Solvency & Financial Condition Report

FDI Insurance DAC

Report Date: 31st December 2023

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Summary

The Solvency & Financial Condition Report ("SFCR") is FDI Insurance DAC's ("FDI", "the Company") annual public report as required by the Solvency II Directive 2009/138/EC in order to guarantee transparency in the Insurance and Reinsurance market.

This document has been conducted with reference to:

- Article 51 of the Solvency II Directive 2009/138/EC
- Chapter XII of the EU Delegated Acts (2015/35)
- Guidelines on reporting and public disclosure issued by EIOPA on 28 January 2015 ("the EIOPA Guidelines")

The Company's business model is conservative and has not change in the recent years; the results of the operations continued to be positive as no claims were reported and the profits are retained in the Company enhancing its financial position. From the information disclosed below and the risk management activities carried out during the year emerges that:

- its risk profile allows the Company to continue pursuing its business strategy
- the simplistic composition of its Balance Sheet does not require different valuation methods for solvency purposes
- its Capital Management is subordinated to the respect of the Regulatory Capital Requirements and the Appetite and Tolerance level agreed by the Board of Directors.

A. Business and Performance: Year Ended 31st December 2023

The Solvency and Financial Condition Report ("SFCR") has been prepared to allow the Company to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ('the Solvency II Directive')

The Company has set a target Solvency Capital Requirement (SCR) cover ratio of 139% and a tolerance of 110%.

A.1 General Information about the Business

Legal Form and Ownership

FDI Insurance DAC is a private insurance company limited by shares qualified as Designated Activity Company according to the Irish Companies Act 2014. The Company was licensed in Ireland on the 5th of June 2001 and is a wholly owned subsidiary of Ford Credit International which in turn is a wholly owned subsidiary of Ford Motor Company. It is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Shareholder

FDI is a wholly owned subsidiary of Ford Credit International, an American registered Company which offers automobile finance products. Ford Credit International is a wholly owned subsidiary of Ford Motor Company.

Supervisory Authority

FDI is authorised by the Central Bank of Ireland (CBI) to carry on the business of insurance in accordance with the regulations as defined in European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015).

Registered Office and Registered Number

Registered Office: Elm Park, Merrion Road, Dublin 4, Ireland

Registered Number: 344028

Auditor

PricewaterhouseCoopers

Spencer Dock, North Wall Quay

Dublin 1, Ireland

Risk Profile

FDI Insurance DAC is licenced to write the class of business 14: Credit.

Material Geographical Area

United Kingdom

Significant events in the reporting period

There was no significant event within the reporting period that had a material impact on the Company.

The Board continued to monitor on going geo-political matters during the course of the year assessing the commercial, operational and economic risks to the business as part of ongoing risk management. The company did not experience any material impacts to its business as a result of global geo-political events.

The United Kingdom (UK) left the European Union on the 31st December 2020 and the Company now writes into the UK on a non-admitted basis.

A.2 Underwriting Performance

The table below shows the Underwriting performance as of the end of 2023 and 2022. Figures are in the reporting currency (Stg£)

2023		
Gross Premium Written:	**Credit Risk**	**Total**
Risks located in Ireland	-	-
Risks located in other EU countries	-	-
Risks Located outside EU	1,973,259	1,973,259
Total	**1,973,259**	**1,973,259**

2022		
Gross Premium Written:	**Credit Risk**	**Total**
Risks located in Ireland	-	-
Risks located in other EU countries	-	-
Risks Located outside EU	1,426,411	1,426,411
Total	**1,426,411**	**1,426,411**

Technical Result:	2023	2022
Gross Earned Premium	1,488,871	1,400,042
Gross incurred claims	-	-
Change in the gross claims provision	43,690	(4,118)
Gross operating expenses	(672,663)	(649,505)
Reinsurance premiums paid	(1,121,295)	(689,713)
Change in the reinsurance unearned premiums	303,025	(1,349)
Allocated investment return	(9,341)	5,148
Net technical result	555,156	60,505

A.3 Financial Performance

The table below shows the overall financial performance as of the end of 2023 and 2022; figures are in the reporting currency (Stg£).

	2023	2022
Gross premiums written	1,973,259	1,426,411
Outward reinsurance premiums	(1,121,295)	(689,713)
Net premiums written	**736,697**	**736,697**
Change in the gross provision for unearned premiums	851,964	(26,369)
Change in the provision for unearned premiums, reinsurer's share	303,025	(1,349)
Change in the provision for unearned premiums, net of reinsurance	(484,388)	(27,718)
Earned premiums, net of reinsurance	**670,601**	**708,979**
Allocated investment return transferred from the non-technical account	(9,341)	5,148
Claims paid, gross and net	-	-
Change in the provision for claims, gross and net	43,690	(4,118)
Claims incurred, net of reinsurance	**43,690**	**(4,118)**
Net operating expenses	(672,663)	(649,505)
Balance on the technical account for general business	**555,156**	**60,505**
Investment Income	638,672	128,547
Less: Investment Income Allocated to technical account	9,341	(5,148)
Foreign Exchange Gain / (Loss)	(13,663)	36,107
Profit on ordinary activities before taxation	**659,844**	**220,010**
Taxation charge	(82,131)	(27,093)
Profit on ordinary activities after taxation	**577,713**	**192,917**

