Benteler Reinsurance Company DAC

Solvency and Financial Condition Report

For the Reporting Period Ended 31 December 2023

Approved by the Board on 11 March 2024

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Executive Summary

This report refers to the business of Benteler Reinsurance Company DAC ("the Company", "Benteler Re"), an authorised reinsurer supervised by the Central Bank of Ireland ('CBI'). It provides the reader with information on the Company's business and performance, systems of governance, risk profile and valuation for solvency purposes and capital management for the reporting period ended 31 December 2023.

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations.

Benteler Reinsurance Company DAC is a captive reinsurance company which is domiciled in Ireland and forms part of the Benteler International AG ('BIAG') Group. Its principal activity is to provide reinsurance of liability & product recall, property damage business interruption, credit and goods in transit business to companies within the BIAG group. BIAG mainly supplies car parts to international car manufacturers.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of BIAG and its subsidiaries. As a captive reinsurance company, it is an efficient mechanism for the Benteler Group to retain risk which they can afford to retain due to the size of their balance sheet and levels of sustainable profitability. In addition, the Company has played an important role in managing the insurance market's perception of the Benteler Group and its exposures. The very establishment of a captive sends a strong message to the insurance market that the Benteler Group:

- has analysed its exposures and determined what level of risk it is prepared to retain;
- is prepared to commit its own capital to support that retention of risk;
- has taken a long-term decision to retain risk and may have a growing appetite for risk retention.

These factors lead insurers to understand that there will be competition for premium not just from their competitors but also from within the Benteler organisation in the form of the captive. The Company will not simply provide reinsurance coverage to the Benteler Group; the intention is that its presence will complement the Group's risk management framework and strategy. With its only customer being the Benteler Group, the Company is in a strong position to adapt and grow as its customer needs to grow.

The Board of the Company is ultimately accountable and responsible for the performance and conduct of Benteler Re and has appointed four key function holders (Compliance, Internal Audit, Risk Management and Actuarial) and a Management Services Provider to ensure the Company is governed effectively and in line with its regulatory obligations.

There have been no material changes to the Company's business and performance, system of governance and risk profile over the reporting period.

The Company has calculated its own solvency needs through an assessment of its risks, business plans and financial and capital projections over the next five years. The results of this exercise are used to better inform decision making within the Company.

A loss before tax of (€1.687m) (2022: profit of €4.629m) was recorded for the period. Retrocession cover continued in place to mitigate the risk of exposure to higher value liability claim events.

As at 31 December 2023, the Company had basic own funds of €25.931m (2022: €33.65m) available to meet its Solvency Capital Requirement ('SCR') of €21.154m (2022: €15.321m). The resultant 123% (2022: 220%) solvency coverage is below the Company's risk appetite and just below its tolerance threshold of 125%. The Minimum Capital Requirement was also satisfactorily met at the period-end. Due to the unprecedented level of claims activity in the period (refer to section A.2), the Company did marginally breach its solvency requirements at the end of September 2023 but the position was quickly redressed by early October via a drawdown of its cash pool. Otherwise, there were no other instances of non-compliance with the capital requirements during the period.

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

Section A: Business and Performance

A.1 Business

The name and legal form of the Company is Benteler Reinsurance Company Designated Activity Company. The Company's business is the provision of reinsurance coverage to the insurers of its group parent company, Benteler International AG.

The Company holds a Certificate of Authorisation from the Central Bank of Ireland to carry out the business of reinsurance (Ref. No.: C40456) pursuant to the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485). Its registered office and place of business is 13 Fitzwilliam Street Upper, Dublin 2.

The Insurance Supervision Division of the Central Bank of Ireland may be contacted at:

General Insurance Supervision
Central Bank of Ireland
New Wapping Street,
North Wall Quay,
Dublin 1.
Telephone: +353 1 224 4000.

The name and contact details of the Company's external auditors are:

Mazars
Chartered Accountants and Statutory Audit Firm
Harcourt Centre, Block 3,
Harcourt Road,
Dublin 2.
Telephone +353 1 449 4400

The Company is a wholly owned subsidiary of Benteler International Aktiengesellschaft ('BIAG'), a company incorporated in Austria. Benteler Re is the only (re)insurance company within the Benteler Group and has no branches.

The principal activity of the Company is the provision of reinsurance coverage to the insurers of its group parent company, Benteler International AG. The Company's material geographical areas where it carries out its business are Europe, North America and South America. The coverages provided are categorised under the following lines of business, with both the marine transit & storage line and the credit line, in run off since 1 January 2023 and 1 January 2020 respectively:

The policy for the excess of loss retrocession purchased as a risk mitigant on the liability line of business, was renewed for the year end 31 December 2023, and was aligned with the Company's financial period. This risk mitigation limits the Company's net claims exposure to €10m in excess of €10m each and every claim and in the annual aggregate.

The Company experienced an unprecedented level of large claims in the reporting period that had a material impact on the Company.

A.2 Underwriting Performance

The underwriting performance of the Company was a loss of (€4.959m) over the reporting period, compared to a profit of €4.959m in the previous reporting period. As all lines of business are considered material, an analysis of the performance is summarised as follows:

2023 €' 000					
Line of Business	**Total**	**Liability**	**Property**	**Marine**	**Credit**
Premium written & earned:					
- Gross	**6,874**	3,437	3,437	-	-
- Reinsurers' share	**(1,250)**	(1,250)	-	-	-
- Net	**5,624**	2,187	3,437	-	-
Claims incurred					
- Gross	**(17,759)**	(14,207)	(3,677)	75	50
- Reinsurers' share	**10,000**	10,000	-	-	-
- Net	**(7,759)**	(4,207)	(3,677)	75	50
Commissions	**(360)**	(298)	(62)	-	-
Underwriting Income	**(2,495)**	**(2,318)**	**(302)**	**75**	**50**
2022 €' 000					
Line of Business	**Total**	**Liability**	**Property**	**Marine**	**Credit**
Premium written & earned:					
- Gross	**6,439**	3,381	2,815	243	-
- Reinsurers' share	**(1,155)**	(1,155)	-	-	-
- Net	**5,284**	2,226	2,815	243	-
Claims incurred, gross & net of reinsurance	**98**	(446)	489	(586)	642
Commissions	**(424)**	(301)	(97)	(26)	-
Underwriting Income	**4,959**	**1,479**	**3,207**	**(369)**	**642**

Written premiums for 2023 increased by 11% on the 2022 level of €6.196m (excluding marine). This increase was driven primarily by the property line where the year-on-year increase was attributable to a change in sums insured.

The level of this year's claims activity was unprecedented with large claim activity on both the Property and Liability lines of business. Two product recall claims were registered, their aggregate gross cost practically equaling the annual aggregate limit of €20m. Additionally there was a large property claim in the US relating to a lightening event with an incurred cost of €4.5m. The impact of these costs was mitigated by (i) the accounting for a recovery under the Company's retrocession policy in respect of the liability claims incurred, and (ii) the release of booked IBNR.

As noted in Section A.1, the Company renewed its retrocession cover to the end of December 2023 with Swiss Re. The increase in premium was reflective of the hardening insurance market. However, the price was accepted by the Board to ensure protection of liability exposures remained in place.

A.3 Investment Performance

The Company maintains its cash and deposit investments with EU regulated credit institutions. It also participates in a cash pool arrangement with the Company's ultimate holding company, Benteler International AG. The return earned over the reporting period was €1.27m, which was yielded from the cash pool, its three bank accounts and an investment fund held, and was reflective of the positive markets interest rates which steadily improved during the period. Prevailing period-end interest rates for investment income were generally linked to EURIBOR and ESTR.

