

Canterbury Insurance Designated Activity Company

Solvency and Financial Condition Report

For the year ended 31 December 2023

Index

Section A Business and Performance

- A.1 Business and Performance Summary
- A.2 Underwriting Performance
- A.3 Investment Performance
- A.4 Other Activities

Section B System of Governance

- B.1 General Information on the System of Governance
- B.2 Fit & Proper Requirements
- B.3 Risk Management System including Own Risk & Solvency Assessment
- B.4 Internal Control System
- B.5 Internal Audit Function
- B.6 Actuarial Function
- B.7 Outsourcing
- B.8 Any Other Information & Adequacy of the System of Governance

Section C Risk Profile

- C.1 Underwriting Risk
- C.2 Market Risk
- C.3 Credit Risk
- C.4 Liquidity Risk
- C.5 Operational Risk
- C.6 Other Material Risks

Section D Valuation for Solvency Purposes

- D.1 Assets
- D.2 Technical Provisions
- D.3 Other Liabilities
- D.4 Alternative Methods for Valuation

Section E Capital Management

- E.1 Own Funds
- E.2 Solvency Capital Requirement and Minimum Capital Requirement
- E.3 Any Other Information

Appendix

Annual Quantitative Reporting Templates (QRTs)

Section A Business and Performance

A.1 Business and Performance Summary

Introduction

Solvency II, the harmonised EU-wide regulatory regime for Insurance Companies, came into force with effect from 1 January 2016. The regime requires new reporting and public disclosure arrangements to be put in place by insurers. This document is the Solvency and Financial Condition Report (“SFCR”) that is required to be published by Canterbury Insurance Designated Activity Company (“the Company”). This report has been prepared on a solo basis.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. Ultimate responsibility for all these matters lies with the Company’s Board of Directors, with the help of various governance and control functions that it has put in place to monitor and manage the business.

The Company is required to hold sufficient assets to match its policyholder liabilities at all times and a primary responsibility of the Board is to ensure that the Company’s capital is adequate to cover the required solvency for the nature and scale of the business, and the expected operational requirements of the business. Several mechanisms are in place to evaluate those levels and the outcome of those assessments indicate that the Company’s capital is adequate at this time and for the expected requirements in the short to medium term.

The Company’s financial year runs to 31 December each year and it reports in United States Dollars (US\$). Canterbury reported a profit for the year ended 2023. There have been no material changes to the business, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

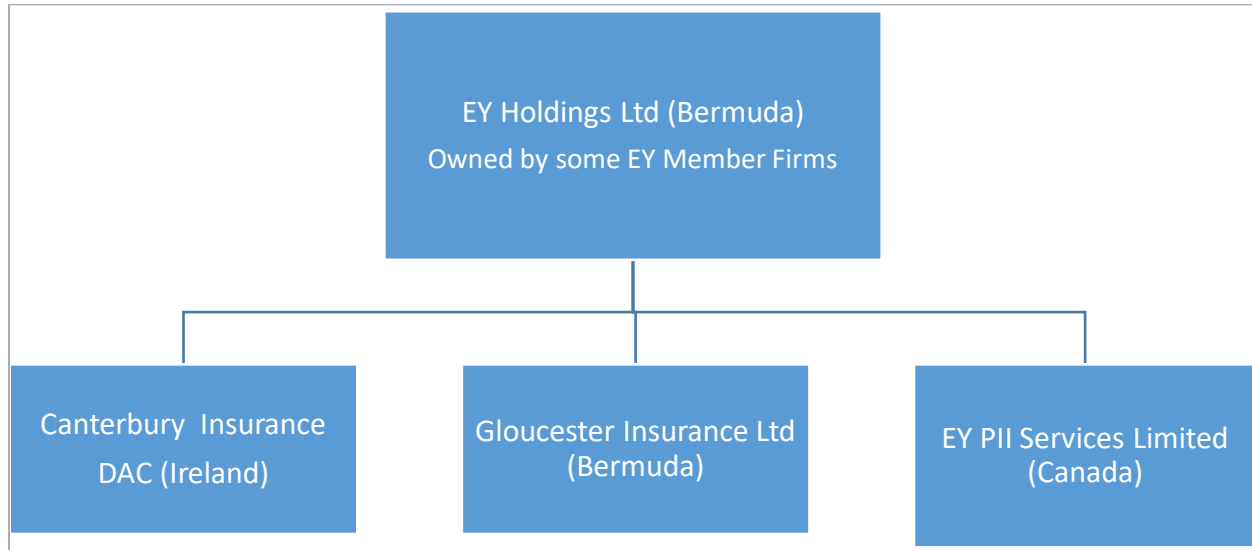
Legal Name, Legal Form & Related Companies

Canterbury Insurance Designated Activity Company was incorporated under the laws of Ireland on 30 April 1996. All shares are held by the Company’s parent EY Holdings, Ltd. (the “Parent”), a Bermuda entity owned by several members of Ernst & Young Global Limited. The Company is affiliated to Gloucester Insurance Ltd. (“Gloucester”) which is a captive insurer with all shares fully held by EY Holdings, Ltd.

Principal Activity & Geographical Area

The principal activity of the Company is to provide Professional Indemnity Insurance and Property and Casualty (P&C) to members of Ernst & Young Global Limited (EY member firms). The Company writes direct business primarily to firms within member nations of the European Union and is licensed by the Central Bank of Ireland (CBI) to provide such insurance (General Liability – Class 13) The Company cedes a portion of its underwriting risk to Gloucester and to a number of commercial reinsurers.

Organizational structure



Business Strategy, Competitive Position, and Significant Regulatory & Legal Issues

The business strategy of the Company is to provide EY member firms with insurance protection that leverages the insurance expertise and capital of the EY organisation to provide such cover on better terms than the member firms could obtain on a local basis from commercial carriers.

The Company operates in a regulated industry but does not face extraordinary significant regulatory and legal challenges.

Location of Business

The Company's registered office and main place of business is situated at:

Block 1
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Regulator

The Central Bank of Ireland ("CBI") is responsible for the financial supervision of the Company and its group supervision.

