FIDELIS
INSURANCE GROUP

2023

Solvency and Financial Condition Report

FIDELIS INSURANCE IRELAND DAC

CONTENTS

GLOSSARY 2

EXECUTIVE SUMMARY 4

A. BUSINESS AND PERFORMANCE 11
- A1. BUSINESS 11
- A2. UNDERWRITING PERFORMANCE 13
- A3. INVESTMENT PERFORMANCE 21
- A4. PERFORMANCE OF OTHER ACTIVITIES 21
- A5. OTHER INFORMATION REGARDING THE BUSINESS 22

B. SYSTEM OF GOVERNANCE 23
- B1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE 23
- B2. FIT AND PROPER REQUIREMENTS 27
- B3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT 27
- B4. INTERNAL CONTROL SYSTEM 31
- B5. INTERNAL AUDIT FUNCTION 32
- B6. ACTUARIAL FUNCTION 33
- B7. OUTSOURCING 34
- B8. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE 34
- B9. ANY OTHER INFORMATION 35

C. RISK PROFILE 36
- C1. RISK CATEGORIES 36
- C2. RISK EXPOSURES 45
- C3. RISK SENSITIVITY 46
- C4. ANY OTHER INFORMATION 46

D. VALUATION FOR SOLVENCY PURPOSES 48
- D1. ASSETS 49
- D2. TECHNICAL PROVISIONS 51
- D3. OTHER LIABILITIES 56
- D4. ALTERNATIVE METHODS FOR VALUATION 56
- D5. ANY OTHER INFORMATION 56

E. CAPITAL MANAGEMENT 57
- E1. OWN FUNDS 57
- E2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT 59
- E3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SCR 60
- E4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED 60
- E5. NON-COMPLIANCE WITH MCR AND SCR 60
- E6. ANY OTHER INFORMATION 61

QUANTITATIVE REPORTING TEMPLATES (QRTs) 62

GLOSSARY

BBNI	Bound but not Incepted
BSCR	Basic Solvency Capital Requirement
CBI	Central Bank of Ireland
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EMT	Executive Management Team
ENID	Events Not in Data
EPIFP	Expected Profit included in Future Premiums
ERM	Enterprise Risk Management
FEHL	Fidelis European Holdings Limited (UK)
FIBL	Fidelis Insurance Bermuda Limited
Fidelis IG	Fidelis Insurance Group
Fidelis Partnership	The Fidelis Partnership
FIID	Fidelis Insurance Ireland Designated Activity Company
FIHL	Fidelis Insurance Holdings Limited
FRS 102	The Financial Reporting Standard applicable in the UK and Republic of Ireland
FRS 103	The Financial Reporting Standard for Insurance Contracts
HIA	Head of Internal Audit
HoAF	Head of Actuarial Function
IBNR	Incurred But Not Reported
IELR	Initial Expected Loss Ratio
IGR	Intra-Group Reinsurance
IIA	Institute of Internal Auditors
INED	Independent Non-Executive Director
Irish GAAP	Irish Generally Accepted Accounting Principles
IT	Information Technology
MCR	Minimum Capital Requirement
MGA	Managing General Agent
MGU	Managing General Underwriter
Net acquisition cost ratio	The ratio of net acquisition expenses to net premiums earned
Net loss ratio	The ratio of net losses to net premiums earned
Net underwriting contribution	Net premiums earned less net losses, less net acquisition expenses
OEP	Occurrence Exceedance Probability
ORSA	Own Risk and Solvency Assessment
Outsourcing Controls	Outsourcing Policy and Outsourcing Procedure
PCF	Pre-Approval Controlled Functions
PML	Probable Maximum Loss
PWE	Pine Walk Europe SRL
QRT	Quantitative Reporting Template
QS	Quota share

GLOSSARY (CONTINUED)

RCC	Risk and Capital Committee, a committee of the FIID Board
RDS	Realistic Disaster Scenarios
ROE	Return on Equity
RRC	Risk and Return Committee, a management committee
RSR	Regular Supervisory Report
RSU	Restricted Share Unit
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SLA	Service Level Agreement
TPs	Technical Provisions
ULAE	Unallocated Loss Adjustment Expenses
UMCC	Underwriting Marketing Conference Call

EXECUTIVE SUMMARY

Fidelis Insurance Ireland Designated Activity Company ("FIID" or "the Company") presents its Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2023. The SFCR covers the Company's business and performance, system of governance, risk profile, valuation for solvency purposes, and capital management. The report details FIID's risk profile and its solvency and capital needs and examines how the Company's governance framework and risk management processes support it in identifying, monitoring, and assessing these needs.

