinsurers**

Valuation for solvency purposes **€35,099**

These balances represent funds held due to reinsurers and are held at fair value.

**Insurance and intermediaries payables**

| | |
|---|---|
| Valuation for solvency purposes | **€19,557** |

These balances represent claims payable to cedants not yet paid. These represent creditor balances which are greater than 90 days past due.

**Reinsurance payables**

| | |
|---|---|
| Valuation for solvency purposes | **€63,914** |

Reinsurance payable balances represent balances due to companies in respect of outwards quota share reinsurance arrangements. Creditor balances which are aged 0 – 90 days are deemed to be future cash flows and reclassified as part of technical provisions.

**Payables (trade not insurance)**

| | |
|---|---|
| Valuation for solvency purposes | **€2,243** |

These balances represent non-insurance related payables: investment and custody fees, trade and accounts payables to service providers and suppliers.

**Any other liabilities, not elsewhere shown**

| | |
|---|---|
| Valuation for solvency purposes | **€1,097** |

These balances represent inter-group payables and taxes due.

### D.3.b Material differences between the valuation of other liabilities for solvency purposes and those used for valuation in financial statements

**Insurance and intermediaries payables**

| | |
|---|---|
| Valuation for solvency purposes | **€19,557** |
| Valuation in financial statements | **€45,001** |

Creditor balances which are aged 0 – 90 days are deemed to be future cash flows and reclassified as part of technical provisions. In the annual financial statements, the Company has included contingent commissions payable to cedants in this category. Under Solvency II contingent commissions payable are included as part of technical provisions calculation. The balance has therefore been excluded and subsequently included as part of technical provisions calculation.

**Reinsurance payables**

| | |
|---|---|
| Valuation for solvency purposes | **€63,914** |
| Valuation in financial statements | **€298,142** |

Reinsurance payable balances represent balances due to companies in respect of outwards quota share reinsurance arrangements. Creditor balances which are aged 0 – 90 days are deemed to be future cash flows and reclassified as part of technical provisions. Under Solvency II amounts payable in respect of ceded premium accruals are excluded and subsequently included as part of technical provisions calculation.

## D.4 Alternative methods of valuation

The Company does not use any alternative methods for valuation.

## D.5 Any other information

The Company does not have any other material information to disclose in regard to valuation for solvency purposes.

## *E. CAPITAL MANAGEMENT*

## E.1 Own funds

Basic Own Funds is the excess of assets over liabilities as determined by the Solvency II MCBS.

The Company maintains own funds at a level which provides it with the opportunity to take advantage of profitable growth opportunities whilst maintaining an adequate level of cover of both SCR and MCR. It is the intention of the company to hold Tier 1 Capital as Own funds and to maintain a low risk, well diversified, liquid portfolio of assets.

Throughout the period the Company has eligible own funds available to meet the SCR and MCR comprising of Capital contribution and retained earnings adjusted by the reconciliation reserve described in section E.1e & E.1.f below. The own funds ratio to SCR and MCR at the reporting period end are 147% and 555%, respectively.

### E1.a Objectives, policies and processes employed by the Company for managing own funds

Ultimate responsibility for maintenance of own funds lies with the Board of Directors. The Company aims to maintain sufficient own funds to cover SCR and MCR at all times. The CRO and Head of Finance periodically report to the Board on the level of eligible own funds and the ratio of cover over the SCR and MCR. Capital adequacy is also monitored at Group level in order that, if required, the Company is able to source financial resources sufficient to cover the capital requirements of Solvency II Standard Formula, the ORSA, and major rating agencies.

The Company uses a both one- and three-year time horizons for business planning and carries out an annual assessment of reserve adequacy.

There have been no material changes over the reporting period.

### E.1.b Own funds classification

At the end of the current reporting period the Company held both Tier 1 and Tier 3 capital as shown in the table below (2021: the entire balance of own funds was available as Tier 1 unrestricted own funds). Tier 3 Capital cannot be used to cover the Company's MCR.

As at 31 December 2022 the Company's excess of assets over liabilities is comprised of issued share capital of €2, basic own funds of €341m plus a reconciliation reserve of €75m and Deferred Tax Asset of €24m.

| | **2022 Tier 1 €'000** | **2022 Tier 3 €'000** | **2022 Total €'000** | **2021 Tier 1 €'000** | **2021 Tier 3 €'000** | **2021 Total €'000** |
|---|---|---|---|---|---|---|
| Capital contribution | 341,054 | - | **341,054** | 290,736 | - | **290,736** |
| Reconciliation Reserve | 74,534 | - | **74,534** | 107,984 | - | **107,984** |
| Net Deferred Tax Asset | - | 23,642 | **23,642** | - | - | **-** |
| **Total basic own funds after deductions** | **415,588** | **23,642** | **439,230** | **398,720** | **-** | **398,720** |

In 2022 the Company recognised a Deferred Tax Asset as Tier 3 own funds (2021: nil).