The address of the CBI is:

Central Bank of Ireland
PO Box 559
New Wapping Street

North Wall Quay
Dublin 1
Ireland

General insurance queries for the CBI should be addressed to insurance@centralbank.ie

External Auditor

Canterbury appointed Grant Thornton as independent auditor of the Company in 2019.

The address of the independent auditor of the Company is:

Grant Thornton,
13-18 City Quay,
Dublin 2, D02 ED70,
Ireland.

Changes in accounting policies and disclosures IFRS 17 and IFRS 9

In this SFCR, the Company has applied IFRS 17 and IFRS 9 for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. IFRS 17 applies to all types of insurance contracts as well as to certain guarantees and financial instruments with discretionary participation features. In contrast to the requirements in IFRS 4, which are largely based on grandfathering of previous local accounting policies, IFRS 17 provides a comprehensive and consistent approach to insurance contracts.

The Company has restated comparative information for 2022 applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. The Company was previously permitted under IFRS 4 to continue accounting under its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach ("PAA"). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The Company capitalises insurance acquisition cash flows for all the programmes of insurance.

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held and presents these separately.

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Premiums written
- Premiums assumed
- Premiums assumed from related parties
- Premiums ceded
- Changes in unearned premiums
- Net premiums earned
- Gross claims paid
- Reinsurer's share of gross claims paid
- Gross change in insurance contract liabilities
- Reinsurer's share of gross change in insurance contract liabilities
- Net claims
- Brokerage and underwriting consulting fees

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The impact of transition (ie 1 January 2022) to IFRS 9 and IFRS 17 on retained earnings is, as follows:

Retained earnings	
Closing balance under IAS 39 (31 December 2021)	60,451
Impact of initial application of IFRS 17	1,439
Deferred tax in relation to IFRS 17 application	-
Opening balance under IFRS 9 and IFRS 17 (1 January 2022)	61,890
Total change in retained earnings due to the application of new standards	
Due to the application of IFRS 17	1,439
Due to the application of IFRS 9	-

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17. The change to IFRS 9 has not resulted in any changes to the amounts on the balance sheet or income statement for the Company.

Financial Performance

The financial performance of the Company for the year ended 31 December 2023 and 2022 (as determined using IFRS accounting principles with 2022 year restated to be on an IFRS17 basis) was as follows:

		Restated
	2023	2022
Profit/(Loss) for the year, after taxation	16,175	(8,500)
Retained profit at the beginning of the year	53,390	61,890
Retained profit at the end of the year	69,565	53,390

The Company reported a profit in 2023 compared to a loss in 2022.

The directors do not envisage any change in the principal activity of the Company which is providing Professional Indemnity Insurance coverage.

A.2 Underwriting Performance

While some volatility in underwriting results is anticipated (constrained by the intra-group and commercial reinsurance programs), over the medium-term premiums are broadly expected to cover losses incurred and operating expenses – additional return is expected on the conservatively-managed investment portfolio less tax.

Key Performance Indicator

The Company seeks to ensure that it collects enough premium income to meet the cost of potential claims over time. Underwriting performance for the year ended 31 December 2023 and 2022 was as follows (with 2022 being restated to be on an IFRS17 basis):

\$000s		Restated
	2023	2022
<i>Insurance Revenue</i>	31,438	29,803
<i>Allocation of Reinsurance Premiums</i>	(18,113)	(17,836)
Insurance Revenue less Allocation of Reinsurance Premiums	13,325	11,967
Net Insurance Service Result	6,170	8,368
Combined ratio expressed as a percentage	46.3%	69.9%

The combined ratio shown is based on Insurance Revenue less Allocation of Reinsurance Premiums as the denominator (which is similar to net earned premium under other accounting approaches). The numerator is the Insurance Service Result (which includes claims, attributable expenses and any movement on risk adjustment and discounting for time value of money applied to the insurance service expenses and amount recoverable from reinsurers for incurred claims).

The Directors are satisfied with the underwriting performance of the Company during the year. The underwriting results have been stress tested as part of the ORSA process.

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts all future cash flows and includes an explicit risk adjustment for non-financial risk.

A.3 Investment Performance

Key Performance Indicator

The Company follows a capital preservation investment strategy.

Investment income for the year ended 31 December 2023.

		Restated
	2023	2022
Net realised gains and losses on financial		
assets and foreign exchange	(6,013)	(901)
Fair value gains and losses on financial		
assets and foreign exchange	22,005	(22,394)
Interest and dividend income	1,015	1,056
Total investment income	17,007	(22,239)

Investment income/(loss) for the year ended 31 December 2023 and 2022 by asset class was as follows:

	2023	2022
	US\$ 000	US\$ 000
Sovereign Debt	7,134	(9,974)
Emerging Market Debt	1,921	(1,629)
Equities	3,412	(2,883)
Corporate Debt	4,205	(7,193)
Other	335	(560)
Investment income / (loss) for the year	17,007	(22,239)

No unrealized gains or losses were recognized directly in equity.

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval.

Canterbury invests in some commingled fund vehicles that can hold securitised assets, but this is not the core strategy for these funds. It is expected that Canterbury's total exposure to securitised assets via fund ownership would be low.

Transactions with the Sole Shareholder

There were no material transactions with the sole shareholder (EY Holdings, Ltd.) during the period under review.

A.5 Other Activities

There were no other material sources of income during the year.

Section B System of Governance

B.1 General Information on the System of Governance

The Canterbury Board always retains primary responsibility for corporate governance within the Company. The Company has robust governance arrangements and processes to identify, manage, monitor and report on risk to which it might be exposed. The systems of governance are subject to regular review.

Board of Directors

The Board is responsible for the effective, prudent and ethical oversight of the Company, setting the business strategy and ensuring that risk and compliance are properly managed in the Company. The Board has established risk and investment sub-committees and the Board is responsible for the oversight of these sub-committees. The Board believes the current the system of governance is adequate to manage the risks inherent to the Company's business.