A copy of this report is available on the Company's website: https://investors.fidelisinsurance.com/financials/Other-Financial-Results/default.aspx

The administrative body that has ultimate responsibility for all these matters is the Company's Board of Directors, with the assistance of various governance and control functions which are in place to monitor and manage the business.

Throughout this document we have used acronyms and have defined these in the glossary, please refer to page 3.

OVERVIEW

FIID is a non-life insurance company headquartered in Dublin, Ireland. The Company writes a mix of Specialty and Bespoke classes of general (re)insurance.

FIID is a 100% directly owned subsidiary of Fidelis European Holdings Limited (UK domiciled) ("FEHL"), which is 100% owned by Fidelis Insurance Bermuda Limited ("FIBL") and is part of the Fidelis Insurance Group ("the Group"), ultimately owned by Fidelis Insurance Holdings Limited ("FIHL"). FIID is regulated by the Central Bank of Ireland ("CBI").

MATERIAL EVENTS

Fidelis Insurance Group Reorganisation

On 3 January 2023, a number of separation and reorganization transactions occurred to create two distinct holding companies and businesses: FIHL and Shelf Holdco II Limited, which is the parent company of an external managing general underwriting platform known as "The Fidelis Partnership" (the "Separation Transactions"). As part of the Separation Transactions, the Group and The Fidelis Partnership entered into a number of agreements governing the outsourced relationship from the Group to The Fidelis Partnership, including the "Framework Agreement", a series of "Delegated Underwriting Authority Agreements" and the "Inter-Group Services Agreement". These agreements govern the ongoing relationship between the two groups of companies, including delegating underwriting authority to the operating subsidiaries of The Fidelis Partnership to source and bind contracts for each of the subsidiaries of FIHL. Pine Walk Europe SRL ("PWE") is contractually permitted to accept risks on the Company's behalf pursuant to and in accordance with the terms of the Framework Agreement and the Delegated Underwriting Authority Agreement between FIID and Pine Walk Europe (the "Irish Delegated Underwriting Authority Agreement").

The Group has an exclusive right of first access to The Fidelis Partnership's underwriting business via the Framework Agreement where FIHL's underwriters collaborate closely with the Fidelis Partnership to match superior priced risks with efficient sources of capital to produce market leading returns for shareholders.

Through this operating model the Group is well positioned to be a nimble, thoughtful, and efficient decision-maker and is able to respond quickly to an ever-changing world and a constantly evolving marketplace. Furthermore, FIHL's strong capital position provides flexibility to underwrite attractive opportunities and make strategic capital allocation decisions.

Initial Purchase Offering ("IPO")

On July 3, 2023, FIHL completed an IPO of an aggregate of 15,000,000 common shares, including 7,142,857 common shares sold by Fidelis and 7,857,143 common shares sold by certain selling shareholders, at an offering price of $14.00 per common share. FIHL's common shares are now listed on the New York Stock Exchange under the symbol "FIHL".

For more information on the IPO, please refer to FIHL's final prospectus filed pursuant to Rule 424(b)(4) (Registration No. 333-271270) with the SEC on June 30, 2023 (the "Registration Statement"), available electronically at www.sec.gov. In particular, the Registration Statement highlighted that the use of the net proceeds would be to make capital contributions to the insurance operating subsidiaries, including to FIID in an amount of $25.0 million, which, together with other sources of liquidity, would enable the Group to take advantage of the sustained hard market conditions in the key insurance markets in which it participates.

MATERIAL EVENTS (continued)

Liquidation of subsidiary

On 24 March 2022 the Company incorporated a wholly-owned subsidiary in Belgium, Fidelis Insurance Europe S.A. Fidelis Insurance Europe S.A. had no trading activity during 2022 or 2023. The subsidiary was liquidated on 29 September 2023.

Conflict in Ukraine

Following Russia's invasion of Ukraine on 24 February 2022, government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Many of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft. The insurers have denied the claims and the lessors have instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including the Company. Provision has been made in the Company's reserves for losses and loss adjustment expenses for potential exposures relating to the Ukraine Conflict, a considerable majority of which are reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings.