**E.1.c Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers**

The Company's Own Funds cover 100% of the Solvency Capital Requirement.

Own Funds are represented by Tier 1 unrestricted capital and Tier 3 Net Deferred Tax Asset.

**E.1.d Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers**

The Company's Own Funds cover 100% of the Minimum Capital Requirement.
Own Funds are represented by Tier 1 unrestricted capital and Tier 3 Net Deferred Tax Asset.

**E.1.e Explanation of material differences between equity as shown in the Company's financial statements and the excess of assets over liabilities as calculated for solvency purposes**

| | 2022 | 2021 |
|---|---|---|
| | €'000 | €'000 |
| Capital Contribution | 341,054 | 290,736 |
| Retained Earnings | 128,829 | 206,290 |
| Equity per financial statements | 469,883 | 497,026 |
| Technical Provisions Adjustment | 525,110 | 183,003 |
| Premium Receivables | -81,504 | -68,336 |
| Reinsurance Recoverable | -480,445 | -210,552 |
| Deferred Tax | 6,186 | -2,421 |
| **Solvency II Own Funds** | **439,230** | **398,720** |

**E.1.f Key elements of the reconciliation reserve**

The reconciliation reserve is calculated as follows

| | 2022 | 2021 |
|---|---|---|
| | €'000 | €'000 |
| Retained Earnings | 128,829 | 206,290 |
| Technical Provisions Adjustment | 525,110 | 183,003 |
| Premium Receivables | -81,504 | -68,336 |
| Reinsurance Recoverable | -480,445 | -210,552 |
| Deferred Tax | -17,456 | -2,421 |
| **Solvency II Own Funds** | **74,534** | **107,984** |

**E.1.g Ancillary own funds**

The Company does not hold ancillary own funds.

**E.1.h Items deducted from own funds**

No items were deducted from own funds.

## E.2 Information regarding the Solvency Capital Requirement and Minimum Capital Requirement

The SCR covers at least the major risks, insurance, market, credit, and operational risk, and will take full account of any risk mitigation techniques that can be demonstrated and would be applied in times of stress.

MCR is designed to be the lower solvency calculation, corresponding to a solvency level, below which policyholders and beneficiaries would be exposed to an unacceptable level of risk, if the insurer were allowed to continue its operations.

**E.2.a The amounts of the Company's Solvency Capital Requirement and the Minimum capital Requirement at the end of the reporting period**

The Solvency Capital Requirement as at 31 December 2022 was €299.3m
The Minimum Capital Requirement as at 31 December 2022 was €74.8m

**E.2.b The amount of the Company's Solvency Capital Requirement split by standard formula risk modules**

| | 2022<br>€000's | 2021<br>€000's |
|---|---|---|
| **Underwriting Risk** | | |
| Premium and Reserve Risk | 185,334 | 145,387 |
| Catastrophe Risk | 54,248 | 53,158 |
| Lapse Risk | 14,747 | 5,882 |
| Diversification Benefit | -47,942 | -37,377 |
| | **206,387** | **167,050** |
| **Counterparty Risk** | **39,981** | **30,389** |
| **Market Risk** | | |
| Interest Rate Risk | 31,611 | 26,958 |
| Equity Risk | 4,603 | 29,959 |
| Spread Risk | 34,693 | 44,756 |
| Currency Risk | 77,461 | 71,823 |
| Property Risk | 346 | 384 |
| Concentration Risk | 345 | 6,298 |
| Diversification Benefit | -43,049 | -59,611 |
| | **106,010** | **120,567** |
| **Diversification Benefit** | **-76,095** | **-73,048** |
| **Basic SCR** | **276,283** | **244,957** |
| **Operational Risk** | **22,990** | **22,121** |
| **SCR** | **299,273** | **267,079** |

In comparing the year-end 2022 SCR to that at year-end 2021, we can see increases in all risks save Market Risk, which decreased. Premium growth continued to strengthen during 2022. This causes increases in premium, reserve and catastrophe risk charges as additional business is added to the portfolio. Market Risk has decreased mainly due to shifts in the portfolio of invested assets into the Company's reporting currency. The reserve risk has also been impacted by several severe European natural catastrophes in 2022.

**E.2.c Information on whether and for which risk modules and sub-modules of the standard formula that the Company is using simplified calculations**

The Company calculates the SCR and MCR using the Standard Formula model. The simplified calculation of the sum insured for natural catastrophe risks per Article 90b is used.