A Board Member received a directors fee (2023: 22k; 2022 nil) while the other members of the Board of Directors receive no remuneration for their services as directors to the Company.

Board of Directors

D. FitzGerald (Chairperson)	Chairperson & non-executive director
P. Ancona	Non-executive director
G. Deegan	Non-executive director
A. Mann	Non-executive director
R. Scullion	Executive director
A. Walsh (retired 18 October 2023)	Non-executive director
C. McKenna (appointed 18 October 2023)	Non-executive director

Control Function Positions

Captive Manager	Aon Insurance Managers Limited (Ireland)
Head of Compliance	Aon Insurance Managers Limited (Ireland)

Roles & Responsibilities of the Risk Committee

The Risk Committee assists the Board in discharging its responsibilities for:

- The effectiveness of the Company's risk management systems
- The implementation of the Company's risk strategy and maintenance thereof
- The oversight of Solvency II developments
- The timely reporting of material deviations from defined risk appetite
- Monitoring the effectiveness, independence and objectivity of the ERM framework

Roles & Responsibilities of the Audit Committee

The Canterbury Audit Committee assists the Board in discharging its responsibilities for :

- The integrity of the Company's financial statements
- The effectiveness of the Company's internal controls
- The effectiveness of the Company's Internal Audit function
- Monitoring the effectiveness, independence and objectivity of the external auditor.

Control Functions

Roles & Responsibilities of the Chief Operations Officer (CEO)

The CEO is the top executive responsible for the Company, with ultimate responsibility for the Company's operations, compliance, and performance.

Roles & Responsibilities of the Chief Operations Officer (COO)

The Chief Operations Officer is the sole employee of Canterbury and oversees the day-to-day activities of the Company.

Roles & Responsibilities of the Head of the Actuarial Function (HoAF)

The Head of Actuarial Function is responsible for the oversight of the Company's Actuarial Function in line with guidance from the CBI and professional actuarial standards.

The responsibilities of the Head of Actuarial Function include:

- Coordinating the calculation of the Company's technical provisions
- Assessing the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set in Solvency II
- Continuous monitoring of the solvency position of the Company and the required level of statutory reserves
- Reporting on the solvency position of the Company
- The provision of advice and support to the Company on the ORSA (Own Risk and Solvency Assessment) process, including the financial consequences of stresses and scenarios and the impact of management actions

Roles & Responsibilities of the Head of Internal Audit

The Head of Internal Audit assesses the adequacy of the governance, risk management and internal control framework. Internal Audits are conducted within a Board approved audit plan. The Head of Internal Audit reports to the Board.

Internal Audit Reports highlight any significant control failings or weaknesses identified and the impact they have had or may have and the actions and timings which management have agreed to take to rectify them. In addition to its regular reporting, the Internal Audit Department reports to the Audit Committee.

Roles & Responsibilities of the Head of Risk

The Head of Risk is responsible for the implementation of the Company's Risk Management Policy, reporting to the Board's Risk Committee and the Board.

The responsibilities of the Head of Risk include:

- Oversight the Company's Enterprise Risk Management framework
- Identify risk events and identification of new and emerging risks
- To ensure that the annual 'Own Risk and Solvency Assessment' (ORSA) is prepared and submitted to the Board Risk Committee and Board

Roles & Responsibilities of the Head of Compliance

The Head of Compliance Role is held by Aon Insurance Managers Limited (Ireland), and has been appointed via a formal outsourcing agreement. The Head of Compliance reports to the Board. The responsibilities of the Head of Compliance include:

- To report on significant instances of non-compliance to the Board
- To monitor Compliance within the Company and its service providers, making recommendations where change is required, and to maintain the Company's Breach Register
- To monitor regulatory change and to inform the Company and its service providers where such changes have implications for the Company's processes

B.2 Fitness & Propriety Requirements

The Company has adopted a Fitness and Propriety Policy, which sets out the due diligence checks that must be performed and which aligns with the Central Bank of Ireland's Guidance on Fitness and Propriety Standards.

The following criteria must be satisfied:

- possesses the necessary skills, knowledge, expertise, diligence, relevant qualification and soundness of judgment to undertake and fulfill the duties and responsibilities of the particular position
- has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously in their professional career
- possesses the competence, character, diligence, honesty, integrity and judgment to perform properly their duties
- the person does not have a conflict of interest in performing the duties or recuses themselves if a conflict arises

- has not been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding the person's honesty, integrity, or business conduct
- has not been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management
- has sufficient time to devote to the role and associated responsibilities
- financially sound

B.3 Risk Management System & ORSA

The Company has established a Risk Committee which reports to the Board. The Company's principal risk management tools are the ORSA, Risk Register and Risk Appetite Statement. The ORSA is updated and approved annually (or more frequently if an ORSA is required due to significant changes in the Company's risk environment) by the Board. Through the processes undertaken to prepare the ORSA, management is able to confirm that the Company's risk profile is understood and appropriate for the nature of its business and within the risk appetite established by the Board. The Company's regulatory capital requirements and technical provisions during the historical period covered by the ORSA have continuously been met, and its capital and solvency positions as of year end were appropriate.

The main objectives of the ORSA are as follows:

- Assessment of the Company's risk profile in the short and medium term
- Review the overall solvency position of the Company, in compliance with regulatory capital requirements and technical provisions
- Enable the integration of risk strategy into the operating business and into the decision-making process
- Enhance a common risk understanding within the company's system of governance
- Facilitate a comprehensive ORSA process that is flexible, reactive and able to detect and evaluate changes to the Company's risk profile and the system of governance on an on-going process.
- Enable own risk and solvency assessment
- Support the Company making appropriate forward-looking assessments and analysis
- Enhance understanding of industry wide risks
- Ensure adequate documentation is in place to record these processes in an effective and efficient manner

Updating the ORSA involves an iterative process involving:

- Management and Board input
- A discussion of insurance industry risk with EY insurance partners
- A discussion of both organisational and captive risk by the Risk Committee
- A review and updating of the Risk Register
- A review by Internal Audit
- A review of the ORSA by the Board
- A review of the Company's risk tolerance by the Board

In addition, capital scenarios created through various modeling and benchmarking exercises were reviewed and discussed at the Company's Summer Strategy Meeting.