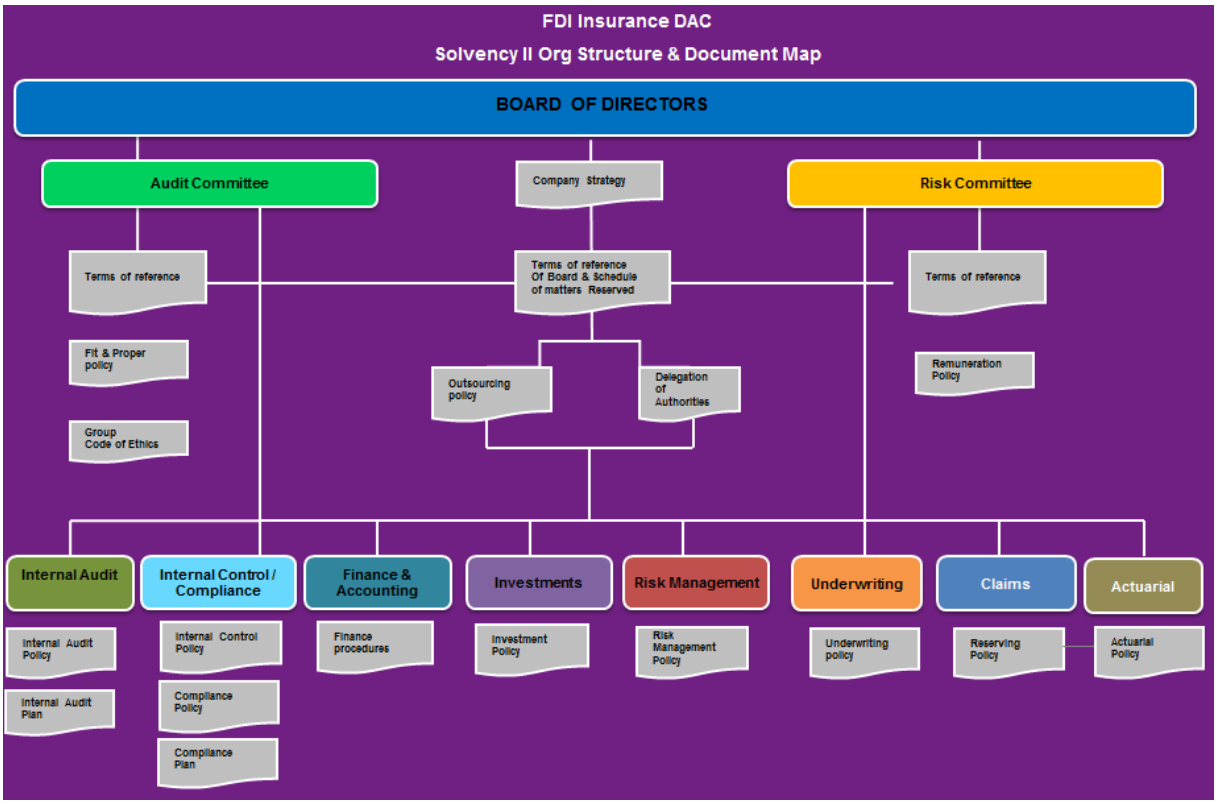
A.4 Investment Performance

Total Investment Income for the financial year was equal to Stg£ 638,672 (in 2022 Stg£ 128,547) which arises from the interest income on a short-term bank deposit.

B. Systems of Governance

B.1 General Information

The Organisational Structure of the Company is as follows:



Board of Directors

The Board of FDI Insurance DAC as at 31st December 2023 comprised as follows:

Name	Role	Appointment Date	Date Resigned
Kirby Harris	Non-Executive Director and Chairman of the Board	29/12/2020	N/A
Colleen Hummell	Non-Executive Director	03/01/2023	N/A
James Moritz	Non-Executive Director and Chairman of the Risk Committee	01/05/2021	N/A
Todd Kolchinsky	Executive Director and CEO	23/03/2020	N/A
Moises Carciente	Non-Executive Director	02/02/2021	N/A
Jim Nakpairat	Non-Executive Director	12/12/2016	N/A
Michelle Schnieder	Non-Executive Director	23/02/2023	
James Webb	Non-Executive Director and Chairman of the Audit Committee	01/07/2010	N/A

The following roles and decisions are the sole responsibility of the Board and it is their role to ensure:

- The effective, prudent and ethical oversight of the entity
- Setting the business strategy for the Company, within the parameters of the existing Business Plan and those of local legislation
- Ensuring that risk and compliance are properly managed in the institution
- Establishing Banking mandate/s and monitoring signatory listings
- Determining Investment Policy (to be reviewed by the Board annually)

- Developing of an Outsourcing Policy (to be reviewed by the Board annually)
- Insurance policy terms and conditions (including Reinsurance)
- Insurance pricing
- Loss Reserve Strategy
- Appointment of Reinsurers/Security
- Capital and calling-up of capital
- Appointment of Auditors
- Appointment of Corporate Secretary
- Appointment of Insurance Managers
- Appointment of Investment Managers
- Appointment of Bankers
- Appointment of Lawyers
- Appointment of Directors
- Identification and appointment of the Key Functions within the Company and receiving timely reports from such functions
- Receiving reports and recommendations from the Compliance Officer/General Manager/Chief Risk Officer
- Removal of the head of a control function and consequent notification of such decision to the Central Bank of Ireland
- Dividend Recommendations
- Developing and monitoring the implementation of the Company's Claims Reserving Policy.
- Monitoring the minimum capital requirements of the Company in line with the Solvency II requirements and local legislation.
- Setting the Risk appetite for the Company
- Overall Responsibility for the Company's Risk (including material/liquidity risks)
- Establish and maintain Internal Control Framework
- Approval of material changes to Company policies and procedures
- Review and sign off of Financial Statements and annual regulatory reporting as required by Solvency II – annual Quantitative Reporting Templates, Regular Supervisory Report and Solvency and Financial Condition Report.
- Completion of the ORSA and approval of the relevant policy and procedures (annually)
- Review of the Company's Policies and Procedures (annually)
- Details in relation to establishment of various Committees and delegation of duties
- Signing-off various Committees' Terms of Reference
- Fit and Proper Procedures and approval process
- Company Strategy and Planning.

Board Sub-Committees

The Company has established an Audit Committee and a Risk Committee and due to the nature, scale and complexity of its operations, the Company has determined it does not require a Remuneration Committee or a Nomination Committee.

Both Sub-Committees are chaired by the Independent Non-Executive Directors and they report to the Board.

Audit Committee

The roles and responsibilities of the Audit Committee include the following:

- Monitoring the effectiveness and adequacy of the insurance undertaking's internal control, internal audit and IT systems;
- Liaising with the external auditor particularly in relation to their audit findings;
- Reviewing the integrity of the insurance undertaking's financial statements and ensuring that they give a "true and fair view" of the financial status of the insurance undertaking;
- Reviewing any financial announcements and reports and recommending to the board whether to approve the insurance undertaking's annual accounts (including, if relevant, group accounts); and
- Assessing auditor independence and the effectiveness of the audit process.
- Monitoring the statutory audit of the annual and consolidated accounts.
- Making recommendations to the board on appointment of statutory auditor or audit firm

Risk Committee

The roles and responsibilities of the Risk Committee include the following:

- To ensure that there is sufficient expertise within the Company to identify, assess and manage risk.
- To assess and review the levels of Risk within the Company.
- To oversee the risk management function
- To ensure that Risk Management processes are being used at all levels of the Company.
- To validate the Risk Control framework and ensure its practical application.
- To advise the Company board on risk appetite and tolerance
- To monitor the Risk Appetite Statement and Risk Appetite Matrix of the Company
- To review and challenge the Company's overall risk profile, capital and funding position

- To ensure that the actions proposed are consistent with business policies and guidelines as determined by the Board, except to the extent that they are covered within the terms of reference of another sub-committee of the Board.

- To delegate the implementation of its decisions to management and review progress.

- To receive the report and the recommendations from the Company' Chief Risk Officer.

Information on Remuneration Policies and Practices

All Executive Director positions are held by Ford Group employees and are not remunerated for the role as Director. There are two Independent Non-Executive Directors who are not Group employees and receive a fixed remuneration in line with market standard.

Overview of Year Ended 31st December 2023

Four Board Meetings took place in Dublin, Ireland within the reporting period. These took place on the following dates:

- 30th March 2023

- 19th June 2023

- 30th August 2023

- 11th December 2023

Key Functions

The Company complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that key functions are held by persons with the appropriate knowledge, experience and competence. The Company has nominated Mr. Todd Kolchinsky, Executive Director and CEO as the designated person, with the overall responsibility for the outsourced functions. Mr. Todd Kolchinsky has sufficient knowledge and experience with regard the outsourced key functions and has the ability to challenge the performance and results of the respective service providers. The following key functions are outsourced by the Company:

Risk Management Function

The Company's Risk Management Function is outsourced to Willis Towers Watson Management (Dublin) Limited ('WTWMDL'), subject to the conditions outlined in the Company's Outsourcing Policy.