An unrealised foreign exchange loss of (€49k) (2022: gain of €109k) was yielded in the period from the

revaluation of a US$1M security deposit advance to AXA XL in respect of US exposures. The gain reflected the adverse movement in the USD/€ rate during 2023.

The Company had no investments in securitisation, during the reporting period or previous reporting period.

A.4 Performance of Other Activities

The Company does not carry out any other activities other than the reinsurance business described in A.1 above and has not entered into any leasing agreements.

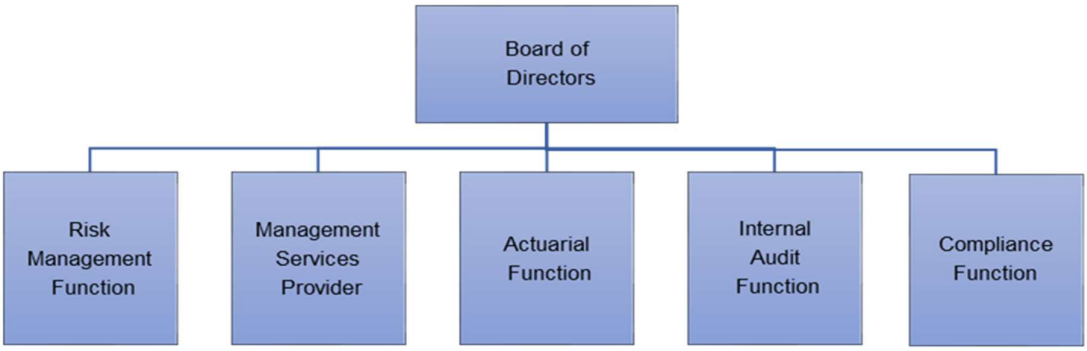
A.5 Any Other Information

There are no other material matters to disclose regarding the business and performance of the Company during the reporting period.

Section B: System of governance

B.1 General Information on the System of Governance

The organisational structure of the Company is as follows:



The Board is the focal point of the corporate governance regime. It is ultimately accountable and responsible for the performance and conduct of the Company. As a captive reinsurance entity, the Company has no direct employees. Therefore, to ensure that the Company satisfies all regulatory and statutory requirements related to its operations, it has appointed four key function holders (Compliance, Internal Audit, Risk Management and Actuarial) and a Management Services Provider to ensure adherence to these obligations. Function holders report to the Board directly. In reporting to the Board, the holders of the above positions ensure that they provide information which is timely, accurate and sufficiently detailed so as to enable the Board to make informed decisions and discharge its duties appropriately.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Company is committed to high standards of corporate governance. The Company takes a risk-based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

The Company has formalised and documented its governance structures and responsibilities within its Corporate Governance Manual (CGM) which is updated, together with the supporting policies, and reviewed by the Board on an annual basis.

Board of Directors

The Board is comprised of only those persons with sufficient knowledge of the Company's business and the environment in which it operates so as to properly contribute to the effective running of the Company and the achievement of its objectives.

The Board members must have:

- The necessary knowledge, skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out their duties;
- A full understanding of the nature of the Company's business, material activities and related risks;
- A full understanding of their individual direct and indirect responsibilities and collective responsibilities; and
- An understanding of the Company's financial statements and key performance drivers.

The Company is controlled and directed through the Board which consists of the following senior personnel who have been selected to ensure that the Company is being run by individuals of appropriate expertise and integrity and who meet the criteria set out above:

Mr Ruediger Lohoff, Non-Executive Director and Chair (German)
Mr Martin Hake-Bobka, Non-Executive Director (German)
Mr Ronan Ryan, Non-Executive Director (Irish**)**
Mr Manfred Swysen, Non-Executive Director (Swiss)

The Board meet formally at least twice annually and there is additional interaction between members of the Board throughout each reporting period. Given the size, nature and complexity of the Company, the establishment of Board sub-committees has not been necessary.

As documented in the CGM, the key responsibilities of the Board are to:

- Ensure the appropriate knowledge, skills, experience and commitment exists within the Board to oversee the reinsurance undertaking effectively and must be such that it provides for the effective, prudent and efficient administration of the activities of the reinsurance undertaking;
- Set out the corporate governance principles, responsibilities, and commitments appropriate to the reinsurance undertaking and ensure they are communicated throughout the reinsurance undertaking;
- Establish policies and strategies to ensure compliance with principles, responsibilities, and commitments and to establish procedures for monitoring and evaluating the progress towards them.;
- Approve and oversee the management of all renewal processes, including signing off on outwards reinsurance as necessary;
- Satisfy itself that the reinsurance undertaking is organised in a way that promotes the effective and prudent management of the undertaking and the Board's oversight of that management;
- Distinguish between the responsibilities, decision-making, interaction and cooperation of the Board, Chair and other senior management. The undertaking must have a clear division of responsibilities that will ensure a balance of power and authority, so that no one individual has unfettered powers of decision without adequate consultation;
- Collectively ensure that the reinsurance undertaking complies with all relevant laws, regulations and any established codes of conduct. The Board must identify a Head of Compliance whose function is to monitor compliance with all of the relevant legislation and required standards of business conduct and who reports to the Board at regular intervals to enable the Board to ensure compliance; and
- Ensure an open and transparent communication with the CBI.

Key Functions

The main roles and responsibilities of the key functions are as follows:

Compliance

- Ensure the Company is kept up to date with the CBI's compliance standards;
- Obtain the approval of the Board of Directors for policy statements on compliance with the Regulations, with the requirements of the CBI and with any other applicable legislation; and
- Monitor the implementation of compliance procedures and to report periodically to the Board of Directors thereon.

Actuarial

- Review of the reliability and adequacy of the calculation of technical provisions, including the appropriateness of methodologies adopted and the sufficiency and quality of data used;
- Comparison of best estimates against experience;
- Express an opinion on the Company's overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the Company's risk management system.

Internal Audit

- Review and assess compliance with, and the efficacy of, the Company's governance arrangements, operational procedures and internal controls;
- Report to the Board on the scope of work to be carried out and subsequent findings and recommendations; and
- Check to ensure that any agreed recommendations arising from internal audit reviews are implemented by the Company.

Risk Management

- Monitoring and managing the risks to which the Company is exposed;
- Reporting into the Board on the Company's risks and the processes established to identify and manage risks;
- Ensuring that risk management is well integrated into the organisation structure of the Company and its decision-making processes; and
- Reporting to the Board through the Risk Management function on the current status of any risks identified which need to be brought to their attention.

The Board ensures that the function holders have the necessary authority, resources and operational independence to carry out their tasks. This is achieved by ensuring clear documented terms of reference, policies and procedures are in place and agreed by all parties, and by having an open communication channel between the Board and the function holders. The Company's size and straightforward structure also facilitates timely and efficient reporting by the function holders to the Board.

Remuneration

Due to the scale, nature and complexity of the Company, with no full-time employees, the Company has not required the establishment of a remuneration policy. Directors who are not employees of the Company but who are employed by another group company or by a service provider company, receive no remuneration for the performance of their duties as directors. Non-Executive directors receive remuneration based on Irish market standard rates. Directors are entitled to the reimbursement of normal business expenses associated with their travel to the Company's main place of business for the purpose of discharging their duties as directors.

Changes and Material Transactions

No material changes in the system of governance have taken place over the reporting period. The Company did not enter into any material transactions with members of the Board of Directors.