The principal risks and uncertainties that the Company face are, by the very nature of the business, those for which it provides or has provided insurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgement is involved, the directors adopt a prudent approach to the provision and valuation of adequate insurance provisions, with annual support and certification by the Head of Actuarial Function.

B.4 Internal Control System

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board or Committee.

Governance Process and Control Framework Review

Management deploys and applies suitable processes and controls and exercises these controls on a regular basis. The specific controls are set out in the Company's policies and governance documents. The core governance documentation undergoes an annual review process and is updated by the assigned owner and reviewed by the relevant Board, or Committee.

Risk Committee

The Risk Committee supports the Head of Risk in performing his responsibilities of identifying risks to the Board and ensuring that mitigation strategies and techniques are created with respect to those risks and previously identified mitigation techniques and strategies are examined for their effectiveness.

Tax review

An annual tax review is conducted and a transfer pricing report is prepared periodically in accordance with required tax laws and regulations.

Compliance Function

The Compliance function identifies, assesses, monitors, and reports on the fulfillment by the Company of its legal and regulatory performance as well as such other obligations or responsibilities as requested by the regulator and other relevant parties. The Compliance function maintains a Compliance Plan that identifies its annual compliance activities and which is updated annually.

B.5 Internal Audit Function

The nature of the work of Internal Audit is to support the Board in their assessment of whether the risk management, control, and governance processes are adequate and functioning in an appropriate manner. The Internal Audit function is outsourced to EY Bermuda and is independent of the management of the Company. A three-year rolling Internal Audit plan is based upon the risks outlined in the risk register and input from Internal Audit and the Boards.

B.6 The Actuarial Function

The role of Head of Actuarial Function is held by Alex Lee, an employee of Ernst & Young LLP (UK). They provide assistance to management as follows:

- The calculation of expected losses (used for premium setting), losses reserves, and the technical provisions including assessing the uncertainty in the estimates and justifying the differences between successive periods
- Review of the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience
- The Actuarial function must produce an annual report for the Board. The report should cover all of the information necessary for the Board to form its own opinion on the adequacy of technical provisions and on the underwriting and reinsurance arrangements
- In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the Head of Actuarial contributes to the effective implementation of the risk management system of the Company. In particular:
- In relation to the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR), the Head of Actuarial reviews the output of the model used by the Company to calculate the SCR and MCR. Specifically, any perceived or possible inconsistencies or issues identified in the model results are raised.
- The preparation of the ORSA including the stress testing of the capital model

B.7 Outsourcing

The Company outsources various functions when there is a sound commercial basis for doing so. As detailed in the Outsourcing Policy, various due diligence reviews are conducted to ensure that outsourced functions are performed appropriately.

The Company defines Outsourcing as an arrangement of any form between itself and a third party service provider, whether a supervised entity or not and whether related or not, by which that service provider performs a process, a service, or an activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurance or reinsurance undertaking itself.

The Company's outsourcing policy establishes the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important functions and activities. A function or activity is critical or important if the Company would be unable to deliver its services to policyholders without the function or activity.

The Board is responsible for the approval of all outsourcing arrangements of critical or important functions or activities, and any early termination of such agreements where termination of the arrangement is due to performance issues or breach of contract. The Board is also responsible for assessing the risks associated with the outsourcing of critical or important functions or activities. The Board is responsible for ensuring appropriate notification is made to the supervisory authorities with respect to the outsourcing of critical or important functions or activities, and thereafter where there are material developments or changes with respect to those outsourced functions or activities, including in relation to the service provider.

Management provides an annual report to the Board of its review of the performance of the outsource provider and compare against the required performance as prescribed in the agreed service agreement.

Critical or Important Functions or Activities ("CIFA")

Actuarial Function	Aon (US) & EY (UK)
Claims Management	EY Professional Services Limited (Canada)
Compliance	Aon Insurance Managers Limited (Ireland) and EY PII Services Limited (Canada)
Financial Accounting	Gloucester Insurance Limited (Bermuda)
Independence	Gloucester Insurance Limited (Bermuda)
Internal Audit	EY (Bermuda)
IT Services	EY Global Services (UK)

B.8 Any Other Information & Adequacy of the System of Governance

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

Material Internal Audit Findings & Recommendations

There were no material internal audit findings and recommendations in the year.

Prudent Person Principle

The Company and Directors comply with the Prudent Person Principal in all aspects of management of the business.

Use of External Credit Assessment

The Company utilizes external credit assessments (rating agency financial strength ratings) of its reinsurance counterparties augmented with guidance from its Risk Committee and advisors. The Company requires its commercial reinsurers to have a minimum of an A- rating and the Directors are satisfied with the appropriateness of such assessments.

C. Risk Profile

C.1 Underwriting Risk – including Claims Management

The Company seeks to mitigate underwriting risk by only writing cover to EY member firms, maintaining a stop loss program with Gloucester, buying commercial reinsurance, and Gloucester's contractual obligation to protect the Company against failures by its reinsurers.

With respect to the premium charged for the risk it underwrites, the Board operates on a prudent basis. In terms of premium, the Board monitors the process for the determination of the premium for the PII program to be charged to member firms. Changes to that program cannot take place without the approval of the Board. The Board satisfies itself that the determination of premium is based upon a determination by an independent actuary of the expected losses of the member firms and that the allocation of that amount amongst member firms is based upon a prudent risk-based methodology overseen, again, by an independent third party. The Board reviews and approves the pricing of the P&C program generally by reference to similar cover offered in the commercial markets which is more readily comparable.