The Board is responsible for ensuring the effectiveness of the Company's Risk Management System, for setting the risk appetite and tolerance levels as well as approving all related risk management strategies and policies.

The Company's Risk Management Function is responsible for the implementation of the Company's Risk Management arrangements within the operations of the Company on an ongoing basis.

The Risk Management Function is also responsible for effective reporting to the Board on the material risks to which the Company is exposed and on other specific areas of risks both on its own initiative and following direction from the Board.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Chief Risk Officer (PCF14). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Compliance Function

The Company's Compliance Function is responsible for implementing an appropriate compliance framework within the Company and monitoring the Company's adherence to legal and regulatory requirements on an ongoing basis.

The Compliance Function reports to the Board periodically on all key compliance matters, such as implementation of the annual Compliance Plan, regulatory engagement and correspondence, upstream regulatory developments and any compliance breaches that may have occurred in the period and corrective actions undertaken.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Compliance (PCF12). This function holder is provided to the Company by WTWMDL in line with the terms and conditions of the Management Services Agreement.

Actuarial Function

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within the Company. The activities of the Company's Actuarial Function are currently outsourced to Willis Towers Watson Global Solutions Consulting Group.

The Actuarial Function is carried out by persons who have an appropriate knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the Company, and who are able to demonstrate their relevant experience with applicable professional and other standards in line with the Company's Fitness and Probity Policy and the Central Bank of Ireland's Fitness & Probity Standards.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Actuarial Function (PCF48).

The Actuarial Function's role can be summarised as providing the Company with the following:

- Contribution to the effective implementation of the risk management system, in particular, the Own Risk and Solvency Assessment (ORSA) and SCR (Solvency Capital Requirement) calculations.

- Co-ordinating the calculation of the Technical Provisions.
- Provision of an opinion on the underwriting and reinsurance policy of the Company
- Production of a written report to be submitted to the Board, at least annually (Actuarial Function Report). The report documents all tasks that have been undertaken by the Actuarial Functions and their results, and clearly identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.
- Assess the sufficiency and quality of the data used in the calculation of technical provisions.
- Comparison of best estimates against experience.

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within the Company. The Internal Audit Function is a service provided by an employee of Ford Motor Credit Company with the Audit Committee acting as oversight. The Internal Audit mission is to independently examine and evaluate the functioning effectiveness and efficiency of the Company's internal control system and all other elements of governance and ensure they are in line with Ford Group standards.

The activities of the Internal Audit function are designed to provide advice to management in improving the internal control environment, monitoring the implementation of strategic control initiatives and managements remediation activity. The Internal Audit Function provides a formal report to the Audit Committee and Board at least annually. The findings of Internal Audit reviews conducted are discussed with and challenged by the Audit Committee and by the Board and an action plan is agreed upon to remediate any issues identified, along with a timeline for completion.

The Internal Audit activities are based on the Internal Audit Plan which requires Board's approval. The Internal Audit Plan is based on an extensive audit from Ford General Auditor's Office (GAO) which is scheduled every three to five years. Among other duties, the GAO is responsible for NYSE and SEC compliance requirements for Ford Group.

In line with the Solvency II requirements, the Company has nominated an appropriate person to the role of Head of Internal Audit Function (PCF13).

B.2 Fit and Proper Requirements

FDI Insurance DAC deems the following personnel to hold Pre-Approval Controlled Functions and therefore be defined as 'Relevant Persons' subject to the Fitness and Probity Standards:

- The Board of Directors
- The Chief Risk Officer

- The Head of Internal Audit
- The Head of Actuarial Function
- The Head of Compliance

Fitness:

The members of the Board of the Company collectively possess the required qualification, experience and knowledge:

- Of insurance and financial markets relevant to the operations of the Company;
- Of the business strategy and business model of the Company;
- Of the Company's system of governance;
- To perform required financial and actuarial analysis in respect of the Company;
- Of the regulatory framework and requirements applicable to the Company; and
- In order to provide for the sound and prudent management of the Company.

The persons holding the key functions outlined above must hold the appropriate qualifications, knowledge and sufficient experience in their relevant disciplines, in compliance with the Fitness and Probity Standards ("The Standards").

Probity:

The honesty, financial soundness and reputation of every Relevant Person as defined above has been assessed by the Company in order to determine that they are of good repute and integrity. This assessment has been based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects, regardless of location.

In line with The Standards, the Company submits a PCF Confirmation to the Central Bank on an annual basis confirming all PCF holders remain in compliance with the fitness and probity requirements.

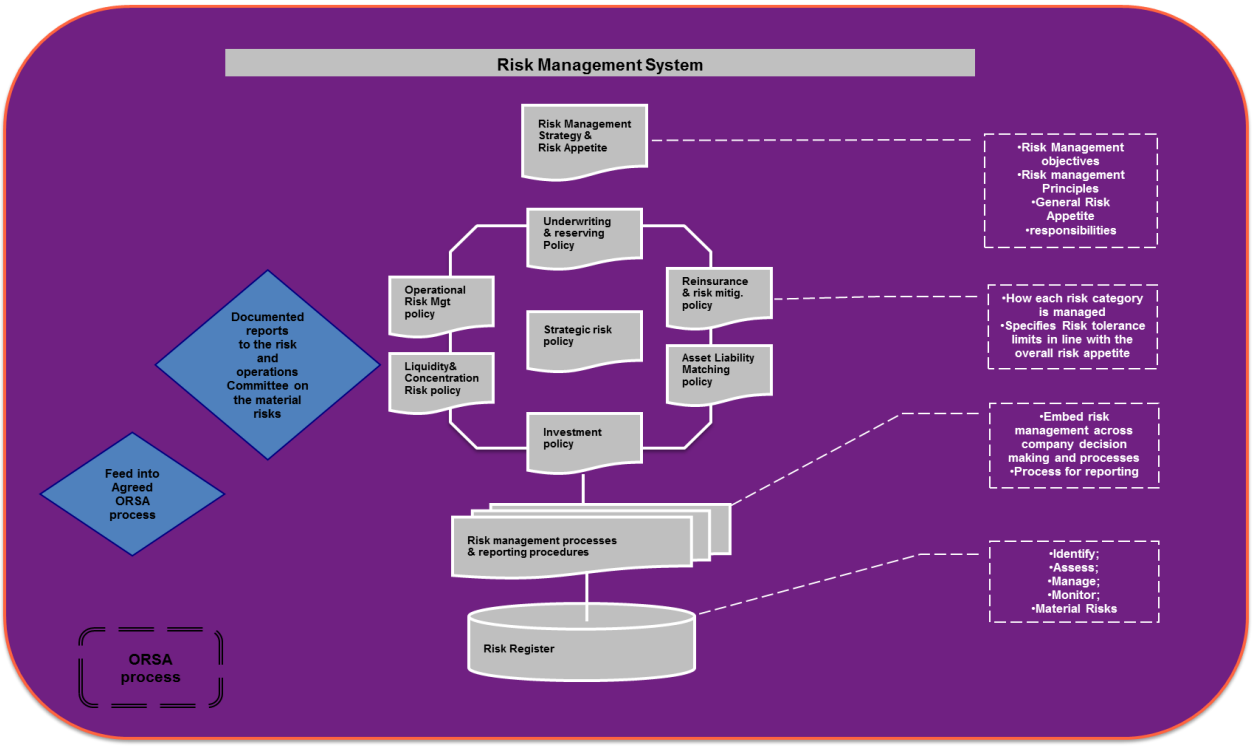
B.3 Risk Management System

The Company's Risk Management System is comprised of the following elements:

- Risk Appetite Statement (RAS)
- Risk Register

- Formal Policy Documents for all key risks
- Own Risk and Solvency Assessment (ORSA)
- Formalised Risk Reporting

As illustrated in the chart below:



Each of the elements of the Risk Management System detailed above contribute to the identification, measurement, monitoring, management and reporting of risks and is intended to work as an integrated system, and therefore each should be considered both in terms of the specific function of the respective element, and in terms of its function within the overall system.

Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from and reporting to the Board.

The Risk Management Framework is embedded into FDI's Organisational Structure: the Company has a Chief Risk Officer and a Risk Committee chaired by an Independent Non-Executive Director who reports to the Board which ultimately is responsible for the overall Risk Management Framework.

Risk Management Approach

The Company's risk management approach is centred on ensuring the inherent risk which the Company faces in the course of its business are appropriately managed to ensure the strategic objectives of the Company are achieved.

This approach also ensures that risk management is appropriately included in the Company's decision-making process.

Risk Profile

The Company, in considering its risk profile, has regard to the following factors:

Nature:

The nature of the Company's risk is confined with the Ford Credit International Group only and therefore represents limited systemic risk.

Scale:

The scale of the risk assumed by the Company can be considered low based on the residual 'Values at Risk' and the Company's organisational structure, relative to the general insurance market.

Complexity:

The Company assumes standard underwriting risk only, holds a simplistic and conservative investment portfolio, employs traditional risk mitigation techniques and utilises reputable counterparties, and therefore the risk assumed can be considered to be of limited complexity.

The Company's risk profile is formally reviewed at least annually as part of the Company's ORSA exercise. The Risk Management Function monitors the Company's risk profile and the corresponding risk management arrangements in place on an ongoing basis and reports to the Board on any observed material changes.

Risk Function

The Risk Management Function of the Company is responsible for the operational coordination and application of all Risk Management activities throughout the Company on an ongoing basis.

The Risk Management Function reports directly to the Risk Committee and the Board on regular basis or upon occurrence of an event which could materially impact the Company's risk profile.

The Risk Management Function is responsible for the coordination of all risk management activities throughout the Company.

The Risk Management Function is also responsible for providing the Board with assistance and support in the development and implementation of the various risk management arrangements within the Company.

The Board has outsourced the activities of the Risk Management Function to Willis Towers Watson Management (Dublin) Limited in accordance with the Company's Outsourcing Policy and the terms and conditions of the Management Services Agreement.

Risk Categories & Key Risks

Key risks are considered to be the seven risk categories detailed in the Solvency II Directive, together with any other risks evaluated as being key risks by the Risk Management Function and the Board of Directors.

Any of the other identified risks, outside of those prescribed risk categories in the Solvency II Directive, shall be considered to be a key risk if, on a residual basis, a material level of capital is deemed to be required in order to accept the risk, or if particular controls or risk mitigation techniques specific for the risk in question must be employed in order to bring the risk within the appropriate thresholds as defined in the Risk Appetite Statement.

All key risks are documented in the Risk Appetite Statement and are subject to a specific policy document which addresses how the risk is to be managed in line with the hierarchy outlined previously.

The key risk categories for the Company are:

- Underwriting and Reserving Risk
- Market and Investment Risk
- Operational Risk
- Compliance Risk

The risk categories and key risks to which the Company is exposed are reviewed periodically by the Risk Management Function and at least;

- On occurrence of an event which could materially affect the Company's risk profile
- On the introduction of material new business
- At the discretion or order of the Board

Risk Appetite Statement

The Company has in place a Risk Appetite Statement (RAS). The RAS sets out the risk appetite and tolerance levels for all key risks over the planning period of the Company.

The Company considers the RAS to be the primary element of the Risk Management System, directly linking to the overall Company Strategy and determining the levels retained for each key risk, and also influencing the nature of the controls and mitigation techniques employed to ensure that the risk remains within the tolerable range.

The Board is responsible for setting the Company's RAS. The Board periodically reviews the appropriateness and effectiveness of the RAS and performs a formal review of the RAS at least annually or upon a material change in the Company's risk profile.

The RAS includes both qualitative and quantitative aspects for each key risk and is aligned to the planning period of the Company.

The RAS is embedded within the decision-making processes of the Company. The Board of Directors, prior to finalising any material decision which could impact the risk profile of the Company, refers to the RAS for guidance as to the likely effect of the decision on the risk appetite and tolerance levels of the Company.

The RAS is also used to track actual performance against the metrics detailed in the RAS to ensure that no breach in the agreed tolerance levels has occurred that would require the submission of a report to the Central Bank of Ireland.

Monitoring of the actual performance against the metrics identified in the RAS is performed periodically by the Risk Management Function and reported to the Board in line with the reporting trigger system included in the RAS.

The Company's qualitative risk appetite principles and quantitative appetite and tolerance levels for each key risk are detailed in the Risk Appetite Matrix.

Risk Policies

The Company has documented a formal policy for each key risk included in the RAS. The policies for each specific risk are consistent with the details contained in the RAS relating to the risk in question. The controls, reporting triggers and any other relevant aspects of the management of the risk are appropriately reflected in the policy for the risk.

Risk Register

The Company has in place a comprehensive Risk Register to evaluate and assess the risks to which the Company is exposed.

The Risk Register initially assesses the risk universe of the Company on an inherent basis. The controls and risk mitigating techniques employed by the Company, as documented in the Company's policies and procedures allow for an evaluation of the risk on a residual basis.

If the risk on a residual basis is deemed to potentially require a material level of capital or the implementation of significant additional controls to accommodate the risk to bring the risk within the appropriate thresholds, this risk should be considered a key risk. Any risk deemed to be a key risk shall be considered for inclusion in the RAS by the Board and a specific policy developed which outlines the process for the identification, management, monitoring and reporting on the risk in question.

The Risk Management Function is responsible for the ongoing maintenance of the Risk Register.

The Risk Register is updated on at least on quarterly basis and upon the occurrence of an event which may materially impact the Company's risk profile.

A summary of the results of the Risk Register review is distributed to the Board upon completion of each review as soon as is practicable and form part of the Risk Management Function's Risk Reporting.

As part of each update, the Risk Register is reviewed by the Risk Management Function to ensure that the Risks included represent all the material risks to which the Company is exposed and that all applicable emerging risks have been appropriately included.

Where an emerging risk has been identified as one which should potentially be included in the Risk Register, the Risk Function advises the Board of the nature and context of the risk. The Board then determines whether the risk in question is to be included in the Risk Register and whether the risk should be considered as a Key Risk.

ORSA

The Company aims to ensure that it is appropriately and prudently capitalised in order to accept the risk to which it is exposed. In order to ensure this, the Company performs an Own Risk and Solvency Assessment ('ORSA') at least annually and upon the occurrence of an event which may materially impact the Company's risk profile.