B.2 Fit and Proper Requirements

The Company acknowledges its responsibilities with respect to ensuring the fitness and probity of those individuals carrying out controlled functions on its behalf. The relevant Pre-approval Controlled Functions (PCF) applicable to the Company have been identified and the individuals being proposed for a PCF role will be subject to the appropriate level of due diligence in order for the Company to confirm that they are:

(a) competent and capable;
(b) honest, ethical and act with integrity; and
(c) financially sound.

As part of its Corporate Governance regime the Company has adopted a policy which sets out the minimum operational standards, roles and responsibilities pertaining to Fitness & Probity. All persons proposed for a PCF role must complete an Individual Questionnaire (IQ) providing details on their:

- experience
- qualifications
- reputation and character
- other responsibilities
- shareholding links to the Company

Qualifications and experience are double checked by the Compliance Officer against appropriate support and confirmation is obtained that the individual has no judgements or disqualifications against them. Certification is also provided by the individual that they will abide by the Standards of Fitness & Probity and the Guidance issued by the CBI. Pending successful completion of these actions, the IQ is reviewed and approved by an existing PCF and submitted to the CBI for processing and approval.

For each proposed PCF role, including key functions, the Company requires that the individual being proposed has the skills, knowledge and expertise commensurate with the role. This is assessed both in terms of the requirements for specific individual functions and also in terms of the composite when looking at the make-up of the overall Board. For functions which require specific qualifications or skills e.g. actuarial, only individuals who possess the necessary qualifications and experience in that field will be considered for the role. The Fitness & Probity of function holders is re-assessed on an annual basis.

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

Risk refers to the effect of uncertainty on the Company's ability to meet its objectives. Risk management is a systematic approach to protect the business resources and income against losses and unexpected events so that objectives of the Company can be achieved without unnecessary disruption.

Roles and Responsibilities

The Board of Directors acknowledges its responsibility to establish a risk management system and have outsourced the responsibility for carrying out the Risk Management function ('RMF') to its Management Services Provider, who is responsible for carrying out the RMF and ensuring that the risk management system is implemented and well-integrated into the organisation structure of the Company and its decision-making processes.

Risk Management System

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Benteler Group and its subsidiaries. This objective has remained core to the business of the Company and there are no plans to change this business strategy. This strategy is set out in the Company's documented Risk Appetite Statement ('RAS') and supporting risk policies. These are reviewed by the Board on an annual basis or in the event of a material change in circumstances for the Company or the environment in which it operates.

The risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of the Company via:

- review and ongoing maintenance of risk related policies by the Board;
- adherence with and annual review of the Company's RAS;
- adequately resourced critical functions of risk management, compliance and actuarial staffed by experienced professionals;
- adequately resourced internal audit function with a regular review cycle;
- business continuity planning;
- succession plan for key roles;
- monthly underwriting and financial reporting.

The Company has established a number of risk management policies including:

- Risk Appetite Statement, which includes an escalation procedure;
- Operational Risk Policy;
- Capital Risk and Capital Management Policy.

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

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The Own Risk and Solvency Assessment process referred to in the following section is a key component in the Company's risk management and decision-making processes.

Own Risk and Solvency Assessment ('ORSA')

In line with the Company's documented ORSA policy and assuming business-as-usual conditions, the ORSA is performed on an annual basis during the fourth quarter of the Company's financial period so that the findings can be discussed and approved by the Board of Directors and reported to the CBI prior to the financial period-end. A more frequent ORSA is not deemed necessary due to the straightforward nature of the Company's activities and risk profile and the fact that the Company's financial position and solvency needs are not subject to significant volatility.

The ORSA is the Company's own assessment of the capital it believes it needs to cover its risks, achieve its business plans and protect the future performance and viability of the Company. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and risk sensitivities so that the output can be used in shaping future strategy and risk appetite.

- *Risk Identification*

The first step in the ORSA process is to consider and identify which risks should be assessed.

- *Financial Projections*

The second step in the ORSA process is to project both the Profit and Loss Account and Balance Sheet of the Company. A 1–5 year projection period of the balance sheet is chosen as an appropriate timescale to provide an adequate view of the Company's financial and solvency position. These financial projections provide the basis for the calculation of the required Solvency and Minimum Capital Requirements under the standard formula over the selected projection period. The Board use the output from these calculations to assess the position of the Company in relation to their capital requirements over the period.

- *Stress & Scenario Testing*

The third step of the ORSA process is for the Board and Management to examine the impact of a range of stresses and scenarios on the Company's solvency position. These include both quantitative and qualitative scenarios, and a reverse stress test approach to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenario tests are circulated to the Board for consideration and agreement, with additions made if required.

- *Board and Management Discussion and Review*

The final step in the ORSA process is the presentation to the Board of the output results from the overall assessment completed. The Board must consider and challenge this output, draw their conclusions on the results of the ORSA assessment and determine if any actions are required.

- *Board Sign-off*

Following this iteration, and if in order, the ORSA report is approved by the Board. As a low-risk entity, the Company's ORSA submission is via a preformatted template to the CBI which is completed by including relevant extracts from the approved internal report and summarising the outputs from the various projected and scenario assessments completed.

- *Integration into Decision-making process*

The ORSA process creates the link between risk management, capital management and strategic planning. The resultant findings provide a better understanding to the Board of the impact of key risk drivers on the operations of the Company and in turn better inform the setting and update of the Risk Appetite.

This year's assessment investigated the following scenarios against its base case projected assessment:

- A benign year for claims in 2024;
- Limit loss on Property in 2024;
- Limit loss on Liability (with and without retrocession) in 2024;
- Combined Event Limit loss on Property and Event Limit loss on Liability/Recall in 2024;
- Helaba Bank Default in 2024;
- Deutsche Bank Default in 2024;
- Santander Bank Default in 2024;
- Loss Ratio sensitivities;
- Reverse stress tests.

Results

The following table summarises the Company's projected base case SCR / MCR position, using the Standard Formula, over a 5-year projection period ending 2027:

	2023	2024	2025	2026	2027
Available Capital	24,958	25,742	26,621	27,581	28,497
SCR	20,643	21,324	19,087	19,952	20,760
SCR Margin	4,314	4,418	7,534	7,629	7,738
SCR Coverage ratio	120.9%	120.7%	139.5%	138.2%	137.3%
MCR	5,161	5,331	4,772	4,988	5,190
MCR Margin	19,797	20,411	21,849	22,593	23,308
MCR Coverage ratio	483.6%	482.9%	557.9%	553.0%	549.1%

B.4 Internal Control System

The Company has established and documented an appropriate system of internal control which satisfies the following objectives:

- Operational risks are identified and effectively managed
- Key processes and activities are documented
- Assets are safeguarded
- The reliability and integrity of financial information is maintained consistently
- Compliance with Company policies, procedures, applicable laws and regulation is achieved.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the Company's internal control system. However day-to-day oversight of the Company's compliance against its control framework is provided by the risk management and compliance functions. In practice, other directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure

compliance and to highlight any significant breakdown in controls or inadequacy of process.

There have been no control issues or weaknesses identified in the reporting period.

Compliance Function

The Company is fully committed to compliance with the requirements of the CBI and all applicable legislation and regulations. To ensure that the Company's activities remain compliant with all these legal and regulatory obligations, the Board has outsourced the Head of Compliance Function role for the discharge of the Company's Compliance Function.

In order to demonstrate the Company's ongoing commitment to compliance, a submission is made by the appointed Head of Compliance to the Board of Directors at each Board meeting. This report addresses how the Company is achieving compliance, whether there are any breaches and how such breaches are being rectified.