With respect to claims management, the Company has a low tolerance for claims not being managed in an appropriate fashion. The Company delegates claims management authority to Gloucester who in turn delegates responsibility to EY PII Services Limited. Management of claims as well as strategic decisions is overseen by the Claims Committee (a sub-committee of the Gloucester board). Settlement payments are approved in accordance with a Claims Manual. Significant settlement and payment decisions are also considered by the Board.

C.2 Market Risk

The Board has a conservative risk appetite for investment market risk. The primary investment focus is capital protection. Changes to the investment strategy cannot take place without Board approval. Canterbury's Investment Policy expresses the company's risk appetite as follows - to minimize the probability of experiencing asset declines of 10% or greater due to investment losses in any one-year period.

C.3 Credit Risk

The Company's risk appetite with respect to counterparty/supplier risk is moderate given that is part of a captive group insuring long-tail business for a multi-billion-dollar organization and holds collateral to eliminate credit risk exposure to its principal counterparty. The Company is prepared to accept some risk associated with a supplier providing services which are material or significant to the enterprise; supplier risk in such a case is to be identified and to the extent possible, mitigated. It also has a greater willingness to rely upon one primary reinsurer - Gloucester - than might otherwise be the case, both because of the captive nature of the business, but as well because of the familiarity that the Company's Board has with the operations and management of Gloucester. Having said that, the Company regularly reviews the Gloucester financial statements as well as their critical decisions, to continuously monitor its comfort with

Gloucester as counterparty. The Company carries out an annual review of all outsourced services deemed by the Board to be critical and/or important.

With respect to commercial reinsurers, all reinsurers must have at least an A- rating, as described in the Reinsurance Policy.

All reinsurance decisions are approved by the Board.

C.4 Liquidity Risk

In conjunction with its conservative investment strategy, the Company manages its liquidity on a prudent basis.

The Directors will assess on a periodic basis (no less than annually) the desirability of matching assets with liabilities given the then-current economic circumstances, portfolio of risk written, claims portfolio, and the financial circumstances of the Company. This assessment will be made in the context of the Company's general time period associated with the book of liabilities funded with a conservatively managed investment strategy founded on capital preservation.

The Board, though, has a low risk appetite for not being able to pay claims as they fall due. A liquidity assessment of the Company's portfolio strategy (the balance of short and longer-term assets) is prepared at least annually to ensure that a sufficiently large portion of the portfolio is held in assets that can be readily sold.

C.5 Operational Risk

The Board reviews the Company's operational risk annually to determine the risk appetite of the Company and in addition review whether decisions taken over the previous year were consistent with risk appetite as identified by the Board. A detailed review of the Company's risk register and risk appetite is contained in the ORSA.

The Board takes a broad view in relation to operational risk and considers it to include all risks that could have a material impact on the day-to-day infrastructural activities undertaken by management including privacy, succession planning and integrity of information platforms.

To manage and monitor risk, the widely known three lines of defense conceptual model is applied: Management is directed to deploy and apply suitable processes and controls; the Head of Risk is charged with a number of monitoring and oversight activities; and internal and external audit provide independent challenge and review.

- The first line of defence uses controls over day-to-day activities embedded in operations
- The second line of defence are committees and functions which provide oversight over the first line controls
- The third line of defense is the oversight provided by internal audit

While the Board is ultimately responsible for ensuring that controls and risk appetite have been followed, it is the responsibility of the Company's management and the individuals involved in the various control

area to ensure that controls are being followed and to bring issues relating to the operation of controls to the most appropriate of management, the Board, or internal audit's attention.

C.6 Other Material Risks – Including Concentration Risk

Due to the nature of the business of the Company (i.e. the writing of EY risk) and the number of employees of the Company, the Company has several “concentration” risks. Given the nature of these risks, the Company identifies concentration concerns within its risk categories rather than as a standalone risk so concentration risk is embedded in the underwriting risk taken on by the Company as it only provides insurance covers to the EY organization. Concentration risk also arises within the counterparty/supplier risk as the Company utilizes suppliers to provide material services to the Company.

Climate change is not considered a material direct risk for Canterbury (as the property insurance is 100% reinsured). However, the Canterbury Board considers the impact of climate change as part of its annual review of emerging risks and the Investment Committee reviews Environmental Social and Governance profile of the investment portfolio annually.

Off-Balance Sheet Positions & Special Purpose Vehicles

There are no off-balance sheet positions or special purpose vehicles.

Stress Testing & Scenario Testing

As described in the Company's ORSA, the Company stress tests its underwriting and investment portfolio on an annual basis. The Directors are satisfied that the Company's Own Funds are sufficient to withstand the stresses modelled.

Expected Profits in Future Premiums (“EPIFP”)

Future premium expected from earned and unearned exposures is included in technical provisions. This results in a decrease in the technical provision amounts, by the amount of premium expected to be received. This item is allowed for as an asset on the balance sheet under IFRS (i.e., the premium receivables) and so there is no change in the net asset position.

Dependencies between risks covered by Risk Modules and the Basic SCR

The calculation of the SCR is based on the Standard Formula. This includes consideration of dependency both within each risk type (non-life underwriting risk, market risk, counterparty risk and operational risk) and between each of these risk types. This allows for some potential for adverse events impact different factors to which Canterbury is exposed, but also not assuming that every adverse shock modelled within the Standard Formula occurs simultaneously.

Other material information regarding the Risk Profile

None.

D. Valuation for Solvency Purposes

The Solvency II Standard Formula is used for calculating the Canterbury's capital requirements. The Standard Formula under Solvency II attempts to cover the key risks for an insurance company and includes amounts for underwriting risk, reserve risk, exposure to catastrophes (i.e. very large individual claims), counterparty default risk, market risk and operational risk.

The calibration of the model is intended to cover a variety of different types of insurers but it should be recognized that it is unlikely to be a "perfect fit" for every insurer. Where an insurer anticipates that the standard formula is not appropriate then they can build their own internal model to determine their capital requirement. Overall, the Standard Formula is seen as appropriate for Canterbury.

D.1 Assets

The following table analyses the Company's financial assets at fair value at 31 December 2023 and 2022 (on a Solvency II basis).