Since the ORSA represents the Company's own view of its risk profile and the capital needed to address these risks, the Company decides for itself the most appropriate process by which the ORSA is performed.

The Board takes a proactive approach in the ORSA process by providing guidance to the Risk Management function as to the direction of the ORSA process, including the identification, evaluation and quantification of the risks inherent in the business.

The following approach provides a summary of the approach taken in 2023:

- During the Board meeting held on the 30th August 2023 the board members agreed the Risk Register and Risk Appetite Statement.

- As part of the Board meeting held on the 30th August 2023 the board agreed the 2023 ORSA scenarios, approved the draft Financial Projections lastly determined the Own Solvency Needs of the Company.

- During the Board and Risk Committee Meetings held on the 30th August 2023 the Board and Risk Committee members approved the draft Financial Projections, noted the expected SCR results for the planning period, the SCR results based on the agreed scenarios and reverse stress test and determined the Own Solvency Need of the Company.

- The final ORSA report was presented to the board for approval during the board meeting held on the 11th December 2023.

The Board of Directors provided substantial input and discussed in detail the various aspects of the ORSA and adjusted as and when considered necessary.

Own Risk Assessment

The first element of the ORSA process was to ascertain the method of identifying its material risks in the context of its Risk Profile, Risk Register and Risk Appetite Statement. The following areas for assessment were identified in respect of the Company's material risks:

- The Maximum Value at Risk (VAR) for each identified key risk of the Company,
- The controls and risk management arrangements in place which act to mitigate each risk,
- The basis for measurement and assessment of the risk over the planning period,
- The current experience of each individual risk,
- The expected risk assessment for the planning period, being the anticipated financial and non-financial activity of the Company over the short, medium and long term.
- Application of appropriate and reasonable stresses to the expected risk assessment to demonstrate the robustness of the Company's capital base in the context of its current business.
- The identification of the Overall Solvency Needs (OSN) which is the result of the expected assessment and the stresses identified
- The calculation of the Regulatory Solvency Capital Requirement based on the OSN in order to assess the resilience of the Company to extreme adverse conditions
- The identification of the Solvency Capital Requirement Appetite and Tolerance level provides the necessary link between the Own Risk Solvency Assessment and the Capital Management of the Company

Risk Reporting

The Risk Management Function formally reports to the Board on a quarterly basis. The report contains details of the outcome of the Risk Register review, the results of the comparison of the RAS to actual results and an update on emerging risks.

The report contains both qualitative and quantitative aspects and covers all key risks of the Company.

The Risk Management Function is responsible for the development of the Risk Reports.

The Risk Management Function will provide a report to the Board based on the occurrence of an event which materially alters the risk profile of the Company or if the tolerance level triggers are breached.

The Risk Management Function will advise the Board on the quality of the data used in the review of the Risk Management System, including any deficiencies that may have been identified during the course of the review.

B.4 Internal Control System

The Board is ultimately responsible for ensuring that the Company has in place an effective internal control system which is commensurate with the nature, scale and complexity of the Company's operations. The Company ensures that appropriate levels of Internal Controls are present within the organisational structure, work and authority flows, resource utilisation and information systems.

This is achieved by:

- Ensuring the presence and application of individual internal policies, procedures and guidelines for each of the critical functions and activities of the Company;
- Ensuring that adequate approval procedures, authorization authorities, verification, reconciliations, and review procedures are in place for each function or activity and are adequately documented and communicated;
- Ensuring that adequate controls are in place pertaining to safeguarding the integrity and protection of information;
- Ensuring sufficient monitoring mechanisms are in place to facilitate assessments of the effectiveness of the controls in place; and
- The activities of the Compliance function are in place, the Compliance Policy is being applied and the Compliance Plan is being implemented.

The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Compliance Function is responsible for the review and monitoring of the application of internal controls relating to compliance risk. The outsourced Managers are responsible for the application and ongoing maintenance of the Company's internal control activities. The Company has procedures manuals and internal controls in place that are documented and maintained within the Company's Corporate Governance Framework documents. Internal controls are reviewed at least annually or when a change in the systems or operations of the Company occurs. The policies and procedures in place are proportional to the operations of the Company and cover at least the following key operational areas:

- Underwriting
- Claims reserving
- Claims settlement
- Management accounts preparation

- General bank payments
- Bank reconciliations
- Compliance

The following controls principles are embedded into the Company's operations:

Regular

- Four eye review approach on all renewal activities
- Dual signatories on all payments in line with approved bank mandates
- Reconciliations of all bank accounts on a monthly basis
- Monthly financial reporting to Group
- Detailed reporting to the Board on Compliance matters

Periodic

- Monitoring activities are carried out by the Compliance Function and a Compliance and Regulatory report is circulated to the Board.
- The Internal Audit Function conduct reviews of the design and effectiveness of internal controls, in line with the Internal Audit Plan approved by the Audit Committee and the Board
- The Management Company is subject to the Internal Audit processes of the Willis Towers Watson Group with Internal Audit reviews covering work performed by WTWMDL on its clients
- The Company's accounts are audited annually by the external Auditor. No material control issues have been raised to date on the operations of the Company.

B.5 Outsourcing

The Company outsources various activities where the Board believes outsourcing can provide access to superior processes and technical skills than it would otherwise achieve on a standalone basis, or where appropriate due to the nature, scale and complexity of the operations of the Company. The Board is ultimately responsible for the approval of and termination of all outsourcing arrangements of critical or important functions and activities.

The Risk Management Function is responsible for assessing the risks associated with the outsourcing of critical or important functions or activities as part of its overall remit to identify, assess, manage,

monitor and report the risks of the Company on an ongoing basis. The functions deemed critical or important are defined in the Company's Outsourcing Policy.

The Board has ensured that the outsourced service providers adhere to the Company and Ford Group's policies and procedures and that the effectiveness of the Company's system of governance has not been lessened or compromised by the outsourcing arrangements.

The performance of each service provider is based on a comparison of the actual performance of the service provider in comparison with the required performance as per the agreed Service Level Agreement ('SLA'). The SLA's include details covering Business Continuity Planning and ensure that acceptable service levels are maintained in the event of problems occurring with the service provider. The performance of the service providers are formally assessed by the Board on an annual basis.

In the Board's current assessment of the performance of each service providers acting in an outsourced capacity, no material deficiencies were noted.

C. Risk Profile

The Company operates a business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of the Company's risk exposures. Determining the prevailing risk landscape within the Company allows the Board, the Risk Function and Management to assess the appetite for each risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

The risk under the insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random, unknown and unpredictable.

As its primary insurance activity, the Company assumes risks relating to Political and Trade Credit risk coverage relating to a fellow sister company which provides credit facilities to Ford dealers worldwide. The Company is therefore exposed to the uncertainty surrounding the timing and severity of claims under the insurance contract. The terms and conditions of the insurance contract set out the basis for the determination of the Company's liability should the insured event occur.

The Company also faces risks that the actual claims are significantly different to the amounts included within the technical provisions. This could occur because of the conditions under which insured provides the credit facilities. The insurance risks are mitigated through strict underwriting criteria, the regular monitoring and review of the Risk Consultant and the use of reinsurance.

The Company manages its insurance risk through underwriting limit, approval procedures for transactions that exceed set credit limits, centralised management of reinsurance and monitoring of emerging issues.