This is an unprecedented event, which, as of the date of this report, is anticipated to continue for a protracted period of time and presents unique circumstances and coverage issues in respect of both the gross loss and consequent extent of the reinsurance recoveries, which will continue to be unresolved until the multiple courts rule on the merits of the lawsuits. The situation is continuously evolving, including with respect to explorative discussions ongoing between Western leasing firms and Russian airline operators for the sale of some of the unreturned aircraft to the Russian operators. Such discussions, if successful, may lead to a reduction in any potential exposures under the relevant insurance policies.

While it is not feasible to predict or determine the ultimate outcome of the above mentioned proceedings, Management do not believe that the outcome of these proceedings will have a material adverse effect on the financial condition of the Company, after consideration of any applicable reserves.

SOLVENCY II

As a regulated insurance company, FIID is subject to the regulatory rules and principles adopted by Ireland and the European Union which came into effect on 1 January 2016. Solvency II is a regulatory regime designed to set an appropriate level of capital which appropriately reflects the specific risk profile of insurance companies within the regime.

One of the biggest sources of risk for insurance companies in their business models relates to the uncertainty around forecasting what the Company's future claims might be for the insurance policies that it has underwritten. Some of these insurance liabilities are realised many years after the original policy incepted and the associated premium collected. Regulatory capital is designed to act as a buffer, held within the Company's assets and liabilities, which provides security to protect policyholders should the Company incorrectly estimate its future liabilities or if unforeseen stressed events occur which impact the markets in which it operates.

This SFCR is a Solvency II requirement produced in accordance with Article 52 of Statutory Instrument 485 of 2015, Articles 290 to 303 of Commission Delegated Regulation (EU) 2015/35 and the EIOPA guidelines on reporting and public disclosure (B0S-15-109). The SFCR is designed to give the Company's customers and stakeholders an insight into the types of business the Company writes, how it manages that business and the overall solvency and financial condition of the Company, including its solvency capital position.

FIID presents its SFCR for the year ended 31 December 2023. All amounts stated are in thousands of US dollars, unless stated otherwise.

CAPITAL POSITION AND FINANCIAL STRENGTH

Under the Solvency II framework, FIID is required to hold sufficient economic capital to withstand the impact of an adverse 1-in-200 year event (or series / combination of events). This is referred to as FIID's Solvency Capital Requirement (or "SCR"). FIID measures its SCR using the Standard Formula and each year obtains independent confirmation that it is appropriate to measure the SCR using this approach. At 31 December 2023 the Company's SCR coverage ratio stood at 201.9% (2022: 164.4%). The Company's Solvency Capital Requirement stood at $91.1 million and as at that date it had surplus funds of $92.9 million. The Group's operating companies have a financial strength rating of "A (Excellent)" rating A.M. Best, A- from Standard & Poor's Global Ratings and A3 from Moody's.

RECLASSIFICATION OF PRIOR YEAR BALANCES

Profit commissions on gross and ceded business, presented within premiums written and earned in prior periods, have been presented within net operating expenses in the current period, with prior period comparatives restated, on an Irish Generally Accepted Accounting Principles ("Irish GAAP") basis.

The revised presentation is consistent with FRS 102.10.4. Management believes that inclusion of profit commissions within reinsurance commissions reflects the substance of the transactions and faithfully presents the financial

performance of the entity. The substance of a profit commission is a particular type of commission that is contingent upon achieving defined profit levels on the underlying business. Management believes that it meets the requirements of FRS 102.3.11 that the new presentation be "more appropriate" than netting such commissions against premiums written.

We believe that this change in presentation of profit commissions is also reasonable from an Irish GAAP basis, as it follows a significant change in the nature of the entity's operations and a detailed review of the financial statements.

The impact of the reclassifications is shown below in the income statement (technical account only) with no impact on the balance sheet (the format below reflecting statutory accounts presentation):

$ thousands	2022 Restated	2022 As previously Reported	2022 Impact
Gross premiums written	546,491	536,483	10,008
Outward reinsurance premiums	(486,656)	(485,771)	(885)
Net premiums written	**59,835**	**50,712**	**9,123**
Change in the net provision for unearned premiums	(19,246)	(19,246)	—
Earned premiums, net of reinsurance	**40,589**	**31,466**	**9,123**
Claims incurred, net of reinsurance	**(25,914)**	**(25,914)**	**—**
Acquisition costs	(41,841)	(31,833)	(10,008)
Other expenses	22,924	22,039	885
Net operating expenses	**(18,917)**	**(9,794)**	**(9,123)**
Investment return transferred from the non-technical account	(121)	(121)	—
Balance on the technical account - non-life insurance	**(4,363)**	**(4,363)**	**—**