	2023	2022
	US\$ 000	US\$ 000
Financial Assets at Fair Value	217,928	193,391
Funds Withheld	0	3,944
Reinsurance Balances Receivable	135,294	131,989
Deferred Tax	1,830	1,105
Cash & Cash Equivalents	20,929	18,097
Premium Receivable	1,526	348
Other assets	1,931	263
Total Assets	379,438	349,137

Financial Assets

Financial assets at fair value include debt securities and other fixed income securities and are held within collective investment undertakings. These financial instruments are designated on the basis that their fair value can be reliably measured, and their performance has been evaluated on a fair value basis in accordance with the investment strategy of the Company.

Derivatives

The Company enters into forward foreign currency exchange contracts for the purpose of mitigating its foreign currency exposure on its non-US dollar investments. The forward foreign currency exchange contracts are classified as held for trading as the financial risk management objective does not qualify for hedge accounting as outlined in IAS 39. When entering into a forward currency exchange contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily, and the Company's net equity therein, representing unrealised gain or loss on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of financial position. Fair values are determined by using quoted market

values. Change in unrealised and realised gains and losses are recognized in the statements of comprehensive income.

Cash and cash equivalents

Cash is comprised of demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For these short-term investments, the carrying value approximates the fair value.

Premium receivable

Premium receivable represents amounts outstanding from individual insured firms. The Company classifies these financial assets as loans and receivables and records them initially at the amount invoiced, being the fair value. Subsequent to initial recognition, the Company reviews individual receivable balances at each statement of financial position date to assess whether any of the balances may be uncollectible and, if so, establishes a provision for doubtful accounts, which is recognized in the statements of comprehensive income. The carrying amount is equal to the outstanding receivable balance, which approximates fair value.

Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

D.2 Technical Provisions

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position dates and for the expected ultimate cost of claims incurred but not yet emerged at the statement of financial position dates. It can take a significant period of time before the ultimate claims cost can be established with certainty. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The Company cedes insurance risk in the normal course of business. Reinsurance recoverable amounts are estimated in a manner consistent with the respective outstanding claims provision and in accordance with the reinsurance contracts. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. Any impairment loss is recorded in the statements of comprehensive income. No impairment losses were recorded for the years under review.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim, and

claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by loss years, but can also be further analyzed by geographical area, as well as by significant claim types. The assumptions used are those implicit in the historic claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, changes in foreign currency rates, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as policy conditions and claims handling procedures), in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking into account all of the uncertainties involved.

A risk margin is added under Solvency II to bring the technical provisions up to the amount that an undertaking would require in order to take over and meet the insurance and reinsurance obligations. The risk margin is calculated using a cost of capital approach. The SCR used for the calculation of this risk margin consists of:

- Underwriting risk with respect to existing business
- Counterparty default risk with respect to ceded reinsurance
- Unavoidable market risk, excluding interest rate risk

Technical provisions (gross of reinsurance) at 31 December 2023 and 2022 were as follows:

	2023	2022
	US\$ 000	US\$ 000
Best Estimate	222,685	209,412
Risk Margin	10,511	10,343
Technical Provisions (Non-Life)	233,196	219,755

The Company does not apply matching adjustments, volatility adjustments, or any transitional arrangements to the determination of the risk-free interest rate structure used. The liabilities nearly all relate to the professional indemnity business written.

D.3 Other Liabilities

Contingent liabilities

The Company does not have any such contingent liabilities.

All other liabilities

Other liabilities at 31 December 2023 and 2022 were as follows:

	2023	2022
	US\$ 000	US\$ 000
Payables	3,047	2,723
<u>Other Liabilities</u>	3,047	2,723

Payables

These comprise of balances payable to related parties, tax, and accrued expenses. No adjustment is required to these valuations for the valuation for solvency purposes as the amounts held under IFRS measurement principles are deemed to be approximations of fair value.

D.4 Alternative Methods for Valuation

The Company does not use any alternative methods for valuation.

Assumptions on future management actions and policy behaviour

Management assumes that in the event of unexpected and material financial underperformance, additional capital support from the parent company would be provided. There are no explicit undertakings from the parent in this regard. Management assumes that in the event of unexpected and material financial underperformance, the Company would be able to adjust premiums charged to EY member firms.

Simplifications

The Standard Formula calculation is complex, requiring many items of data. Within the calculation there are some minor items which are approximated but which we believe will not make a significant impact on the overall capital requirement and therefore such methodologies are reasonable to adopt:

- After looking through to the underlying investments within the fund holdings there are large number of investments (over 5,000 individual investments). Information provided on these individual investments does not always include the modified asset duration and this has then been estimated based on the maturity date of the investment.
- Within the interest rate risk element of the calculation an approximation has been made to determine the impact of the interest rate shock on the investments based on their duration, rather than explicitly determining the cash flows on all the investments.
- For the man-made catastrophe risk for property there would be a very small exposure from the new property business written since 2016. This has not been separately calculated on the grounds of materiality, it is very small and is net nil to Canterbury so the impact on the capital requirement would be immaterial.

In these cases, we believe the adopted approach to be proportional to the nature and scope of the business being modelled and the outcomes would not be materially different should no simplifications be used. These simplifications are monitored by the Actuarial Function for appropriateness on an ongoing basis.

E. Capital Management

E.1 Own Funds

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing, nor does it have any plans to raise debt or issue new shares in the short or medium term.

The Company's own funds are primarily invested in debt securities and other fixed income securities. There is no intention to change the disposition of own fund items.

The Company has a low risk appetite with respect to its financial requirements. The Company maintains capital at levels in excess of its SCR and it has low tolerance for errors in its financial records, or in the financial reporting to regulators. The Company monitors its SCR ratio on a quarterly basis and would increase its level of scrutiny in the event that the ratio fell below 150% - in the event that the ratio was to fall below 125%, the Company would implement measures to either bolster own funds or measures to reduce capital needs. A five-year time horizon is used for business planning.