**E.2.d Information on whether and for which parameters of the standard formula that the Company is using specific parameters**

The Company calculates the SCR and MCR using the Standard Formula model without using specific parameters.

**E.2.e** This section is not applicable

**E.2.f** The Company does not make use of undertaking-specific parameters. The Company's own funds include only Tier 1 unrestricted funds, without imposed capital add-ons.

**E.2.g Information on the inputs used by the undertaking to calculate the Minimum Capital Requirement**

The MCR has been calculated as prescribed by the Directives. A linear MCR is calculated based on parameters supplied in Annex XIX of the Directives and applied to net technical provisions without a risk margin and net written premium in the last twelve months. This value is compared to the 25% of the SCR and then the maximum of those compared to 45% of the SCR, of which the minimum is selected. This combined MCR is then compared to the AMCR (absolute floor), prescribed by the Directives according to type of company and the maximum is selected.

**E.2.h** There has been a material change to the SCR (2022 €299m vs 2021 €267m) over the reporting period. SCR has increased by 12%. The reasons for the increase in SCR can be found in the earlier section E.2.b.

## E.3 Use of duration–based equity risk sub-module for the calculation of the Solvency Capital Requirement

The Company did not make use of the duration-based equity sub-module in the reporting during the reporting period.

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

The Company has elected to use the Standard Formula, excluding undertaking specific parameters to calculate the Solvency Capital Requirement. As a consequence, no differences exist.

## E.5 Non-compliance

The Company complied with the Solvency II Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period.

The Company held Own Funds in excess of both the Minimum Capital Requirement and Solvency Capital requirement throughout the reporting period.

## E.6 Any other material information regarding the capital management of the Company

The Company does not have any other material information to disclose in regard to capital management.

## *Appendix*

## Quantitative Reporting Templates (QRT)

The following QRT templates, applicable to the Company, are required for the Solvency and Financial Condition Report.

| Template ref | Template Name |
|---|---|
| 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 line of country |
| S.17.01.02 | Non-Life Technical Provisions |
| S.19.01.21 | Non-Life Claims Information |
| S.23.01.01 | Own Funds |
| S.25.01.21 | Solvency Capital Requirement |
| 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** | 23,642 |
| Pension benefit surplus | **R0050** | |
| Property, plant & equipment held for own use | **R0060** | 1,382 |
| Investments (other than assets held for index-linked and unit-linked contracts) | **R0070** | 654,254 |
| Property (other than for own use) | **R0080** | |
| Holdings in related undertakings, including participations | **R0090** | |
| Equities | **R0100** | |
| Equities - listed | **R0110** | |
| Equities - unlisted | **R0120** | |
| Bonds | **R0130** | 545,746 |
| Government Bonds | **R0140** | 139,973 |
| Corporate Bonds | **R0150** | 405,773 |
| Structured notes | **R0160** | |
| Collateralised securities | **R0170** | |
| Collective Investments Undertakings | **R0180** | 108,507 |
| Derivatives | **R0190** | |
| Deposits other than cash equivalents | **R0200** | |
| Other investments | **R0210** | |
| Assets held for index-linked and unit-linked contracts | **R0220** | |
| Loans and mortgages | **R0230** | |
| Loans on policies | **R0240** | |
| Loans and mortgages to individuals | **R0250** | |
| Other loans and mortgages | **R0260** | |
| Reinsurance recoverables from: | **R0270** | 528,682 |
| Non-life and health similar to non-life | **R0280** | 528,682 |
| Non-life excluding health | **R0290** | 527,720 |
| Health similar to non-life | **R0300** | 962 |
| Life and health similar to life, excluding health and index-linked and unit-linked | **R0310** | |
| Health similar to life | **R0320** | |
| Life excluding health and index-linked and unit-linked | **R0330** | |
| Life index-linked and unit-linked | **R0340** | |
| Deposits to cedants | **R0350** | 46,122 |
| Insurance and intermediaries receivables | **R0360** | 53,311 |
| Reinsurance receivables | **R0370** | 12,878 |
| Receivables (trade, not insurance) | **R0380** | 18,510 |
| 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** | 30,196 |
| Any other assets, not elsewhere shown | **R0420** | 1,276 |
| **Total assets** | **R0500** | 1,370,253 |
| | | **Solvency II value** |
| **Liabilities** | | **C0010** |
| Technical provisions – non-life | **R0510** | 809,114 |
| Technical provisions – non-life (excluding health) | **R0520** | 806,949 |
| TP calculated as a whole | **R0530** | |
| Best Estimate | **R0540** | 764,360 |
| Risk margin | **R0550** | 42,589 |
| Technical provisions - health (similar to non-life) | **R0560** | 2,165 |
| TP calculated as a whole | **R0570** | |
| Best Estimate | **R0580** | 1,981 |
| Risk margin | **R0590** | 183 |
| Technical provisions - life (excluding index-linked and unit-linked) | **R0600** | |
| Technical provisions - health (similar to life) | **R0610** | |
| TP calculated as a whole | **R0620** | |
| Best Estimate | **R0630** | |
| Risk margin | **R0640** | |
| Technical provisions – life (excluding health and index-linked and unit-linked) | **R0650** | |
| TP calculated as a whole | **R0660** | |
| Best Estimate | **R0670** | |
| Risk margin | **R0680** | |
| Technical provisions – index-linked and unit-linked | **R0690** | |
| TP calculated as a whole | **R0700** | |
| Best Estimate | **R0710** | |
| Risk margin | **R0720** | |
| Contingent liabilities | **R0740** | |
| Provisions other than technical provisions | **R0750** | |
| Pension benefit obligations | **R0760** | |
| Deposits from reinsurers | **R0770** | 35,099 |
| Deferred tax liabilities | **R0780** | |
| Derivatives | **R0790** | |
| Debts owed to credit institutions | **R0800** | |
| Financial liabilities other than debts owed to credit institutions | **R0810** | |
| Insurance & intermediaries payables | **R0820** | 19,557 |
| Reinsurance payables | **R0830** | 63,914 |
| Payables (trade, not insurance) | **R0840** | 2,243 |
| Subordinated liabilities | **R0850** | |
| Subordinated liabilities not in BOF | **R0860** | |
| Subordinated liabilities in BOF | **R0870** | |
| Any other liabilities, not elsewhere shown | **R0880** | 1,097 |
| **Total liabilities** | **R0900** | 931,024 |
| **Excess of assets over liabilities** | **R1000** | 439,230 |