In this SFCR report we have reclassified certain balances in prior year comparatives. These are summarized in the table below:

RECLASSIFICATION OF PRIOR YEAR BALANCES (continued)

$ thousands	2022 Restated	2022 As previously Reported	2022 Impact
Gross premiums written	546,491	536,483	10,008
Outward reinsurance premiums	(486,656)	(485,771)	(885)
Net premiums written	**59,835**	**50,712**	**9,123**
Change in the net provision for unearned premiums	(19,246)	(19,246)	—
Earned premiums, net of reinsurance	**40,589**	**31,466**	**9,123**
Claims incurred, net of reinsurance	**(24,555)**	**(25,914)**	**1,359**
Acquisition expenses	(5,874)	3,249	(9,123)
Other expenses	(14,587)	(13,228)	(1,359)
Total expenses incurred	**(20,461)**	**(9,979)**	**(10,482)**
Total net result per Form S.05	**(4,427)**	**(4,427)**	**—**

BUSINESS AND PERFORMANCE (SECTION A)

The Company writes a mix of specialty and bespoke classes of general insurance and reinsurance business across seven Solvency II lines of business. The business is underwritten or managed by PWE in accordance with the terms of the Irish Delegated Underwriting Authority Agreement and is subject to the robust monitoring and oversight framework operated by FIID.

The Company has ongoing intragroup reinsurance agreements with the Group's Bermuda carrier, FIBL, to maintain its risk profile in line with FIID's approved risk appetite.

The table below shows the net underwriting contribution for the years ended 31 December 2023 and 31 December 2022 on a Solvency II basis.

$ thousands	2023	2022 (Restated)	2022
Gross premiums written	580,701	546,491	536,483
Net premiums written	56,672	59,835	50,712
Net premiums earned	45,235	40,589	31,466
Net claims incurred	(13,837)	(24,555)	(25,914)
Net acquisition expenses	(608)	(5,874)	3,249
Net underwriting contribution	**30,790**	**10,160**	**8,801**
Net loss ratio	30.6 %	60.5 %	82.4 %
Net acquisition ratio	1.3 %	14.5 %	(10.3)%
Net combined ratio	68.9 %	110.5 %	113.5 %

The net underwriting contribution generated during 2023 was $30.8 million, which compares with $10.2 million in 2022 (as restated). This was impacted primarily by:

- An increase in net premiums earned from $40.6 million to $45.2 million, reflecting the Company's growth during the current and prior years;
- A decrease in loss ratio from 60.5% to 30.6% during the year. Prior year reserves were significantly impacted by loss provisions associated with the Russian invasion of Ukraine in February 2022; and
- A reduction in net acquisition expenses year-on-year.

The Company's underwriting performance is reviewed in further detail in section A.2.

Investment returns during the prior year were adversely impacted by market volatility, increasing interest rates and global macroeconomic events, but have improved significantly in 2023. Further information is included in section A.3.

SYSTEM OF GOVERNANCE (SECTION B)

The Group has implemented a system of corporate governance controls to ensure that enterprise risk management is maintained at a high standard and that the business is operating in an efficient and effective manner. The FIID Board aligns its system of corporate governance with that of the Group where appropriate.

FIID is governed by its Board of Directors and two sub-committees of the Board: the Audit Committee and the Risk and Capital Committee. The FIID Board is ultimately responsible for ensuring that the principles of good governance are observed.

FIID has an Internal Control and Risk Management Framework and employs the “Three Lines of Defence” model to manage risk. The integration of the risk management process, business strategy, business planning, and capital management is defined through FIID’s approach to its ORSA. Both the management team and the Board are engaged with the ORSA process and use it as a tool to help deepen their understanding of the business, better understand the risks and opportunities facing it, and to refine and focus FIID’s strategic thinking and priorities.

RISK PROFILE (SECTION C)

The Company is exposed to risks from several sources. These include non-life underwriting risk, market risk, counterparty default risk, liquidity risk, operational risk, strategic risk and emerging risk. Each of these risk areas is described in more detail in section C.

Underwriting risk is a material component of FIID’s risk profile and is primarily driven by man-made catastrophe risk. Major underwriting risks, including man-made catastrophe risk, are captured within FIID’s RDS framework and are adequately reflected within the Standard Formula premium and catastrophe modules.

The Company has entered intragroup reinsurance agreements with FIBL, to maintain its risk profile in line with FIID’s approved risk appetite.

Investment risk is not considered to be a material component of FIID’s risk profile since FIID’s investment portfolio consists of cash, government and corporate bonds.