The Company reinsures a significant portion of the risks it underwrites in order to control its net exposure to losses and protect capital resources. The Company buys non-proportionate facultative reinsurance to reduce the Company's net exposure.

Ceded reinsurance contains credit risk and reinsurance recoverable that are reported after deductions, if any, for known insolvencies and uncollectible items. The Company and the Broker monitor the financial condition of reinsurer on an ongoing basis and review its reinsurance arrangements annually. The Company utilises reinsurance agreements with non-affiliated reinsurers to control its exposure to losses resulting from one or more occurrences and for the accumulation of net losses arising out of one or more occurrences.

C.2 Market Risk

The Company's primary objective in relation to market risk is to protect and preserve the Company's assets. The Company therefore only invests in line with the Company's Investment Policy which is reviewed on an annual basis by the Board of Directors.

The Company has little appetite for counterparty default risk in relation to investments and therefore seek to invest its assets within the Group. All of the Company's liabilities can be considered short term in nature and hence the company looks to limit the duration of investments to reduce Asset Liability Matching risk.

C.3 Credit Risk

Credit Default Risk

The investment strategy outlined in the Company's Investment Policy is pursued and seeks to minimise credit default risk and lock in an illiquidity premium, which is achieved in a number of ways such as investing in money market instruments with a sister company.

Counterparty Default Risk

FDI utilises reinsurance to manage efficiently Insurance risk. The Company is therefore exposed to the failure of the Reinsurer. The credit default risk is managed by ensuring a general minimum credit rating of A- or greater, as documented in the Company's Reinsurance Policy.

C.4 Liquidity Risk

The Company's Liquidity Policy requires sufficiently liquid assets to be held in order to meet outflows. All investments are held in a liquid state and the Company has clear visibility of when payments are due given the nature and scale of the Company being a Captive Insurer. Ongoing monitoring of liquidity also allows mitigating actions to be taken at an early stage if required.

C.5 Operational Risk

The Company is exposed to operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In particular, this includes the failure of key outsourcing arrangements, business disruption, fraud and loss of key personnel.

The process through which the Company's operational risk universe is determined and subsequent estimates of frequency and severity are assessed is captured in the Operational Risk Policy. This process safeguards the ongoing improvement of the control environment and ensures that operational risk is identified and mitigated.

The Company is reliant on the use of external parties to provide a significant portion of the services required, and thus is therefore exposed to the potential failure of these outsourcing partners. The

Company has documented a Contingency Plan and an Outsourcing Policy which set out how this risk is managed and monitored.

C.6 Other Material Risks

Exposures

The main risk exposure of FDI is the Underwriting Risk. In particular, FDI covers the fellow sister company against the Insolvency or Protracted Default of Ford dealers; the cover includes Currency Inconvertibility, Default of the guarantors and other Government actions event which might lead to the default of Ford dealers.

The exposures are capped by country and counterparty and closely monitored by the Risk Consultant according to credit risk standard procedures.

As mentioned above, the exposures are backed up by Assets invested in money market instruments in compliance with the 'prudent person principle'.

Risk Concentration

FDI has two Concentration risks:

- A concentration of financial assets deposited with a fellow sister company
- A concentration of insurance risk transfer with only one reinsurer.

In both cases, the Company is comfortable with the level of concentration given:

- the short-term feature of the deposit and the Group knowledge available in the case of the financial assets,
- the financial strength and the long-dated relationship with a well-known reinsurer in the second case.

It is noted that FDI and the Broker regularly monitor the Reinsurer.

Risk Sensitivity

Within the ORSA exercise, FDI conducted a risk sensitivity testing assuming a large underwriting loss which would impact its Balance Sheet for the retained part of the loss and would increase the Counterparty Default risk as most of the claim would have been ceded to the reinsurer.

The outcome of the testing highlighted that FDI is able to absorb the stress event identified and continue to pursue its business objective.

D. Valuation for Solvency Purposes

D.1 Assets

Valuation of Assets

The recognition and valuation basis are in accordance with the provisions of the Solvency II Directive. The main difference on a Solvency II valuation basis is on the Reinsurance share of TP, the adjustments for solvency purposes relates to the application of the Solvency II best estimate valuation. The fair value of these combined technical provisions is calculated by discounting estimated future cash-flows (best estimates) based on estimated duration of each provision (payment pattern), using the risk-free interest rate curve. An adjustment for reinsurer default is then applied. Deferred acquisition costs are not recognised on a Solvency II valuation basis, which accounts for the other measurement difference in asset values, compared to Irish GAAP.

Value of the Assets as of 31st December 2023

FDI Insurance DAC Assets (GBP)	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	74,590	-
Deferred Tax Assets	-	163,684
Investments	16,348,767	16,348,767
Reinsurance share of TP - non-life excluding health	720,632	504,074
Cash & Cash Equivalents	726,124	726,124
Any Other Assets, Not Elsewhere Shown	170,186	74,902
Total assets	18,040,299	17,817,551

Value of the Assets as of 31st December 2022

FDI Insurance DAC Assets (GBP)	Current Accounting Bases	SII Valuation Principles
Deferred Acquisition Costs	74,384	-
Deferred Tax Assets	-	152,855
Investments	15,747,779	15,747,779
Reinsurance share of TP - non-life excluding health	417,608	306,377
Cash & Cash Equivalents	602,978	602,978
Any Other Assets, Not Elsewhere Shown	134,917	39,878
Total assets	16,977,665	16,894,867

D.2 Technical Provisions

Valuation of Technical Provisions

Technical provisions are valued in accordance with Article 77 of the Solvency II Directive which states that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin.

Valuation results

Under Solvency II, the balance sheet is required to be valued on a "best estimate" discounted cash flow basis. This leads to differences in technical provision between financial statements and Solvency II.

The table below sets out the results of the Technical Provision calculations on the Financial Statements and Solvency II basis.

Value of the Liabilities as of 31st December 2023

FDI Insurance DAC Liabilities (GBP)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	1,378,596	-
TP calculated as a whole (Best estimate + Risk margin)	-	2,354,799
Best Estimate	-	1,821,309
Risk Margin	-	533,489

Value of the Liabilities as of 31st December 2022

FDI Insurance DAC Liabilities (GBP)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	937,898	-
TP calculated as a whole (Best estimate + Risk margin)	-	1,880,084
Best Estimate	-	1,498,734
Risk Margin	-	381,350

The Solvency II Directive regulation requires the inclusion of "run-off" expenses to be incorporated into the Solvency II calculation. This has been added to the net technical provisions for the Company.

Material Differences in the above used for valuation in Financial Statements

The above table outlines the material differences in the valuation of technical provisions between the Financial Statements and Solvency II valuation.

Simplification

The Company utilises the standard formula for the calculation of its Solvency Capital Requirement ('SCR'). Simplification method two is used for the standard formula.

Uncertainties in the value of Technical Provisions

The key assumptions that impact the Technical Provisions are detailed below along with comments regarding the materiality of these assumptions.

- **Assumed loss ratio:** We have assumed loss ratios of 76%. This is used to capture the expected profit in the unearned premium reserve.