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

| | | Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)** | | | | | | | | | | | | Line of business for: **accepted non-proportional reinsurance** | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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** | | | | | | | | | | | | | | - | | | |
| Gross - Proportional reinsurance accepted | **R0120** | | 433 | | 33,081 | | 77,179 | 90,061 | 178,017 | 84,289 | | | | | - | | | 463,059 |
| Gross - Non-proportional reinsurance accepted | **R0130** | | | | | | | | | | | | | 244 | 22,135 | 17,882 | 150,153 | 190,414 |
| Reinsurers' share | **R0140** | | 336 | | 26,420 | | 61,272 | 72,206 | 142,063 | 66,196 | | | | 194 | 17,522 | 14,216 | 132,198 | 532,623 |
| Net | **R0200** | | 96 | | 6,660 | | 15,908 | 17,855 | 35,954 | 18,093 | | | | 50 | 4,613 | 3,667 | 17,954 | 120,850 |
| **Premiums earned** | | | | | | | | | | | | | | | | | | |
| Gross - Direct Business | **R0210** | | | | | | | | | | | | | | | | | |
| Gross - Proportional reinsurance accepted | **R0220** | | 458 | | 39,107 | | 70,824 | 75,735 | 149,134 | 68,016 | | | | | | | | 403,273 |
| Gross - Non-proportional reinsurance accepted | **R0230** | | | | | | | | | | | | | 241 | 21,245 | 17,623 | 147,727 | 186,836 |
| Reinsurers' share | **R0240** | | 349 | | 31,196 | | 55,084 | 60,506 | 118,725 | 52,063 | | | | 191 | 16,670 | 13,951 | 130,821 | 479,557 |
| Net | **R0300** | | 109 | | 7,910 | | 15,740 | 15,229 | 30,409 | 15,952 | | | | 50 | 4,575 | 3,672 | 16,906 | 110,552 |
| **Claims incurred** | | | | | | | | | | | | | | | | | | |
| Gross - Direct Business | **R0310** | | | | | | | | | | | | | | | | | |
| Gross - Proportional reinsurance accepted | **R0320** | | 476 | | 31,473 | | 51,933 | 41,916 | 97,188 | 35,187 | | | | | | | | 258,174 |
| Gross - Non-proportional reinsurance accepted | **R0330** | | | | | | | | | | | | | 202 | 14,826 | 17,684 | 259,468 | 292,180 |
| Reinsurers' share | **R0340** | | 317 | | 24,807 | | 40,579 | 35,390 | 76,910 | 27,454 | | | | 164 | 11,638 | 13,306 | 209,487 | 440,051 |
| Net | **R0400** | | 160 | | 6,666 | | 11,354 | 6,526 | 20,278 | 7,734 | | | | 38 | 3,188 | 4,378 | 49,981 | 110,303 |
| **Changes in other technical provisions** | | | | | | | | | | | | | | | | | | - |
| Gross - Direct Business | **R0410** | | | | | | | | | | | | | | | | | |
| Gross - Proportional reinsurance | **R0420** | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| accepted | | | | | | | | | | | | | | | | | | |
| Gross - Non-proportional reinsurance accepted | **R0430** | | | | | | | | | | | | | | | | | |
| Reinsurers'share | **R0440** | | | | | | | | | | | | | | | | | |
| Net | **R0500** | | | | | | | | | | | | | | | | | |
| **Expenses incurred** | **R0550** | | 56 | | 450 | | 2,387 | 1,931 | 3,246 | 4,571 | | | | 38 | 2,619 | 966 | 8,041 | 24,304 |
| **Other expenses** | **R1200** | | | | | | | | | | | | | | | | | |
| **Total expenses** | **R1300** | | | | | | | | | | | | | | | | | 24,304 |