The Compliance Function aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. It has responsibility for the implementation of the Company's compliance strategy and effective compliance processes, and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements in place are sufficiently robust, proportionate, effective and efficient.

B.5 Internal Audit Function

The Board has the responsibility to establish and maintain an effective internal audit function which is objective and independent from the Company's operational functions.

The role of Head of Internal Audit (HoIA) is outsourced to Mr. Howard Block, CSI Chartered Accountants Limited. He has been approved by the CBI to perform this function. His responsibilities are:

- leading the preparation of an annual audit plan for the Company based on a methodical assessment of the Company's risks, governance system and the nature of its activities, including expected developments;
- leading the implementation of the annual internal audit plan;
- directing the work of any outsourced service providers who have been engaged to carry out internal audit testing;
- ensuring that the requirements of the Company's outsourcing policy are complied with for the selection of parties to perform internal audit testing;
- reviewing the output of annual internal audit testing; and
- reporting findings to the Board and the other key functions.

The HoIA may also carry out special audit tasks at the request of the Board where significant breaches in the Company's policies or internal control framework have been identified.

The Board recognises the added value to be derived from internal audit through the review and assessment of compliance with, and the efficacy of, its governance arrangements and operational procedures.

An internal audit plan, comprising a programme of proportionate audits of internal controls, governance arrangements and operational procedures will be developed, implemented and reviewed annually.

The internal audit function is structured according to the following principles:

- the HoIA has the necessary skills and expertise required for the role and meets the Fitness & Probity due diligence criteria;
- the Company has taken appropriate measures to order to mitigate the risk of any conflict of interest within the internal audit function;

- the HoIA does not perform any operational functions for the Company and is free from undue influence by any other key functions;
- the Board shall not place undue influence on the HoIA in the performance of its duties; and
- the internal audit approach shall be proportionate, ensuring that the responsibilities of the function are fulfilled while recognising the small scale of the Company.

The Company recognises the value in seeking external, professional support to conduct internal audits. This is particularly relevant for areas where specialist knowledge is not available in-house and given the size of the Company, to ensure that an independent and objective view is provided. A documented 'Agreement for the Provision of Actuarial Services' is in place for this function. The HoIA reports directly to the Board.

B.6 Actuarial Function

The position of Head of Actuarial Function (HoAF) for the Company is outsourced to Mr. Paul Leonard, Allied Risk Insurance and Reinsurance Services Limited. He has been approved by the CBI to perform this function. The outsourcing of this function reflects the fact that, as a reinsurer of specific business relating to the activities of the parent group, the Company does not have the in-house specialist skills required for this function. The engagement of an industry specialist who has the support of a wider team in carrying out their duties is the most efficient approach for the Company. The Board is satisfied that there are no conflicts of interest impacting the HoAF's work.

A documented 'Agreement for the Provision of Actuarial Services' is in place for this function. The HoAF reports directly to the Board.

B.7 Outsourcing

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

The Company only enters into an outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adheres to the CBI's Notification Process for (Re)Insurance Undertakings when outsourcing critical or important function or activities under Solvency II Regulations.

Actuarial, Compliance, Risk Management and Internal Audit functions are fully outsourced. In addition, the Company considers Management & Administration (including financial and regulatory reporting) to be a critical and important outsourced function.

Service providers for these outsourced functions are located in Ireland.

B.8 Any Other Information

There is no other material information regarding the system of governance of the Company to report.

Section C: Risk Profile

C.1 Risk Profile

Underwriting Risk

The Company writes or has written the following lines of business:

- Liability (including Product Liability and Product Recall)
- Property Damage and Business Interruption
- Marine / Transport (in run-off)
- Credit (in run-off)

All current reinsurance contracts are concluded on a 1-year basis with Benteler Re having the right to cancel or adjust premiums. Benteler Re reinsures the fronting insurer for a layer of the risk, with the fronting insurer and other insurers retaining the excess layers.

Its main risk mitigation technique is to control its exposure through event and aggregate limits, meaning the Company cannot lose more than the event or aggregate limit on any one claim or series of claims.

Pricing is determined by reference to:

- Open market / competitor pricing
- Cost of administration and operational costs
- Cost of external reinsurance - if any.
- Historical claims experience.

Prior to each annual renewal, pricing is reviewed following submission of detailed statistics relating to trends in written premiums and claims to ensure premium income is sufficient to cover expected claims and expenses.

The Company assesses the risk of inadequate provisioning by evaluating the outturn over time of claims settlements against initial provisions.

The Board formally reviews the need to purchase retrocession on at least an annual basis. The Company has reduced its net limit for liability with the purchase of an aggregate excess of loss (XOL) retrocession cover mirroring the underlying reinsurance programme. It is noted that this protection offers no capital relief under the Solvency II Standard Formula – nonetheless the Board considers it prudent risk management and it provides strong balance sheet protection.

Underwriting risk is managed through:

- the adoption of documented controls and policies in relation to the underwriting and reserving processes;
- the setting by the Board of a risk appetite with reporting tolerances and limits which are monitored and escalated in accordance with the Company's documented policy;
- the consideration of event losses for the risks it reinsures which can be met through the Company's capital base and/or risk mitigation; and
- the calculation of technical provisions in a prudent manner using appropriate and consistent data.

The Company assesses the adequacy of premium to cover claims and associated expenses through its review of monthly financial accounts. Actual performance against the risk appetite thresholds and tolerances is measured on a quarterly basis, reviewed by the Risk Management Function and is reported to the Board at each meeting. A description of the measures used therein are as follows:

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

These review processes ensure that the mechanisms adopted by the Company for the management of underwriting risk are monitored for continuing effectiveness.

In terms of loss ratio sensitivity, it was noted, as part of the Company's ORSA 2023 process, that there is considerable uncertainty when projecting the Company's capital position for 5 years, stemming from the uncertainty parameter when estimating the appropriate loss ratios. In order to stress this uncertainty, the sensitivity of the projections to the assumed loss ratios were tested by increasing and decreasing the base case loss ratios across the projection period by 5%. The output showed that the coverage position diverged by more than 9% from both an increase and decrease, by 2027. This stress test did not constitute a best/worst case scenario. It simply highlighted the sensitivity of the capital position in the projections to the assumed loss ratios used.

C.2 Market risk

The Company is exposed to market risk as part of its business by virtue of:

- Interest rate risk – which may arise due to a mismatch in asset / liability durational matching.
- Concentration risk – where the quantum of an individual asset is such that its impairment would have a significant impact on the Company.
- Spread risk – which can arise from assets held due to changes in credit spreads over the risk free interest rate term structure.

The Company mitigates against interest rate risk by holding sufficient funds in liquid cash through its bank accounts and its participation in a Group cash pooling arrangement.

Market risk also arises from the cash pool balance advanced to Benteler International AG ('BIAG'), a BB rated counterparty. The Company is satisfied that the parent group has sufficient liquidity to be in a position to repay the current value of the balance advanced.

Prior to any decision being made to materially change the cash pool amount, the implications on the Company's Solvency Capital Requirement and Minimum Capital Requirement are calculated and assessed to ensure that the proposed action is within appetite.

The above was evidenced during the year when the Company had to take remedial action to redress its breach in solvency. SCR stress testing identified an uplift to the Company's solvency position from a drawdown in its cash pool balance. BIAG assisted in this process by agreeing to the drawdown of the Company's intercompany cash pool in October 2023, which was completed successfully within two days, and restored the Company's solvency.

Prudent person principle

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

person.

The Company maintains its cash and deposit investments with EU regulated credit institutions. It also participates in a cash pool arrangement with the Company's parent and ultimate holding company, Benteler International AG.