- **Discount rate:** Following increases in interest rates globally during 2022, there has been a stabilisation during 2023. Whilst rates remain high, there has been no significant fluctuation during the year. The effect of discounting upon the Technical Provisions of FDI is relatively nominal given the risks underwritten by the Captive are short-tailed.

- **Expenses:** the total expense involved in the operation of the captive is relatively large when compared to other elements in the calculation of the technical provisions.

- **Reinsurance:** We have also assumed that the reinsurance will perform as expected.

Impact of Reinsurance on Technical Provisions

The impact of reinsurance under SII valuation principles is to reduce the Company's Gross Technical Provisions by GBP 504,074.

Effectiveness of reinsurance arrangements

The Company's "Reinsurance and Other Risk Mitigation Techniques" Policy refers to the below key principle:

- That the reinsurance programme provides cover appropriate to the Company's level of capital, risk profile, business strategy and risk appetite statement.

It is noted that the use of reinsurance is to maintain underwriting risk within the Company's approved risk tolerance levels. The Board were satisfied with the effectiveness of the reinsurance arrangements in place.

Matching Adjustments, Volatility Adjustments and Transitional Measures

The Company has no matching adjustments, volatility adjustments or transitional measures as at the reporting period.

D.3 Other Liabilities

Valuation of liabilities per Class of Liability

Recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Initial measurement

All financial liabilities are initially measured at transaction price.

Value of the Financial Liabilities as of 31st December 2023

LIABILITIES	GBP
Creditors arising out of insurance operations	-
Other creditors including taxation and social security	82,947
Total	**82,947**

Value of the Financial Liabilities as of 31st December 2022

LIABILITIES	GBP
Creditors arising out of insurance operations	-
Other creditors including taxation and social security	75,724
Total	**75,724**

Material Differences in the above used for valuation in Financial Statements

There is no differentiation between the valuation of the other liabilities under FRS financial statements and Solvency II valuation.

D.4 Alternative methods for valuation

No alternative methods for Valuation are utilised.

Going Concern

The Company operates on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. This assumption is based on the Company's significant cash reserves, budget and projections of future profitable business. The Directors do not anticipate an

impact on liquidity due to the cash reserves held as well as claims given the limited claims history. The Company has maintained a strong solvency position with a 31 December 2023 SCR ratio of 139%. The majority of investments are held in short term deposits and are liquid in nature with limited volatility. The Directors are satisfied that there are no conditions or events which indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The Board has made an assessment of the risks involved for the Company regarding the ongoing geopolitical events and is satisfied that based on the information available to date the Company is well positioned and sufficiently capitalised to manage those risks. The Board will continue to closely monitor the evolving situation to evaluate the potential risks to the Company on an ongoing basis and seek to minimise those risks where possible.

E. Capital Management

E.1 Own Funds

Objectives, Policies and Processes for Management of Own Funds

The Own Funds are managed in accordance with the Company's Capital Management Policy and the main objective is continuously maintaining the SCR coverage using a time horizon of three years in accordance with the Own Risk and Solvency Assessment. There have been no material changes to the Capital Management Policy, its main objective or the length of the business planning period, over the course of the reporting period. Any change in the policy is reserved for the Board of the Company.

Structure, Amount and Quality of Own Funds

The Company has Tier 1 unrestricted own funds composed of ordinary share capital and retained earnings, as well as Tier 3 own funds; deferred tax asset.

The table below sets out the Company's Pillar I capital position as at the current and prior financial year-end:

Composition	2023 GBP		2022 GBP	
	Available Capital	Eligible Capital	Available Capital	Eligible Capital
Tier 1 unrestricted	15,162,139	15,162,139	14,724,223	14,724,223
Tier 1 restricted	-	-	-	-
Tier 2 basic	-	-	-	-
Tier 2 ancillary	-	-	-	-
Tier 3	170,329	170,329	152,855	152,855
Total	15,332,468	15,332,468	14,877,078	14,877,078

SCR and MCR Cover

The following tables depict the SCR and MCR coverage for the current and prior reporting periods:

2023				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	11,002,625	15,332,468	139.4%	31.6%
MCR	3,476,200	15,162,139	436.2%	

2022				
Solvency	Capital Requirement	Eligible Capital	Solvency Ratio	MCR as % SCR
SCR	8,511,489	14,877,078	174.8%	41.7%
MCR	3,547,720	14,724,223	415.0%	

Shareholder's Equity versus Excess of Assets Over Liabilities

The difference between the Company's equity as shown in its audited financial statements and the excess of assets over liabilities, as calculated for solvency II purposes, is called Reconciliation Reserve and is composed of:

- the difference between the technical provisions calculated in accordance with Solvency II valuation principles; and
- the removal of deferred acquisition expenses not recognised under Solvency II.

Reconciliation of Basic Own Funds to Equity as per Financial Statements as at 31st December	2023	2022
	GBP	GBP
Solvency II – Excess Assets Over Liabilities	15,332,468	14,877,078
Financial Statements – Shareholder's Equity	16,524,774	15,947,061
Difference:	**(1,192,306)**	**(1,069,983)**
Represented by:		
Difference between Net Technical Provisions and BEL	(659,271)	(767,104)
Risk Margin – Non-Life	(533,489)	(381,350)
Removal of Deferred Acquisition Expenses	(74,590)	(74,384)
Removal of prepaid expenses	(95,284)	-
Adjustment to Deferred Tax	170,329	152,855
Difference:	**(1,192,306)**	**(1,069,983)**

Transitional Arrangements

None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

Ancillary Own Funds

There are no ancillary own funds items.

Deductions and Restrictions

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability.

Deferred Tax Asset

A deferred tax asset in the amount of GBP 163,684 (2022: GBP 152,855) has been calculated as a result of the revaluation of the Company's assets and liabilities applying Solvency II valuation principles. The full deferred tax asset has been recognised on the Company's Solvency II Balance Sheet for the current reporting period.

The Company has determined that sufficient probable future taxable profits would be earned in order to fully utilise the deferred tax asset being recognised.

In revaluing its assets and liabilities using Solvency II principles, the Company is recognising a net deferred tax asset, as quantified above. The net deferred tax asset is available as basic own funds, classified as tier 3 in accordance with Article 76(a)(iii).

In line with the eligibility limits set out in Article 82, tier 3 own funds items, including the net deferred tax asset, do not exceed 15% of the SCR – 2023: 1.6% (2022: 1.6%) – as such the full net deferred tax asset is recognised as eligible own funds.

The amount of deferred tax asset is not deemed to be material.

E.2 SCR & MCR

Requirements for the Reporting Period

The Minimum Capital Requirement ("MCR") and SCR are calculated using the standard formula.

The Company has achieved SCR coverage of 139% (2022: 175%) and MCR coverage of 415% (2022: 415%) as at the 31st of December 2022. It is noted that the MCR is driven by the Absolute Minimum Capital Requirement ("AMCR").

SCR Risk Modules

The table below shows the SCR components by risk module (using the Standard Formula) at the 31st of December 2023:

SCR Overview	GBP 2023	GBP 2022
Market Risk	4,382,399	4,213,866
Counterparty Default Risk	121,942	103,027
Health underwriting risk	0	0
Non-life underwriting risk	8,928,495	6,305,736
Diversification	(2,484,851)	(2,156,102)
Basic Solvency Capital Requirement	**10,947,986**	**8,466,527**
Operational Risk	54,639	44,962
Loss Absorbing Capacity of Deferred Taxes	0	0
Solvency Capital Requirement	**11,002,625**	**8,511,489**

Simplifications

Simplified calculations are not used for any of the risk modules or sub-modules.