**Annex I**
**S.05.01.02**

**Premiums, claims and expenses by line of business**

| | | Line of Business for: **life insurance obligations** | | | | | | | **Life reinsurance obligations** | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | Insurance with profit participation | Index-linked and unit-linked insurance | Other life insurance | Annuities stemming from non-life insurance contracts and relating to health insurance obligations | Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations | 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** | | | | | | | | | |
| Reinsurers' share | **R1620** | | | | | | | | | |
| Net | **R1700** | | | | | | | | | |
| **Changes in other technical provisions** | | | | | | | | | | |
| Gross | **R1710** | | | | | | | | | |
| Reinsurers' share | **R1720** | | | | | | | | | |
| Net | **R1800** | | | | | | | | | |
| **Expenses incurred** | **R1900** | | | | | | | | | |
| **Other expenses** | **R2500** | | | | | | | | | |
| **Total expenses** | **R2600** | | | | | | | | | |

**Annex I**
**S.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** | | DE | FR | GB | BM | ES | |
| | | **C0080** | **C0090** | **C0100** | **C0110** | **C0120** | **C0130** | **C0140** |
| **Premiums written** | | | | | | | | |
| Gross - Direct Business | **R0110** | | | | | | | |
| Gross - Proportional reinsurance accepted | **R0120** | 7,270 | 161,280 | 129,185 | 23,180 | 31,255 | 21,825 | 373,995 |
| Gross - Non-proportional reinsurance accepted | **R0130** | 1,159 | 48,544 | 55,102 | 9,981 | 1,517 | 2,094 | 118,397 |
| Reinsurers' share | **R0140** | 6,641 | 171,637 | 149,424 | 26,405 | 25,724 | 19,380 | 399,211 |
| Net | **R0200** | 1,788 | 38,186 | 34,863 | 6,756 | 7,048 | 4,539 | 93,181 |
| **Premiums earned** | | | | | | | | |
| Gross - Direct Business | **R0210** | | | | | | | |
| Gross - Proportional reinsurance accepted | **R0220** | 6,946 | 124,798 | 135,685 | 21,476 | 26,542 | 17,268 | 332,715 |
| Gross - Non-proportional reinsurance accepted | **R0230** | 1,626 | 46,881 | 54,335 | 9,385 | 1,409 | 2,058 | 115,695 |
| Reinsurers' share | **R0240** | 6,129 | 140,723 | 152,701 | 23,963 | 21,111 | 15,704 | 360,331 |
| Net | **R0300** | 2,443 | 30,956 | 37,320 | 6,898 | 6,840 | 3,622 | 88,079 |
| **Claims incurred** | | | | | | | | |
| Gross - Direct Business | **R0310** | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Gross - Proportional reinsurance accepted | **R0320** | 4,105 | 76,151 | 97,066 | 12,547 | 11,923 | 9,941 | 211,732 |
| Gross - Non-proportional reinsurance accepted | **R0330** | 3,594 | 83,443 | 113,721 | 5,612 | 1,544 | 4,067 | 211,980 |
| Reinsurers' share | **R0340** | 5,369 | 141,133 | 160,762 | 13,141 | 10,618 | 10,454 | 341,477 |
| Net | **R0400** | 2,330 | 18,460 | 50,025 | 5,018 | 2,848 | 3,554 | 82,236 |
| **Changes in other technical provisions** | | | | | | | | |
| Gross - Direct Business | **R0410** | | | | | | | |
| Gross - Proportional reinsurance accepted | **R0420** | | | | | | | |
| Gross - Non- proportional reinsurance accepted | **R0430** | | | | | | | |
| Reinsurers'share | **R0440** | | | | | | | |
| Net | **R0500** | | | | | | | |
| **Expenses incurred** | **R0550** | 470 | 7,444 | 10,093 | 1,716 | 2,121 | 61 | 21,905 |
| **Other expenses** | **R1200** | | | | | | | |
| **Total expenses** | **R1300** | | | | | | | 21,905 |