The level of FIID’s capital is adequate for its risk profile under both normal and stressed conditions and as evidenced by the stress and scenario testing under the ORSA, FIID has been assessed to have sufficient capital to withstand a 1-in-200-year loss event.

VALUATION FOR SOLVENCY PURPOSES (SECTION D)

The assets and liabilities in the Solvency II balance sheet have been valued using Solvency II valuation principles. Under these principles items on FIID's balance sheet are valued at the amount at which the assets and liabilities could be exchanged between knowledgeable and willing parties in an arm's length transaction. Solvency II valuation rules are different, in some areas, than those used in the Company's Irish GAAP financial statements, with the valuation of technical provisions ("TPs") being a major area of difference.

As at 31 December 2023 the Company's assets less liabilities were valued at $184.1 million under Solvency II, compared with $185.2 million under Irish GAAP.

See section D for more detail on the valuation methods, bases and assumptions of assets and liabilities in the Solvency II balance sheet as well as a comparison to Irish GAAP.

CAPITAL MANAGEMENT (SECTION E)

The objective of capital management is to maintain, at all times, sufficient capital to safeguard the Company's ability to continue as a going concern and to protect the interests of its customers, investors, regulators, and trading partners while also efficiently deploying capital and managing risk to sustain ongoing business development. FIID's capital management objective is also to ensure that the Company fulfils its obligations to measure, monitor, manage and report its capital position, both required and available, internally and externally as required, in accordance with relevant regulatory requirements.

The Company received capital contributions from FEHL in July 2023 for $25.0 million (2022: $20.0 million in March and $20.0 million in May). These capital contributions were approved by the CBI as Tier 1 capital.

The Company calculates its SCR using the Standard Formula. The Company does not use any Undertaking Specific Parameters allowed under Solvency II, nor does it use simplified calculations for any of the risk modules.

The following table shows the difference between equity as shown in the financial statements and the Solvency II excess of assets over liabilities:

$ thousands	**2023**	**2022**
Total Irish GAAP equity	185,193	140,917
Valuation adjustments relating to technical provisions	(1,328)	(2,638)
Deferred tax effect	199	323
Total basic own funds	**184,064**	**138,602**

Solvency II own funds of $184.1 million were less than capital calculated on an Irish GAAP basis, driven by the movement in Irish GAAP technical provisions, solvency risk margin and additional expenses in running off Irish GAAP technical provisions. This is partially offset by expected profits in future premium.

See section E of this report for further details on the Company's Solvency II own funds.

The SCR, MCR, Solvency II own funds and SCR coverage ratio (ratio of eligible own funds to SCR) were as follows as at 31 December 2023 compared to 2022:

$ thousands	**2023**	**2022**
SCR	91,148	84,289
MCR	22,787	21,072
Solvency II eligible own funds	184,064	138,602
Coverage ratio	201.9%	164.4%

FIID benefits from a contractual intragroup guarantee provided by FIHL. Under the terms of the guarantee, FIHL undertakes to satisfy all liabilities of FIID in the event of its insolvency. This provides a degree of protection greater than that required by the Solvency II SCR.

Additionally, FIID entered into a capital maintenance agreement in 2021, which commits FIBL to provide sufficient capital to maintain FIID's regulatory solvency position equivalent to 105% of its Solvency II SCR Coverage Ratio. This agreement includes a clause that the commitment will be triggered if the FIID Board believes that the Solvency II SCR Coverage Ratio will drop below this position at any point over a subsequent nine-month period. FIBL is required to provide the funds within 15 Business Days of receipt of a valid demand from FIID under the agreement. Any funds provided under the agreement must be of a form that can be used to meet FIID's solvency capital requirements.

During 2023 there were no incidences of non-compliance with SCR or MCR requirements.

SFCR REQUIREMENTS

FIID's Solvency and Financial Condition Report is produced in accordance with Article 52 of S.I. 485 of 2015, Articles 290 to 303 of Commission Delegated Regulation (EU) 2015/35 and the EIOPA guidelines on reporting and public disclosure (B05-15-09). The SFCR is required to be produced and made publicly available on an annual basis.

Article 5 of Commission Implementing Regulation (EU) 2023/895 requires that certain Quantitative Reporting Templates (QRTs) are to be included in the SFCR. These are included in the Appendix to this report.