The Company has adopted a written investment policy which it reviews on an annual basis. The overall strategic objective of the Company with respect to its investment policy is to preserve principal value and increase the value of investments while covering its technical reserve and solvency capital requirements and meeting its ongoing cash flow needs.

The Board has developed the investment policy having due regard to:

- the Company's solvency needs relative to the nature of the risks it underwrites;
- the regulatory requirements to match its technical liabilities in accordance with the requirements of Article 26 and the admissibility of assets as set out in Schedule 1 of the European Communities (Reinsurance) Regulations 2006 (S.I. 380 of 2006).
- the expected pay-out patterns for claims;
- market, credit, liquidity, operational and legal risk;
- the need to invest in secure assets;
- asset diversification; and
- settlement risk.

C.3 Credit Risk

The credit institutions with which the Company places its cash assets expose the Company to credit risk. However, as its cash assets are placed with well-rated credit institutions, this risk is largely mitigated. Despite this status, credit risk has still been identified as part of the process for setting the Company's risk appetite and having appropriate tolerances and limits in place. Monitoring against pre-determined triggers is carried out by the Risk Management Function on a quarterly basis.

The Company's investment policy, described in C2 above, also sets out the criteria for the selection of counterparties for the placement of cash balances.

C.4 Liquidity Risk

Approximately 89% of the Company's funds are held in operational bank accounts and the cash pool, ensuring sufficient cash is on hand to meet claims payments as they fall due and to cover any unexpected cash outflows.

The Board deem a further refinement in the matching of claims pay-out and asset maturity patterns is not required. Thus, the maintenance of available cash is the most appropriate for the nature, scale and complexity of the Company's business.

C.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

- outsourcing
- business continuity planning
- reputational
- compliance and regulatory

As a reinsurance captive writing a small number of treaties, operational risk is considered low. The Company does not handle many transactions and does not deal with the general public. The underlying risk is in the same group. Therefore, it does not consider that it is exposed to material residual risk in this area due to the formality that has been created around the Company's processes and procedures including those for financial and regulatory reporting.

C.6 Other Material Risks

There are no other material risks to which the Company is exposed.

C.7 Any Other Information

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

Section D: Valuation for Solvency Purposes

Note: Tables within sections D and E contain minor rounding differences in certain instances due to amounts being displayed to the nearest thousand while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.

D.1 Assets

As at 31st December 2023, the Company held the following assets:

Benteler Reinsurance Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	500	539
Pension benefit surplus	-	-
Property, plant & equipment held for own use	-	-
Investments	4,141	4,141
Property (Other than Own Use)	-	-
Participations and related undertakings	-	-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed	-	-
Equities (Other than Participations) - Unlisted	-	-
Bonds	-	-
Government and Multilateral Banks	-	-
Corporate	-	-
Structured Notes	-	-
Collateralised Securities	-	-
Collective Investments Undertakings	4,141	4,141
Derivatives		
Deposits other than cash equivalents		
Other Investments		
Mortgages and Loans Made	62	62
Mortgages & loans to individuals		
Other Mortgages & loans	62	62
Loans on Policies		
Reinsurance Recoverables	10,000	7,721
Reinsurance share of TP - non-life excluding health	10,000	7,721
Reinsurance share of TP - health similar to non-life		
Deposits to cedants	905	905
Insurance & Intermediaries Receivables		
Reinsurance Receivables		
Receivables (trade, not insurance)		
Own Shares		
Amounts due in respect of own fund items or initial fund called up but not yet paid in		
Cash & Cash Equivalents	40,128	40,128
Any Other Assets, Not Elsewhere Shown	16	16
Total assets	**55,752**	**53,511**

As at 31st December 2022:

Benteler Reinsurance Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	-	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	-	-
Investments	4,002	4,002
Property (Other than Own Use)	-	-
Participations and related undertakings	-	-
Equities (Other than Participations)	-	-
Equities (Other than Participations) - Listed	-	-
Equities (Other than Participations) - Unlisted	-	-
Bonds	-	-
Government and Multilateral Banks	-	-
Corporate	-	-
Structured Notes	-	-
Collateralised Securities	-	-
Collective Investments Undertakings	4,002	4,002
Derivatives		
Deposits other than cash equivalents		
Other Investments		
Mortgages and Loans Made	3,363	3,363
Mortgages & loans to individuals		
Other Mortgages & loans	3,363	3,363
Loans on Policies		
Reinsurance Recoverables		-1,231
Reinsurance share of TP - non-life excluding health		-1,231
Reinsurance share of TP - health similar to non-life		
Deposits to cedants	1,875	1,875
Insurance & Intermediaries Receivables		
Reinsurance Receivables		
Receivables (trade, not insurance)		
Own Shares		
Amounts due in respect of own fund items or initial fund called up but not yet paid in		
Cash & Cash Equivalents	33,829	33,829
Any Other Assets, Not Elsewhere Shown	16	16
Total assets	**43,085**	**41,854**

Collective investments undertakings comprise a money market fund investment which is measured at fair value using quoted market prices in active markets.

Mortgages and other loans made comprise a cash pool balance and accrued interest. The Company participates in a cash pooling arrangement with Group Treasury.

Reinsurance recoverables represents accrued recoveries relating to liability claims incurred and discounted future cash flows relating to the premium provision for the 2024 retrocession cover in place. The financial statements reflect the accrued recoveries only; the 2024 expected cashflows within contract boundaries are not considered. The difference between the two amounts reflects the differing valuation basis.

Cash and cash equivalents comprise cash balances that are highly liquid and readily convertible to a known amount of cash. They are subject to an insignificant risk of changes in value and are measured at cost.

Any other assets, not shown elsewhere, comprise a prepaid management fee amount.

Other than the valuation of reinsurance balances on a best estimate basis, there are no other material asset valuation differences between the financial statements and the Solvency II values. The financial statements have been prepared in accordance with Financial Reporting Standards 102 and 103 (FRS 102 and 103), the requirements of the Companies Acts 2014 and the European Union (Insurance Undertakings: Financial Statements) (Amendment) Regulations, 2016.

D.2 Technical Provisions

The technical provisions comprise the following amounts by line of business:

2023 Line of Business	Gross Best Estimate (€'000)	Risk Margin (€'000)	Recoverables from Reinsurance contracts (€'000)	Total Net Technical Provisions (€'000)
Non-proportional casualty reinsurance	23,586	1,639	(7,721)	**17,505**
Proportional marine, aviation and transport reinsurance	266	12	-	**278**
Non-proportional property reinsurance	(183)	541	-	**358**
Total	**23,669**	**2,192**	**(7,721)**	**18,141**

2022 Line of Business	Gross Best Estimate (€'000)	Risk Margin (€'000)	Recoverables from Reinsurance contracts (€'000)	Total Net Technical Provisions (€'000)
Non-proportional casualty reinsurance	5,116	945	(1,231)	**7,292**
Proportional marine, aviation and transport reinsurance	1,396	90	-	**1,485**
Non-proportional property reinsurance	(1,237)	514	-	**(723)**
Total	**5,275**	**1,548**	**(1,231)**	**8,054**

The line of business analysis used to segment the Company's claims data is consistent with the underlying risks for the reinsurance business being accepted by the Company. Best estimate claims provisions have been calculated based on the expected losses for the reporting period by reference to reported and paid losses and historical experience per each of line of business.

Best estimate premium provision has also been calculated for business written but not yet incepted as at 31 December 2023. The premium provision was calculated using expected loss ratios based on the Company's own experience and benchmark data. As the business is expected to be profitable in line with historical patterns, this results in a negative premium provision (i.e. an asset rather than a liability) accounted for within the Gross Best Estimate figures disclosed in the above 2023 table.