**Annex I**

**S.05.02.01**

**Premiums, claims and expenses by country**

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Net | R1800 | | | | | | | |
| **Expenses incurred** | R1900 | | | | | | | |
| **Other expenses** | R2500 | | | | | | | |
| **Total expenses** | R2600 | | | | | | | |

**Annex I**
**S.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** | | -224 | | -10,165 | | -52,267 | -12,756 | -95,692 | -46,507 | | | | -36 | -8,824 | -1,438 | -73,991 | -301,902 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | **R0140** | | -138 | | -6,897 | | -34,579 | -5,828 | -52,599 | -22,099 | | | | -25 | -6,075 | -889 | -55,088 | -184,219 |
| Net Best Estimate of Premium Provisions | **R0150** | | -86 | | -3,268 | | -17,687 | -6,928 | -43,093 | -24,408 | | | | -11 | -2,749 | -549 | -18,903 | -117,682 |
| **Claims provisions** | | | | | | | | | | | | | | | | | | |
| Gross | **R0160** | | 1,353 | | 29,000 | | 113,762 | 84,672 | 154,939 | 95,382 | | | | 889 | 89,453 | 45,380 | 453,413 | 1,068,243 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | **R0240** | | 744 | | 19,866 | | 73,845 | 56,370 | 102,829 | 58,704 | | | | 381 | 50,322 | 28,239 | 321,601 | 712,901 |
| Net Best Estimate of Claims Provisions | **R0250** | | 608 | | 9,134 | | 39,917 | 28,302 | 52,110 | 36,678 | | | | 508 | 39,131 | 17,141 | 131,812 | 355,342 |
| **Total Best estimate - gross** | **R0260** | | 1,129 | | 18,835 | | 61,495 | 71,916 | 59,247 | 48,874 | | | | 853 | 80,629 | 43,942 | 379,422 | 766,341 |
| **Total Best estimate - net** | **R0270** | | 522 | | 5,867 | | 22,230 | 21,374 | 9,017 | 12,270 | | | | 497 | 36,382 | 16,591 | 112,909 | 237,659 |
| **Risk margin** | **R0280** | | 94 | | 1,056 | | 4,001 | 3,847 | 1,623 | 2,208 | | | | 89 | 6,548 | 2,986 | 20,321 | 42,773 |
| **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** | | 1,222 | | 19,891 | | 65,496 | 75,763 | 60,869 | 51,082 | | | | 942 | 87,177 | 46,928 | 399,743 | 809,114 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | **R0330** | | 606 | | 12,969 | | 39,265 | 50,541 | 50,230 | 36,604 | | | | 356 | 44,247 | 27,350 | 266,513 | 528,682 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | **R0340** | | 616 | | 6,923 | | 26,230 | 25,221 | 10,640 | 14,478 | | | | 586 | 42,930 | 19,577 | 133,230 | 280,432 |

**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** | | -224 | | -10,165 | | -52,267 | -12,756 | -95,692 | -46,507 | | | | -36 | -8,824 | -1,438 | -73,991 | -301,902 |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | **R0140** | | -138 | | -6,897 | | -34,579 | -5,828 | -52,599 | -22,099 | | | | -25 | -6,075 | -889 | -55,088 | -184,219 |
| Net Best Estimate of Premium Provisions | **R0150** | | -86 | | -3,268 | | -17,687 | -6,928 | -43,093 | -24,408 | | | | -11 | -2,749 | -549 | -18,903 | -117,682 |
| **Claims provisions** | | | | | | | | | | | | | | | | | | |
| Gross | **R0160** | | 1,353 | | 29,000 | | 113,762 | 84,672 | 154,939 | 95,382 | | | | 889 | 89,453 | 45,380 | 453,413 | 1,068,243 |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default | **R0240** | | 744 | | 19,866 | | 73,845 | 56,370 | 102,829 | 58,704 | | | | 381 | 50,322 | 28,239 | 321,601 | 712,901 |
| Net Best Estimate of Claims Provisions | **R0250** | | 608 | | 9,134 | | 39,917 | 28,302 | 52,110 | 36,678 | | | | 508 | 39,131 | 17,141 | 131,812 | 355,342 |
| **Total Best estimate - gross** | **R0260** | | 1,129 | | 18,835 | | 61,495 | 71,916 | 59,247 | 48,874 | | | | 853 | 80,629 | 43,942 | 379,422 | 766,341 |
| **Total Best estimate - net** | **R0270** | | 522 | | 5,867 | | 22,230 | 21,374 | 9,017 | 12,270 | | | | 497 | 36,382 | 16,591 | 112,909 | 237,659 |
| **Risk margin** | **R0280** | | 94 | | 1,056 | | 4,001 | 3,847 | 1,623 | 2,208 | | | | 89 | 6,548 | 2,986 | 20,321 | 42,773 |
| **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** | | 1,222 | | 19,891 | | 65,496 | 75,763 | 60,869 | 51,082 | | | | 942 | 87,177 | 46,928 | 399,743 | 809,114 |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total | **R0330** | | 606 | | 12,969 | | 39,265 | 50,541 | 50,230 | 36,604 | | | | 356 | 44,247 | 27,350 | 266,513 | 528,682 |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total | **R0340** | | 616 | | 6,923 | | 26,230 | 25,221 | 10,640 | 14,478 | | | | 586 | 42,930 | 19,577 | 133,230 | 280,432 |