Undertaking-Specific Parameters

The Company does not use undertaking specific parameters in its computation.

MCR Inputs

The Minimum Capital Requirement is calculated using the Standard Formula specifications.

The table below shows the inputs into the MCR calculation as at the current and prior reporting period:

MCR Overview	GBP 2023	GBP 2022
Linear MCR	329,423	294,294
SCR	11,002,625	8,511,489
MCR cap	4,951,181	3,830,170
MCR floor	2,750,656	2,127,872
Combined MCR	2,750,656	2,127,872
Absolute floor of the MCR	2,750,656	2,127,872
Minimum Capital Requirement	**3,476,200**	**3,547,720**

Material Changes to SCR and MCR

The observed changes to the Solvency Capital Requirement and to the Minimum Capital Requirement over the reporting period are not material.

Loss-Absorbing Capacity of Deferred Taxes (“LACDT”)

The SCR has not been adjusted for LACDT.

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

The Company does not hold any liabilities that require this approach, therefore this is not applicable for the Company.

E.4 Internal Model Information

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

E.5 Non Compliance with MCR and SCR during the period

The Company was compliant at all times with the MCR and SCR requirements during the reporting period.

FDI Insurance DAC

Solvency and Financial Condition Report

Disclosures

31 December

2023

(Monetary amounts in GBP thousands)

General information

Undertaking name	FDI Insurance DAC
Undertaking identification code	6354004DCXXTSLKWUZ20
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2023
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

S.04.05.21 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

S.05.01.02 - Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

S.17.01.02 - Non-Life Technical Provisions

S.19.01.21 - Non-Life insurance claims

S.23.01.01 - Own Funds

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

S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	170
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	16,349
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	16,349
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	504
R0280	*Non-life and health similar to non-life*	504
R0290	*Non-life excluding health*	504
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	726
R0420	Any other assets, not elsewhere shown	75
R0500	**Total assets**	17,824

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	2,355
R0520	*Technical provisions - non-life (excluding health)*	2,355
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	1,821
R0550	*Risk margin*	533
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	
R0610	*Technical provisions - health (similar to life)*	
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	83
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	54
R0900	**Total liabilities**	2,492
R1000	**Excess of assets over liabilities**	15,332

S.04.05.21

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

R0010		Home Country	Top 5 countries (by amount of gross premiums written): non-life				
			GB				
	Premiums written (gross)	C0010	C0020	C0021	C0022	C0023	C0024
R0020	Gross Written Premium (direct)		1,973				
R0021	Gross Written Premium (proportional reinsurance)						
R0022	Gross Written Premium (non-proportional reinsurance)						
	Premiums earned (gross)						
R0030	Gross Earned Premium (direct)		1,489				
R0031	Gross Earned Premium (proportional reinsurance)						
R0032	Gross Earned Premium (non-proportional reinsurance)						
	Claims incurred (gross)						
R0040	Claims incurred (direct)		44				
R0041	Claims incurred (proportional reinsurance)						
R0042	Claims incurred (non-proportional reinsurance)						
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)		679				
R0051	Gross Expenses Incurred (proportional reinsurance)						
R0052	Gross Expenses Incurred (non-proportional reinsurance)						

S.05.01.02

Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business									1,973								1,973
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share									1,121								1,121
R0200	Net									852								852
	Premiums earned																	
R0210	Gross - Direct Business									1,489								1,489
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share									818								818
R0300	Net									671								671
	Claims incurred																	
R0310	Gross - Direct Business									44								44
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net									44								44
R0550	**Expenses incurred**									679								679
R1210	**Balance - other technical expenses/income**																	
R1300	**Total technical expenses**																	679

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**																	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross									1,722								1,722
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									504								504
R0150	**Net Best Estimate of Premium Provisions**									1,218								1,218
	Claims provisions																	
R0160	Gross									99								99
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default									0								0
R0250	**Net Best Estimate of Claims Provisions**									99								99
R0260	**Total best estimate - gross**									1,821								1,821
R0270	**Total best estimate - net**									1,317								1,317
R0280	**Risk margin**									533								533
R0320	**Technical provisions - total**									2,355								2,355
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**									504								504
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**									1,851								1,851

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Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Underwriting Year

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

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
		Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0	0
R0170	-8	0	0	0	0	0	0	0	0	0			0	0
R0180	-7	0	0	0	0	0	0	0	0				0	0
R0190	-6	0	0	0	0	0	0	0					0	0
R0200	-5	0	0	0	0	0	0						0	0
R0210	-4	0	0	0	0	0							0	0
R0220	-3	0	0	0	0								0	0
R0230	-2	0	0	0									0	0
R0240	-1	0	0										0	0
R0250	0	0											0	0
R0260												Total	0	0

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
		Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0
R0170	-8	0	0	0	0	0	0	0	0	0			0
R0180	-7	0	0	0	0	0	0	0	0				0
R0190	-6	163	0	0	0	0	0	0					0
R0200	-5	151	0	0	0	0	0						0
R0210	-4	160	0	0	0	0							0
R0220	-3	165	0	0	0								0
R0230	-2	166	0	0									0
R0240	-1	180	0										0
R0250	0	103											99
R0260												Total	99

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Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	500	500		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	14,662	14,662			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	170				170
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	15,332	15,162	0	0	170
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	15,332	15,162	0	0	170
R0510	Total available own funds to meet the MCR	15,162	15,162	0	0	
R0540	Total eligible own funds to meet the SCR	15,332	15,162	0	0	170
R0550	Total eligible own funds to meet the MCR	15,162	15,162	0	0	
R0580	**SCR**	11,003				
R0600	**MCR**	3,495				
R0620	**Ratio of Eligible own funds to SCR**	139.35%				
R0640	**Ratio of Eligible own funds to MCR**	433.87%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	15,332				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges	0				
R0730	Other basic own fund items	670				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	14,662				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business					
R0780	Expected profits included in future premiums (EPIFP) - Non- life business					
R0790	**Total Expected profits included in future premiums (EPIFP)**	0				

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	4,382		
R0020	Counterparty default risk	122		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	8,928		
R0060	Diversification	-2,485		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	10,948		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	55
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	11,003
R0210	Capital add-ons already set	0
R0211	*of which, capital add-ons already set - Article 37 (1) Type a*	0
R0212	*of which, capital add-ons already set - Article 37 (1) Type b*	0
R0213	*of which, capital add-ons already set - Article 37 (1) Type c*	0
R0214	*of which, capital add-ons already set - Article 37 (1) Type d*	0
R0220	**Solvency capital requirement**	11,003

	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

		Yes/No
	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	**LAC DT**
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	329

		Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	1,317	852
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	329
R0310	SCR	11,003
R0320	MCR cap	4,951
R0330	MCR floor	2,751
R0340	Combined MCR	2,751
R0350	Absolute floor of the MCR	3,495
R0400	**Minimum Capital Requirement**	3,495