The risk margin represents the cost of holding the capital required to run-off the technical provisions to zero.

For all lines of business, the Company uses the undiscounted best estimate claims provision as a floor for the technical provisions booked in its financial statements, with an appropriate margin for prudence added to this figure. The Company reviews all open claims on a regular basis and takes an appropriate approach to claim reserving.

The main risk to the technical provisions is the emergence of a large claim or claims. Historical experience shows that loss ratios are extremely volatile. In any given year, the likelihood is that the Company experiences either a very low loss ratio (where there have been no large claims) or a very high loss ratio (where there have been one or two large claims). In respect of the premium provision, the volatility of the actual underwriting result is much higher for a captive reinsurer writing a relatively small number of risks compared to a commercial insurer.

A second risk to the adequacy of the Company's reserves is the deterioration of an existing claim or claims.

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

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

Furthermore, the extrapolation of the risk-free interest rate term structure referred to in Article 77a of Directive 2009/138/EC is not applicable. Therefore, the assessments referred to in points (a), (b) and (c) of the first subparagraph of Article 44 of Directive 2009/138/EC were not necessary.

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

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

The methodology and assumptions used in calculating the Technical Provisions have remained broadly similar to the approach taken in the 2022 year-end.

D.3 Other Liabilities

As at 31st December 2023, the Company recorded the following liabilities for solvency purposes;

Benteler Reinsurance Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	27,994	25,862
TP calculated as a whole (Best estimate + Risk margin)	27,994	-
Best Estimate	-	23,669
Risk Margin	-	2,192
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	-
Risk margin	-	-
Other Technical Provisions	-	-
Deferred Tax Liabilities	-	20
Insurance & intermediaries payables	1,588	1,587
Reinsurance payables	-	-
Payables (trade, not insurance)	111	111
Any other liabilities, not elsewhere shown	-	-
Total liabilities	**29,692**	**27,580**

As at 31st December 2022:

Benteler Reinsurance Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	13,511	6,823
TP calculated as a whole (Best estimate + Risk margin)	13,511	-
Best Estimate	-	5,275
Risk Margin	-	1,548
Gross Technical Provisions - Health (Similar to Non-Life)	-	-
TP calculated as a whole (Best estimate + Risk margin)	-	-
Best Estimate	-	-
Risk margin	-	-
Other Technical Provisions	-	-
Deferred Tax Liabilities	-	873
Insurance & intermediaries payables	1,529	-
Reinsurance payables	-	-
Payables (trade, not insurance)	129	129
Any other liabilities, not elsewhere shown	380	380
Total liabilities	**15,549**	**8,205**

D.4 Alternative Methods of Valuation

The deferred tax liability represents 12.5% of the Solvency II valuation adjustments to net technical provisions.

Otherwise, there are no other material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in the financial statements.

D.5 Any Other Information

There are no other disclosures to report under this section.

Section E. Capital Management

E.1 Own Funds

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to meet regulatory and solvency capital requirements at all times. It is intended that the Company's capital needs will be met from its existing pool of own funds, coupled with the efficient management of the Company's reinsurance business. Should additional funds be required outside of that, they will be advanced by the shareholder. The Company's documented capital management policy outlines the Company's approach to distributions and its medium-term capital management plan. There have been no material changes to this approach from the prior year.

Distributions will only be considered in those circumstances where the Company is deemed to have surplus funds over and above those required for its own solvency needs. Whilst being mindful that the Company is part of a wider Group, it is the Board's responsibility to ultimately determine whether it is appropriate for the Company to declare a dividend to its sole shareholder. In assessing whether or not to declare a dividend, the Board will take account of the financial position of the Company, its Risk Appetite tolerances and limits, its own assessment of its regulatory capital requirements (current and forward looking over a five-year planning horizon) as well as its liquidity position and the prevailing regulatory environment.

At 31 December 2023 and 2022, the Company's own funds in Euro were as follows:

	2023 €' 000	2022 €' 000
Tier 1 unrestricted		
- Share Capital	650	650
- Reconciliation reserve	24,763	33,000
Basic Own Funds to meet MCR	**25,413**	**33,650**
Tier 3		
- Deferred Tax Asset	519	-
Basic Own Funds to meet SCR	**25,931**	**33,650**

The reconciliation reserve at the end of the current reporting period represents the retained earnings of the Company as adjusted for Solvency II valuation differences, inclusive of future profitability as calculated within the premium provision.

The eligible amount of own funds available to cover the Solvency Capital Requirement and Minimum Capital Requirement at 31 December 2023 is €25.931m and €25.413m as per above table.

The equity position shown in the Company's financial statements at 31 December 2023 can be reconciled to the basic own funds balance as follows:

Reconciliation (EUR '000s)	2023	2022
Available Capital per Financial Statements	**26,060**	**27,536**
+ Margin for Uncertainty (MfU) (Booked Reserves less Best Estimate incl. ENID)	185	6,603
- Risk Margin	*-2,192*	*-1,548*
- Solvency II Claim Provision Expense	*-95*	*-224*
+ Discounted Profit in BBNI	921	1,558
+/- Discounting on Claims Provision	1,033	598
+/- Tax adjustment	*19*	*-873*
Difference in booked Debtors v Best Estimate	-	-
Total	**25,931**	**33,650**

The most significant reconciling items relate to the different basis of reserving for technical provisions under Solvency II. The margin for uncertainty as actuarially calculated, is deducted from the booked technical provisions within the financial statements balance. As a result, the starting point for the calculation of the Solvency II technical provisions is the actuarial best estimate. The inclusion of a risk margin is to ensure that the value of technical provisions is equivalent to the amount (re)insurance undertakings would require in order to take over and meet the Company's reinsurance obligations. A further provision has been included for expenses that will be incurred in servicing this business and the existing reinsurance obligations.

Inclusion of a provision for bound but not yet incepted business ('BBNI') also has an impact. This reflects the fact the Company is committed to the 2024 reinsurance programme and the amount calculated reflects the year's expected profitability. The adjustment for discounting is not significant.

The deferred tax adjustment is calculated at 12.5% of the adjustments to the technical provisions between GAAP and Solvency II.

The Company has no own fund items subject to the transitional arrangements referred to in Articles 308b (9) and 308b (10) of Directive 2009/138/EC.

The Company has no items of ancillary own funds.

The Company has no items deducted from own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