EXTERNAL AUDIT

The Company's statutory auditors, KPMG, have audited the following QRTs:

- S.02.01.02 : Balance Sheet
- 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

KPMG have reviewed the narrative sections of this report (sections D and E) for consistency with the related QRTs, in accordance with the Central Bank of Ireland's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures.

MATERIALITY

In preparing the SFCR, information disclosed is considered to be material where omitting, misstating or obscuring that information could reasonably be expected to influence the decisions or judgment of the users of this document.

APPROVAL

This SFCR report was reviewed and approved by the Board of Directors of FIID on 27 March 2024.

SECTION A : BUSINESS AND PERFORMANCE

A1. BUSINESS PROFILE

A1.1 Information regarding the business of the Company

Fidelis Insurance Group ("FIG") is a global specialty insurer, leveraging strategic partnerships to offer innovative and tailored insurance solutions. FIG has a highly diversified portfolio focused on three segments: Specialty, Bespoke, and Reinsurance, which we believe allows us to take advantage of the opportunities presented by evolving (re)insurance markets, proactively shift our business mix across market cycles, and produce superior underwriting returns.

Headquartered in Bermuda, with worldwide offices including Ireland and the UK, Fidelis Insurance Group operating companies have a financial strength rating of A from AM Best, A- from S&P and A3 from Moody's. The Group is supervised by the Bermuda Monetary Authority.

FIID is a non-life insurance company headquartered in Dublin, Ireland. It was incorporated on 27 December 2017 and received authorisation from the Central Bank of Ireland to underwrite business on 22 October 2018. The Company writes a mix of Specialty and Bespoke classes of general (re)insurance.

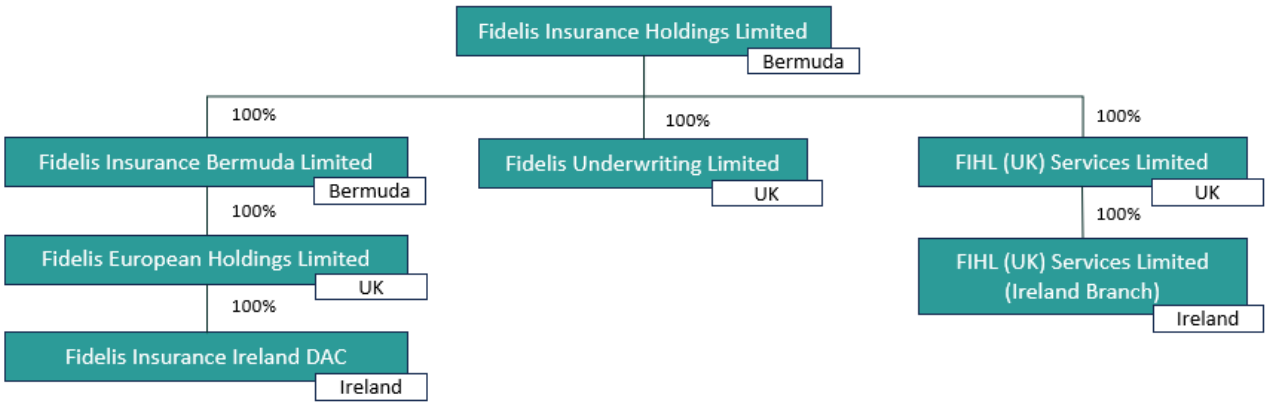
FIID is a 100% directly owned subsidiary of FEHL, which is 100% owned by FIBL and is part of the Group, ultimately owned by FIHL. FIID is regulated by the Central Bank of Ireland. On 24 March 2022 the Company incorporated a wholly-owned subsidiary in Belgium, Fidelis Insurance Europe S.A. Fidelis Insurance Europe S.A. had no trading activity during 2022 or 2023 and was liquidated on 29 September 2023.

FIID is limited by shares and its company number is 617908. Details of the Company's registered office, supervisory authorities and external auditors are shown below:

Registered office:	70 Sir John Rogerson's Quay Grand Canal Dock Dublin 2 Tel : +353 (0)1 566 8080
Supervisory authorities:	Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1 D01 F7X3 Tel : +353 (0)1 224 6000 Email : enquiries@centralbank.ie
External Auditors:	KPMG Chartered Accountants 1 Harbourmaster Place, IFSC, Dublin 1, D01 F6F5 Tel : +353 (0)1 410 1000

A1.2 Position within the legal structure of the Fidelis Insurance Group

The following simplified group structure chart provides details of the ownership in the Company as at 31 December 2023:



A1.3 Material lines of business and material geographic areas where the Company carries out business

The principal activity of the Company is the underwriting of general insurance business in the EEA. The Company's core product lines in 2023 were Marine, Bespoke insurance, Credit & Political Risk, Aviation & Aerospace, Property and Energy.