Own funds at 31 December 2023 and 2022 were comprised of the following:

	2023	2022
	US\$ 000	US\$ 000
Ordinary Share Capital	1,600	1,600
Other Own Funds	90,000	90,000
Reconciliation Reserve	49,764	33,954
Net Deferred Tax Assets	1,830	1,105
Total Basic Own Funds	143,194	126,659

The "Other Own Funds" shown in the table above are additional paid in amounts of capital. These are included within the reconciliation reserve in the final QRT presentation.

For the Company, all basic Own Funds are also eligible own funds with the exception of the deferred tax assets. There are no ancillary Own Funds items.

There was no issuance of Own Funds in the years ended 31 December 2023 or 2022.

The increase in basic own funds during the year has largely arisen from increase in asset values over the year.

The table below shows a reconciliation between the IFRS 17 equity and Solvency II own funds.

	2023
	US\$ 000
IFRS 17 Equity	161,165
Move from IFRS 17 to Solvency II valuation of gross technical provisions	(18,830)
<i>Discounting difference</i>	<i>(15,084)</i>
<i>Expense difference</i>	<i>(4,583)</i>
<i>Other</i>	<i>837</i>
Reinsurance share of gross technical provisions	8,653
<i>Discounting difference</i>	<i>8,956</i>
<i>Other</i>	<i>(302)</i>
Inclusion of Risk Margin	(10,511)
Deferred tax assets / liabilities	2,717
Solvency II Basic Own Funds	143,194

This shows that the available capital under a Solvency II basis is \$18.0m lower than that under IFRS 17. This is mainly driven by the following factors:

- **The discounting credit is \$6.1m lower** (\$15.1m and \$9.0m on a gross and reinsurance basis respectively as shown in the table above) under Solvency II. This is principally a result of the risk-free yield curves being adopted under Solvency II whereas under IFRS 17 the yield curve includes an illiquidity premium adjustment on top of risk-free rates.
- **Inclusion of risk margin reduces Solvency II own funds by \$10.5m.** Under IFRS 17, a risk adjustment is included in the insurance contract liabilities to reflect the amount of compensation required by the insurer to bear the uncertainties around future cash flows arising from non-financial risk. This is based on the risk appetite of the Company. Under Solvency II the Risk Margin is assessed on a basis for a market participant and is a standardized calculation. The inclusion of risk margin under Solvency II results compared to the IFRS 17 risk adjustment results in a \$10.5m reduction in the available capital.
- **Additional expenses of \$4.6m is held under Solvency II,** to allow for the run-off of all future liabilities. Under IFRS 17, only directly attributable expenses are included in the insurance contract liabilities. As such, \$4.6m of additional expense allowance has been included under Solvency II but excluded under IFRS 17.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company's SCR ratios as at 31 December 2023 and 2022 are as follows:

	2023	2022
	US\$ 000	US\$ 000
Eligible SCR Own Funds	143,194	126,659
Solvency Capital Requirement	55,444	45,962
SCR Ratio expressed as a percentage	258%	276%

The Company's MCR ratios as at 31 December 2023 and 2022 are as follows:

	2023	2022
	US\$ 000	US\$ 000
Eligible MCR Own Funds	141,364	125,552
Minimum Capital Requirement	13,861	11,490
MCR Ratio expressed as a percentage	1020%	1093%

The coverage ratios for both the SCR and MCR have decreased from last year as the increase in own funds has been relatively lower than the increase in SCR and MCR. However, it should be noted that the increase in USD in the own funds (e.g., \$16.5m for eligible own funds to meet the SCR) is larger than the increase in the SCR (\$9.4m) so that the excess assets above the SCR has increased during the year.

Table of SCR requirements split by risk modules at 31 December 2023 and 2022 (US\$ 000)

	2023	2022
	US\$ 000	US\$ 000
Market Risk	30,897	22,095

Counter-Party Default Risk	1,061	1,300
Non-Life Underwriting Risk	30,136	27,118
Diversification	(13,331)	(10,834)
Basic Solvency Requirement	48,763	39,680
Operational Risk	6,681	6,282
Solvency Requirement	55,444	45,962

E.3 Any Other Information

The Company applies the Standard Formula model and does not use an internal model to calculate the Solvency Capital Requirement.

There was no breach of the Solvency Capital Requirement (and hence the Minimum Capital Requirement) over the reporting period.

Appendix

In relation to Canterbury's obligations to its policyholders on the basis of confidentiality and sensitivity of certain information and in accordance with Article 53(1) and (2) of Directive 2009/138/EC the Company has been granted a waiver from the Central Bank of Ireland from the public disclosure of Qualitative Reporting Template ("QRT") S.04.05.21 (previously named S.05.02.01) - Premium, claims and expenses by country.

Annex I**S.02.01.02****Balance sheet****Assets**

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-linked
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

	Solvency II value
	C0010
R0030	
R0040	1,830
R0050	
R0060	
R0070	217,928
R0080	
R0090	
R0100	
R0110	
R0120	
R0130	
R0140	
R0150	
R0160	
R0170	
R0180	217,928
R0190	
R0200	
R0210	
R0220	
R0230	
R0240	
R0250	
R0260	
R0270	135,294
R0280	135,294
R0290	135,294
R0300	
R0310	
R0320	
R0330	
R0340	
R0350	
R0360	1,526
R0370	
R0380	
R0390	
R0400	
R0410	20,929
R0420	1,931
R0500	379,438

Annex I
S.02.01.02

Balance sheet

Liabilities

Technical provisions – non-life
 Technical provisions – non-life (excluding health)
 TP calculated as a whole
 Best Estimate
 Risk margin
 Technical provisions - health (similar to non-life)
 TP calculated as a whole
 Best Estimate
 Risk margin
Technical provisions - life (excluding index-linked and unit-linked)
 Technical provisions - health (similar to life)
 TP calculated as a whole
 Best Estimate
 Risk margin
 Technical provisions – life (excluding health and index-linked and unit-linked)
 TP calculated as a whole
 Best Estimate
 Risk margin
Technical provisions – index-linked and unit-linked
 TP calculated as a whole
 Best Estimate
 Risk margin
Contingent liabilities
Provisions other than technical provisions
Pension benefit obligations
Deposits from reinsurers
Deferred tax liabilities
Derivatives
Debts owed to credit institutions
Financial liabilities other than debts owed to credit institutions
Insurance & intermediaries payables
Reinsurance payables
Payables (trade, not insurance)
Subordinated liabilities
 Subordinated liabilities not in BOF
 Subordinated liabilities in BOF
Any other liabilities, not elsewhere shown
Total liabilities
Excess of assets over liabilities