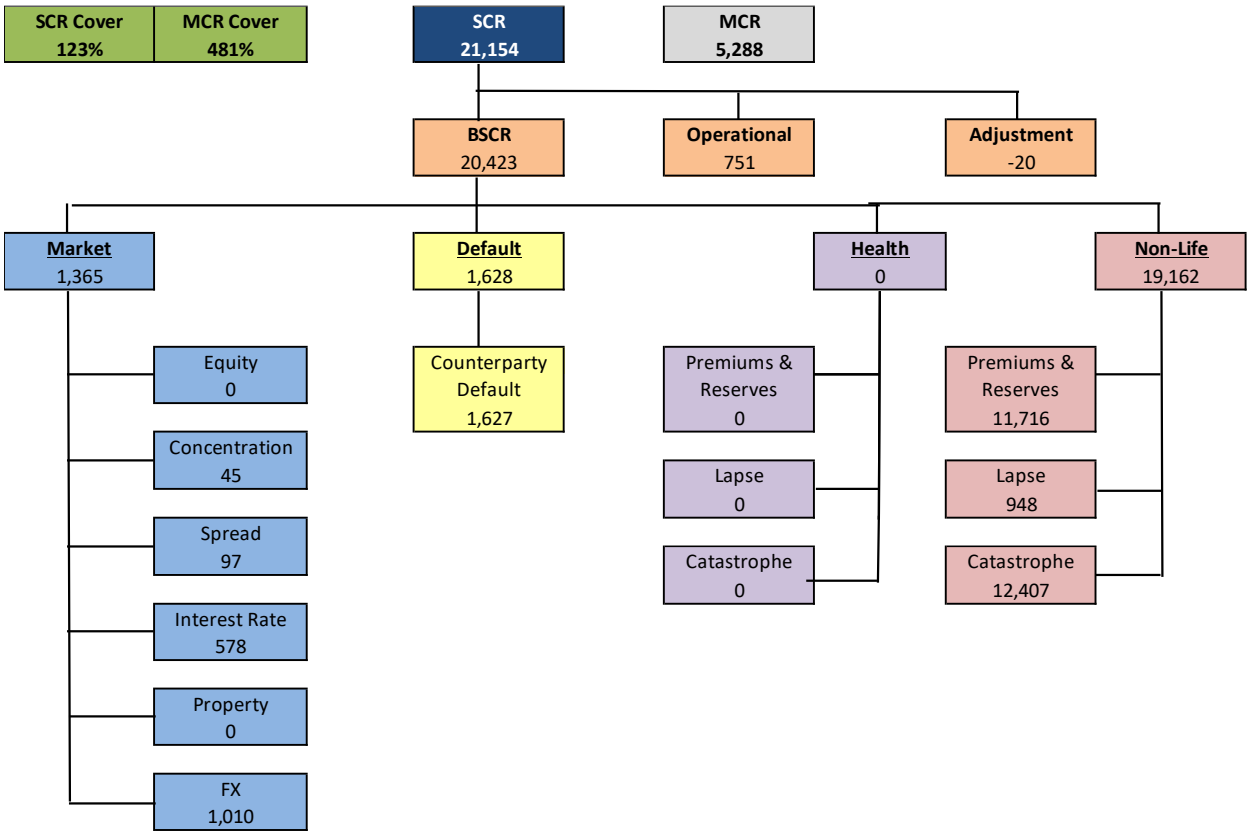
The Company's 31 December 2023 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) are shown in the table below.

	2023		2022	
	Capital requirement (€'000)	Solvency ratio	Capital requirement (€'000)	Solvency ratio
SCR	21,154	123%	15,321	220%
MCR	5,288	481%	3,830	879%

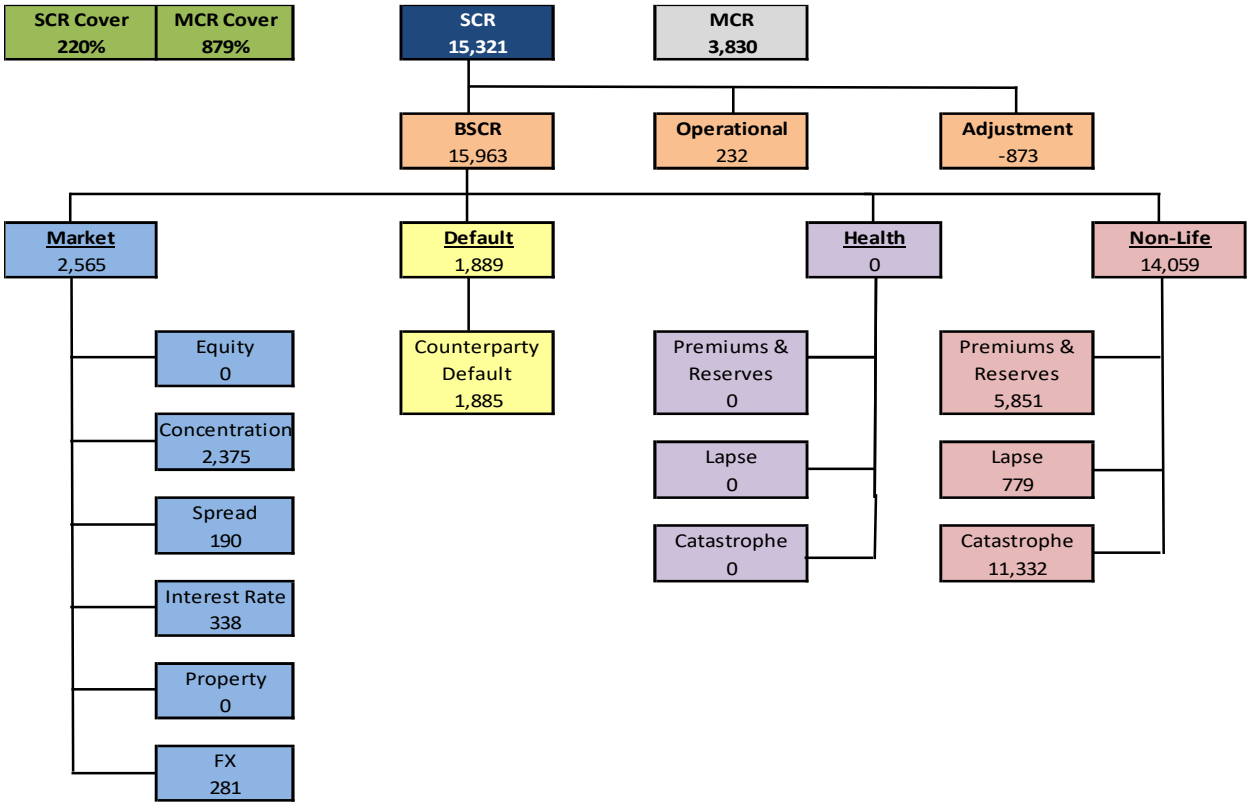
The Company's SCR has increased driving a significant reduction in its coverage over the past 12 months. This is mainly on account of the increase in the Non-Life Risk charge caused by higher reserves held at period end.

The SCR has been calculated utilising the standard formula and the analysis by risk module is as follows:

2023


SCR Cover
123%
MCR Cover
481%
SCR
21,154
MCR
5,288
BSCR
20,423
Operational
751
Adjustment
-20
Market
1,365
Default
1,628
Health
0
Non-Life
19,162
Equity
0
Concentration
45
Spread
97
Interest Rate
578
Property
0
FX
1,010
Counterparty
Default
1,627
Premiums &
Reserves
0
Lapse
0
Catastrophe
0
Premiums &
Reserves
11,716
Lapse
948
Catastrophe
12,407

2022


SCR Cover
220%
MCR Cover
879%
SCR
15,321
MCR
3,830
BSCR
15,963
Operational
232
Adjustment
-873
Market
2,565
Default
1,889
Health
0
Non-Life
14,059
Equity
0
Concentration
2,375
Spread
190
Interest Rate
338
Property
0
FX
281
Counterparty
Default
1,885
Premiums &
Reserves
0
Lapse
0
Catastrophe
0
Premiums &
Reserves
5,851
Lapse
779
Catastrophe
11,332

The Company does not use simplified calculations for any risk modules or sub-modules of the Standard Formula.

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

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

The MCR as calculated using premium volume is as follows:

2023:

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			α	β	
	€'000	€'000			€'000
Marine, Aviation & Transport	266	-	10%	14%	27
NRP - Property		3,437	19%	16%	547
NPR - Casualty	15,866	2,187	19%	16%	3,299
Total	**16,132**	**5,624**			**3,873**

Since the figure of €3.873m is less than the floor of 25% of the SCR, the floor of 25% of the SCR is applied – i.e. €5.288m.