A1.4 Material events

Fidelis Insurance Group Restructuring

On 3 January 2023, a number of separation and reorganization transactions occurred to create two distinct holding companies and businesses: FIHL and Shelf Holdco II Limited, which is the parent company of an external managing general underwriting platform known as "The Fidelis Partnership" (the Separation Transactions, as defined above). As part of the Separation Transactions, the Group and The Fidelis Partnership entered into a number of agreements governing the outsourced relationship from the Group to The Fidelis Partnership, including the Framework Agreement, a series of Delegated Underwriting Authority Agreements and the Inter-Group Services Agreement. These agreements govern the ongoing relationship between the two groups of companies, including delegating underwriting authority to the operating subsidiaries of The Fidelis Partnership to source and bind contracts for each of the subsidiaries of FIHL. PWE is contractually permitted to accept risks on the Company's behalf pursuant to and in accordance with the terms of the Framework Agreement and the Irish Delegated Underwriting Authority Agreement.

The Group has an exclusive right of first access to The Fidelis Partnership's underwriting business via the Framework Agreement where FIHL's underwriters collaborate closely with The Fidelis Partnership to match superior priced risks with efficient sources of capital to produce market leading returns for shareholders.

Through this operating model, the Group is well positioned to be nimble, thoughtful, and efficient decision-makers, and we believe that we are able to respond quickly to an ever-changing world and a constantly evolving marketplace. Furthermore, FIHL's strong capital position provides flexibility to underwrite attractive opportunities and make strategic capital allocation decisions.
For more information on the Group's strategic partnership with The Fidelis Partnership, please refer to FIHL's Annual Report in respect of the year ended December 31, 2023, filed on Form 20-F with the SEC on March 15, 2024 (the "2023 Annual Report"), available electronically at www.sec.gov.

IPO
On July 3, 2023, FIHL completed an IPO of an aggregate of 15,000,000 common shares, including 7,142,857 common shares sold by Fidelis and 7,857,143 common shares sold by certain selling shareholders, at an offering price of $14.00 per common share. FIHL's common shares are now listed on the New York Stock Exchange under the symbol "FIHL".

A1.4 Material events (continued)

For more information on the IPO, please refer to FIHL's final prospectus filed pursuant to Rule 424(b)(4) (Registration No. 333-271270) with the SEC on June 30, 2023 (the "Registration Statement"), available electronically at www.sec.gov. In particular, the Registration Statement highlighted that the use of the net proceeds would be to make capital contributions to the insurance operating subsidiaries, including to FIID in an amount of $25.0 million, which, together with other sources of liquidity, would enable the Group to take advantage of the sustained hard market conditions in the key insurance markets in which it participates.

Liquidation of subsidiary

On 24 March 2022 the Company incorporated a wholly-owned subsidiary in Belgium, Fidelis Insurance Europe S.A. Fidelis Insurance Europe S.A. had no trading activity during 2022 or 2023. The subsidiary was liquidated on 29 September 2023.

Conflict in Ukraine

Similar to the rest of the insurance and reinsurance industry, we are from time to time subject to litigation and arbitration in the ordinary course of business. We may also be subject to other potential litigation, disputes and regulatory or governmental inquiry from time to time in the ordinary course of business. While it is not feasible to predict or determine the ultimate outcome of the pending or threatened proceedings, the Company's Board of Directors do not believe that the outcome of these proceedings, including those discussed below, will have a material adverse effect on the financial condition of the Company, after consideration of any applicable reserves.

Following Russia's invasion of Ukraine on February 24, 2022, government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Many of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft. The insurers have denied the claims and the lessors have instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including the Company. Provision has been made in the Company's reserves for losses and loss adjustment expenses for potential exposures relating to the Ukraine Conflict, a considerable majority of which are reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings.

This is an unprecedented event, which, as of the date of this report, is anticipated to continue for a protracted period of time and presents unique circumstances and coverage issues in respect of both the gross loss and consequent extent of the reinsurance recoveries, which will continue to be unresolved until the multiple courts rule on the merits of the lawsuits. The situation is continuously evolving, including with respect to explorative discussions ongoing between Western leasing firms and Russian airline operators for the sale of some of the unreturned aircraft to the Russian operators. Such discussions, if successful, may lead to a reduction in any potential exposures under the relevant insurance policies.