	Solvency II value
	C0010
R0510	233,196
R0520	233,196
R0530	
R0540	222,685
R0550	10,511
R0560	
R0570	
R0580	
R0590	
R0600	
R0610	
R0620	
R0630	
R0640	
R0650	
R0660	
R0670	
R0680	
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	
R0760	
R0770	
R0780	
R0790	
R0800	
R0810	
R0820	
R0830	
R0840	3,047
R0850	
R0860	
R0870	
R0880	
R0900	236,244
R1000	143,194

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								31,704
Gross - Prop reinsurance accepted	R0120								0
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								18,023
Net	R0200	0	0	0	0	0	0	0	13,682
Premiums earned									
Gross - Direct Business	R0210								31,438
Gross - Prop reinsurance accepted	R0220								0
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								18,111
Net	R0300	0	0	0	0	0	0	0	13,327
Claims incurred									
Gross - Direct Business	R0310								18,397
Gross - Prop reinsurance accepted	R0320								0
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								13,913
Net	R0400	0	0	0	0	0	0	0	4,484
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550								3,018
Balance - other technical expenses/income	R1210								
Total technical expenses	R1300								3,018

Annex I
S.17.01.02
Non-life Technical Provisions

Technical provisions calculated as a whole

Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole

Technical provisions calculated as a sum of BE and RM

Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

Total Best estimate - gross

Total Best estimate - net

Risk margin

Amount of the transitional on Technical Provisions

Technical Provisions calculated as a whole

Best estimate

Risk margin

Direct business and accepted proportional reinsurance	
Fire and other damage to property insurance	General liability insurance
C0080	C0090
R0010	
R0050	
R0060	197
	12,156
R0140	190
	7,055
R0150	6
	5,101
R0160	264
	210,069
R0240	255
	127,794
R0250	9
	82,276
R0260	460
	222,225
R0270	15
	87,376
R0280	2
	10,509
R0290	
R0300	
R0310	
Direct business and accepted proportional reinsurance	
Fire and other damage to property insurance	General liability insurance
C0080	C0090
R0320	462
	232,734
R0330	445
	134,849
R0340	17
	97,885

Technical provisions - total

Technical provisions - total

Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total

Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

Annex I

S.17.01.02

Non-life Technical Provisions

		Total Non-Life obligation
		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	12,352
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	7,245
Net Best Estimate of Premium Provisions	R0150	5,107
Claims provisions		
Gross	R0160	210,333
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	128,048
Net Best Estimate of Claims Provisions	R0250	82,284
Total Best estimate - gross	R0260	222,685
Total Best estimate - net	R0270	87,391
Risk margin	R0280	10,511
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	R0290	
Best estimate	R0300	
Risk margin	R0310	
		Total Non-Life obligation
		C0180
Technical provisions - total		
Technical provisions - total	R0320	233,196
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	135,294
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	97,903

Total Non-Life Business

Z0010	2
-------	---

(absolute amount)

(absolute amount)

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	1,600	1,600			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	139,764	139,764			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	1,830				1,830
Other own fund items approved by the supervisory authority as basic own funds not subject to the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	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	143,194	141,364			1,830
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	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	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive	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	143,194	141,364			1,830
Total available own funds to meet the MCR	R0510	141,364	141,364			
Total eligible own funds to meet the SCR	R0540	143,194	141,364			1,830
Total eligible own funds to meet the MCR	R0550	141,364	141,364			
SCR	R0580	55,444				
MCR	R0600	13,861				
Ratio of Eligible own funds to SCR	R0620	2.58				
Ratio of Eligible own funds to MCR	R0640	10.20				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	143,194	
Own shares (held directly and indirectly)	R0710		
Foreseeable dividends, distributions and charges	R0720		
Other basic own fund items	R0730	3,430	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	139,764	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770		
Expected profits included in future premiums (EPIFP) - Non- life business	R0780		
Total Expected profits included in future premiums (EPIFP)	R0790	0	

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

Market risk

Counterparty default risk

Life underwriting risk

Health underwriting risk

Non-life underwriting risk

Diversification

Intangible asset risk

Basic Solvency Capital Requirement**Calculation of Solvency Capital Requirement**

Operational risk

Loss-absorbing capacity of technical provisions

Loss-absorbing capacity of deferred taxes

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement**Other information on SCR**

Capital requirement for duration-based equity risk sub-module

Total amount of Notional Solvency Capital Requirement for remaining part

Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0100
R0010	30,897		
R0020	1,061		
R0030	-		
R0040	-		
R0050	30,136		
R0060	- 13,331		
R0070	-		
R0100	48,763		

	C0100
R0130	6,681
R0140	-
R0150	-
R0160	-
R0200	55,444
R0210	-
R0220	-
R0400	
R0410	
R0420	
R0430	
R0440	

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 _{NL} Result		C0010			
	R0010	10,793		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0020		C0030
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030				
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050				
Other motor insurance and proportional reinsurance	R0060				
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080	15			0
General liability insurance and proportional reinsurance	R0090	87,376			13,682
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130				
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

Linear formula component for life insurance and reinsurance obligations

MCR _L Result		C0040			
	R0200	0		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 10,793
SCR	R0310 55,444
MCR cap	R0320 24,950
MCR floor	R0330 13,861
Combined MCR	R0340 13,861
Absolute floor of the MCR	R0350 4,228
	C0070
Minimum Capital Requirement	R0400 13,861