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

The Company is not using the duration-based equity risk sub-module in the calculation of its SCR.

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

The Company has only used the standard formula for its capital calculations. An internal model is not used by the Company.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

There has been full compliance by the Company to meet its Minimum Capital Requirement and Solvency Capital Requirement in the period under review and in the prior corresponding period.

E.6 Any Other Information

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

Quantitative Reporting Templates

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	539
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	4,141
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	4,141
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**	62
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	62
Reinsurance recoverables from:	**R0270**	7,721
Non-life and health similar to non-life	**R0280**	7,721
Non-life excluding health	**R0290**	7,721
Health similar to non-life	**R0300**	
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**	905
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	40,128
Any other assets, not elsewhere shown	**R0420**	16
Total assets	**R0500**	53,511

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	25,862
Technical provisions – non-life (excluding health)	**R0520**	25,862
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	23,669
Risk margin	**R0550**	2,192
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	20
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	1,587
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	111
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	27,580
Excess of assets over liabilities	**R1000**	25,931

Annex I
S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

		Home Country	Top 5 countries: non-life				
			C0011	C0012	C0013	C0014	C0015
	R0010		DE				
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020						
Gross Written Premium (proportional reinsurance)	R0021						
Gross Written Premium (non-proportional reinsurance)	R0022		6,874				
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030						
Gross Earned Premium (proportional reinsurance)	R0031						
Gross Earned Premium (non-proportional reinsurance)	R0032		6,874				
Claims incurred (gross)							
Claims incurred (direct)	R0040						
Claims incurred (proportional reinsurance)	R0041		-75				
Claims incurred (non-proportional reinsurance)	R0042		17,834				
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050						
Gross Expenses Incurred (proportional reinsurance)	R0051						
Gross Expenses Incurred (non-proportional reinsurance)	R0052		822				

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	Marine, aviation and transport insurance	Fire and other damage to property insurance	Casualty	Property	
		C0010	**C0060**	**C0070**	**C0140**	**C0160**	**C0200**
Premiums written							
Gross - Direct Business	**R0110**						
Gross - Proportional reinsurance accepted	**R0120**						
Gross - Non-proportional reinsurance accepted	**R0130**				3,437	3,437	6,874
Reinsurers' share	**R0140**				1,250		1,250
Net	**R0200**				2,187	3,437	5,624
Premiums earned							
Gross - Direct Business	**R0210**						
Gross - Proportional reinsurance accepted	**R0220**						
Gross - Non-proportional reinsurance accepted	**R0230**				3,437	3,437	6,874
Reinsurers' share	**R0240**				1,250		1,250
Net	**R0300**				2,187	3,437	5,624
Claims incurred							
Gross - Direct Business	**R0310**						
Gross - Proportional reinsurance accepted	**R0320**		-75				-75
Gross - Non-proportional reinsurance accepted	**R0330**				14,207	3,627	17,834
Reinsurers' share	**R0340**				10,000		10,000
Net	**R0400**		-75		4,207	3,627	7,760
Expenses incurred	**R0550**				529	293	822
Balance - other technical expenses/income	**R1200**						
Total expenses	**R1300**						822

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	Marine, aviation and transport insurance	Fire and other damage to property insurance	Non-proportional casualty reinsurance	Non-proportional property reinsurance	
		C0020	**C0070**	**C0080**	**C0150**	**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**				-84	-2,212	-2,297
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**				-1,376		-1,376
Net Best Estimate of Premium Provisions	**R0150**				1,292	-2,212	-921
Claims provisions							
Gross	**R0160**		266		23,671	2,029	25,966
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**				9,096		9,096
Net Best Estimate of Claims Provisions	**R0250**		266		14,574	2,029	16,870
Total Best estimate - gross	**R0260**		266		23,586	-183	23,669
Total Best estimate - net	**R0270**		266		15,866	-183	15,949
Risk margin	**R0280**		12		1,639	541	2,192
Technical provisions - total							
Technical provisions - total	**R0320**		278		25,226	358	25,862
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**				7,721		7,721
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**		278		17,505	358	18,141

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 & +		In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior R0100											-23	R0100	-23	-23
2014 R0160		9,459	561	194	0	-5	0			0		R0160	0	10,210
2015 R0170		329	3,091	-25	-12	0	-7	1,246	-450			R0170	-450	4,172
2016 R0180	1,502	2,778	258	119	239	-89	90	10				R0180	10	4,908
2017 R0190	4	543	989	-437	901	259	100					R0190	100	2,359
2018 R0200	0	136	276	643	-1	1						R0200	1	1,055
2019 R0210	33	429	901	17	67							R0210	67	1,446
2020 R0220	642	125	108	277								R0220	277	1,152
2021 R0230	4	150	349									R0230	349	503
2022 R0240	127	138										R0240	138	265
2023 R0250	2,809											R0250	2,809	2,809
											Total	R0260	3,277	28,856

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year 1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior R0100											7	R0100	6
2014 R0160			780	721	404	345	175	60	30	4		R0160	4
2015 R0170		4,135	990	761	691	-206	100	800	123			R0170	115
2016 R0180	3,576	1,615	1,028	827	524	312	248	62				R0180	58
2017 R0190	4,524	4,722	1,079	2,569	2,283	1,475	1,304					R0190	1,226
2018 R0200	3,050	2,272	1,369	439	231	51						R0200	48
2019 R0210	6,497	2,559	1,136	327	944							R0210	888
2020 R0220	2,706	1,246	513	109								R0220	102
2021 R0230	3,192	1,065	191									R0230	179
2022 R0240	3,546	20,312										R0240	19,105
2023 R0250	4,472											R0250	4,234
											Total	R0260	25,966

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 2015/35						
Ordinary share capital (gross of own shares)	R0010	650	650			
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	24,763	24,763			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	519				519
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	25,931	25,413			519
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					

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	25,931	25,413			519
Total available own funds to meet the MCR	**R0510**	25,413	25,413			
Total eligible own funds to meet the SCR	**R0540**	25,931	25,413			519
Total eligible own funds to meet the MCR	**R0550**	25,413	25,413			
SCR	**R0580**	21,154				
MCR	**R0600**	5,288				
Ratio of Eligible own funds to SCR	**R0620**	122.59%				
Ratio of Eligible own funds to MCR	**R0640**	480.54%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	25,931
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	1,169
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced f	**R0740**	
Reconciliation reserve	**R0760**	24,763
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	2,455
Total Expected profits included in future premiums (EPIFP)	**R0790**	2,455

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	1,365		
Counterparty default risk	R0020	1,628		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	19,162		
Diversification	R0060	-1,733		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	20,423		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	751
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-20
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	21,154
Capital add-on already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	21,154
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	17,680
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	3,474
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

		Yes/No
Approach to tax rate		C0109
Approach based on average tax rate	R0590	1 - Yes

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	-20
LAC DT justified by reversion of deferred tax liabilities	R0650	-20
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	-2,647

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

		MCR components
		C0010
MCR_{NL} Result	R0010	3,873

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Marine, aviation and transport insurance and proportional reinsurance	R0070	266	
Fire and other damage to property insurance and proportional reinsurance	R0080		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150	15,866	2,187
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		3,437

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

Total capital at risk for all life (re)insurance obligations

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

Overall MCR calculation

		C0070
Linear MCR	R0300	3,873
SCR	R0310	21,154
MCR cap	R0320	9,519
MCR floor	R0330	5,288
Combined MCR	R0340	5,288
Absolute floor of the MCR	R0350	1,300
Minimum Capital Requirement	R0400	5,288