**Annex I**
**S.19.01.21**
**Non-life Insurance Claims Information**

**Total Non-Life Business**

| Accident year / Underwriting year | Z0020 | Underwriting year [UWY] |
|---|---|---|

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

| | Year | Development year | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + |
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 |
| Prior | R0100 | | | | | | | | | | | -387 |
| 2013 | R0160 | 2,906 | 27,135 | 10,310 | 3,829 | 3,457 | 728 | 684 | 180 | 1,284 | 212 | |

| | In Current year | Sum of years (cumulative) |
|---|---|---|
| | C0170 | C0180 |
| R0100 | -387 | -387 |
| R0160 | 212 | 50,726 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2014 | R0170 | -1,777 | 32,315 | 12,020 | 5,664 | 5,326 | 1,269 | 1,285 | 298 | -402 | | R0170 | -402 | 55,999 |
| 2015 | R0180 | 2,098 | 82,977 | 21,115 | 8,132 | 4,275 | 3,043 | 1,269 | 1,116 | | | R0180 | 1,116 | 124,024 |
| 2016 | R0190 | -3,429 | 36,231 | 11,598 | 4,838 | 1,819 | 889 | 990 | | | | R0190 | 990 | 52,936 |
| 2017 | R0200 | -2,294 | 47,915 | 11,187 | 9,139 | 18,793 | -4,155 | | | | | R0200 | -4,155 | 80,586 |
| 2018 | R0210 | -2,102 | 63,204 | 18,699 | 30,781 | 108 | | | | | | R0210 | 108 | 110,689 |
| 2019 | R0220 | -2,217 | 50,644 | 31,856 | 16,309 | | | | | | | R0220 | 16,309 | 96,591 |
| 2020 | R0230 | -2,741 | 47,010 | 58,114 | | | | | | | | R0230 | 58,114 | 102,383 |
| 2021 | R0240 | 8,491 | 179,786 | | | | | | | | | R0240 | 179,786 | 188,277 |
| 2022 | R0250 | -7,028 | | | | | | | | | | R0250 | -7,028 | -7,028 |
| | | | | | | | | | | | Total | R0260 | 244,663 | 854,796 |

**Gross undiscounted Best Estimate Claims Provisions**
(absolute amount)

| | Year | Development year | | | | | | | | | | | Year end (discounted data) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | |
| | | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | C0360 |
| Prior | R0100 | | | | | | | | | | | 13,895 | R0100 10,847 |
| 2013 | R0160 | | | | 15,464 | 10,995 | 8,574 | 6,455 | 6,641 | 7,694 | 6,492 | | R0160 5,310 |
| 2014 | R0170 | | | 21,603 | 17,061 | 14,747 | 10,462 | 8,974 | 8,518 | 9,467 | | | R0170 7,094 |
| 2015 | R0180 | | 55,745 | 26,621 | 23,290 | 17,761 | 13,893 | 12,227 | 10,687 | | | | R0180 8,600 |
| 2016 | R0190 | 53,258 | 38,693 | 20,889 | 18,868 | 16,514 | 15,009 | 13,040 | | | | | R0190 10,599 |
| 2017 | R0200 | 91,948 | 73,200 | 56,272 | 41,894 | 31,819 | 23,904 | | | | | | R0200 19,634 |
| 2018 | R0210 | 91,958 | 78,707 | 68,966 | 63,555 | 53,769 | | | | | | | R0210 45,981 |
| 2019 | R0220 | 83,374 | 113,448 | 101,082 | 84,029 | | | | | | | | R0220 73,431 |
| 2020 | R0230 | 186,776 | 217,267 | 217,158 | | | | | | | | | R0230 193,885 |
| 2021 | R0240 | 412,087 | 403,497 | | | | | | | | | | R0240 356,459 |

| | | |
|---|---|---|
| | R0250 | |
| 2022 | | 382,772 |

| | | |
|---|---|---|
| | R0250 | |
| | | 336,403 |
| Total | R0260 | 1,068,243 |

**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 | 0 | 0 | | | |
| 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 | 74,534 | 74,534 | | | |
| Subordinated liabilities | R0140 | | | | | |
| An amount equal to the value of net deferred tax assets | R0160 | 23,642 | | | | 23,642 |
| Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | 341,054 | 341,054 | | | |
| **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 | 439,230 | 415,587 | | | 23,642 |
| **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** | 439,230 | 415,587 | | | 23,642 |
| Total available own funds to meet the MCR | **R0510** | 415,587 | 415,587 | | | |
| Total eligible own funds to meet the SCR | **R0540** | 439,230 | 415,587 | | | 23,642 |
| Total eligible own funds to meet the MCR | **R0550** | 415,587 | 415,587 | | | |
| **SCR** | **R0580** | 299,273 | | | | |
| **MCR** | **R0600** | 74,818 | | | | |
| **Ratio of Eligible own funds to SCR** | **R0620** | 146.77% | | | | |
| **Ratio of Eligible own funds to MCR** | **R0640** | 555.46% | | | | |

| | | **C0060** | |
|---|---|---|---|
| **Reconciliation reserve** | | | |
| Excess of assets over liabilities | **R0700** | 439,230 | |
| Own shares (held directly and indirectly) | **R0710** | | |
| Foreseeable dividends, distributions and charges | **R0720** | | |
| Other basic own fund items | **R0730** | 364,696 | |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | **R0740** | | |
| **Reconciliation reserve** | **R0760** | 74,534 | |
| **Expected profits** | | | |
| Expected profits included in future premiums (EPIFP) - Life business | **R0770** | | |
| Expected profits included in future premiums (EPIFP) - Non- life business | **R0780** | 301,902 | |
| **Total Expected profits included in future premiums (EPIFP)** | **R0790** | 301,902 | |

**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 | 106,010 | | |
| Counterparty default risk | R0020 | 39,981 | | |
| Life underwriting risk | R0030 | | | |
| Health underwriting risk | R0040 | 952 | | |
| Non-life underwriting risk | R0050 | 205,434 | | |
| Diversification | R0060 | -76,095 | | |
| Intangible asset risk | R0070 | | | |
| **Basic Solvency Capital Requirement** | R0100 | 276,283 | | |

| **Calculation of Solvency Capital Requirement** | | C0100 |
|---|---|---|
| Operational risk | R0130 | 22,990 |
| 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 | 299,273 |
| Capital add-on already set | R0210 | |
| **Solvency capital requirement** | R0220 | 299,273 |
| **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<br>C0109 |
|---|---|---|
| Approach based on average tax rate | R0590 | 1 - Yes |

| **Calculation of loss absorbing capacity of deferred taxes** | | LAC DT<br>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 | 54,047 |

| | | 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 | 522 | 96 |
| Workers' compensation insurance and proportional reinsurance | R0040 | | |
| Motor vehicle liability insurance and proportional reinsurance | R0050 | 5,867 | 6,660 |
| Other motor insurance and proportional reinsurance | R0060 | | |
| Marine, aviation and transport insurance and proportional reinsurance | R0070 | 22,230 | 15,908 |
| Fire and other damage to property insurance and proportional reinsurance | R0080 | 21,374 | 17,855 |
| General liability insurance and proportional reinsurance | R0090 | 9,017 | 35,954 |
| Credit and suretyship insurance and proportional reinsurance | R0100 | 12,270 | 18,093 |
| 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 | 497 | 50 |
| Non-proportional casualty reinsurance | R0150 | 36,382 | 4,613 |
| Non-proportional marine, aviation and transport reinsurance | R0160 | 16,591 | 3,667 |
| Non-proportional property reinsurance | R0170 | 112,909 | 17,954 |

**Linear formula component for life insurance and reinsurance obligations**

| | | C0040 |
|---|---|---|
| $MCR_{L}$ Result | R0200 | |

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

**Overall MCR calculation**

| | | C0070 |
|---|---|---|
| Linear MCR | R0300 | 54,047 |
| SCR | R0310 | 299,273 |
| MCR cap | R0320 | 134,673 |
| MCR floor | R0330 | 74,818 |
| Combined MCR | R0340 | 74,818 |
| Absolute floor of the MCR | R0350 | 3,900 |
| - | - | C0070 |
| **Minimum Capital Requirement** | R0400 | 74,818 |
| - | - | |