A2. UNDERWRITING PERFORMANCE

The Company currently writes seven Solvency II lines of business: marine, aviation and transport insurance, fire and other damage to property insurance, general liability, credit and suretyship insurance, miscellaneous financial loss, non-proportional marine, aviation and transport reinsurance and non-proportional property reinsurance.

FIID's underwriting strategy is to write a mix of bespoke and specialty business.

The table below details the underwriting performance by Line of Business for 2023 and the prior year. All values shown in this section are reported on a Solvency II basis and are in thousands of US Dollars ($000).

A2. UNDERWRITING PERFORMANCE (continued)

2023	Direct and accepted proportional business					Accepted non-proportional reinsurance		
$ thousands	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Miscellaneous financial loss**	**Marine, aviation, and transport**	**Property**	**Total**
Gross premiums written	283,487	41,726	47,785	191,872	15,877	(233)	187	580,701
Net premiums written	28,387	6,226	1,882	17,309	2,768	(50)	150	56,672
Net premiums earned	23,957	5,453	6,392	5,113	4,315	(58)	63	45,235
Net claims incurred	(8,136)	(76)	(2,116)	(2,576)	(277)	(586)	(70)	(13,837)
Net acquisition expenses	3,713	(2,787)	573	(1,198)	(651)	(206)	(52)	(608)
Net underwriting contribution	**19,534**	**2,590**	**4,849**	**1,339**	**3,387**	**(850)**	**(59)**	**30,790**
Net loss ratio	34.0 %	1.4 %	33.1 %	50.4 %	6.4 %	(1010.3)%	111.1 %	30.6 %
Net acquisition cost ratio	(15.5)%	51.1 %	(9.0)%	23.4 %	15.1 %	(355.2)%	82.5 %	1.3 %

A2. UNDERWRITING PERFORMANCE (continued)

2022 (Restated)	Direct and accepted proportional business					Accepted non-proportional reinsurance		
$ thousands	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Marine, aviation, and transport	Property	Total
Gross premiums written	253,010	39,626	138,803	97,881	17,171	—	—	546,491
Net premiums written	27,707	3,774	19,201	5,251	3,902	—	—	59,835
Net premiums earned	21,527	3,467	5,981	2,688	6,926	—	—	40,589
Net claims incurred	(17,528)	(615)	(772)	(1,949)	(4,974)	149	1,134	(24,555)
Net acquisition expenses	(4,036)	1,378	(1,178)	3,505	(5,543)	—	—	(5,874)
Net underwriting contribution	**(37)**	**4,230**	**4,031**	**4,244**	**(3,591)**	**149**	**1,134**	**10,160**
Net loss ratio	81.4 %	17.7 %	12.9 %	72.5 %	71.8 %	0.0 %	0.0 %	60.5 %
Net acquisition cost ratio	18.7 %	(39.7)%	19.7 %	(130.4)%	80.0 %	0.0 %	0.0 %	14.5 %

A2. UNDERWRITING PERFORMANCE (continued)

Gross premiums written increased in 2023 to $580.7 million (2022: $546.5 million). The increase in premium was largely attributable to credit and suretyship and marine, aviation and transport insurance business. The main driver for the growth has been continued rate improvement and growth in the aviation and credit and suretyship classes. This is partially offset by decreases in general liability insurance as a result of a reduction in warranty EEA business.

Net premiums written were $56.7 million (2022: $59.8 million). While gross premium income increased during the year there was an increase in average reinsurance spending across the business. Further detail by line of business is discussed in section A2.1.

Net premiums earned for the year were $45.2 million (2022: $40.6 million) reflecting the increase in volumes, particularly in marine, aviation and transport and credit and suretyship business.

Net claims incurred for the year were $13.8 million (2022: $24.6 million) and the net loss ratio for 2023 was 30.6% (2022: 60.5%). The decrease was due to the establishment of additional loss provisions in 2022, predominantly in its marine, aviation and transport insurance book, in respective of the conflict in the Ukraine. In miscellaneous financial loss, the Company also made a provision for a potential large loss on title business in 2022, which was the key driver in the decreased level of losses in 2023 compared with that year.

The ratio of net acquisition expenses to net premiums earned was 1.3% (2022: 14.5%) with the decrease driven by lower profit commissions on Marine business, differing levels of reinsurance by class, and product mix. Further analysis of net acquisition costs by line of business is included in section A2.1 below.

The Company's combined ratio has decreased during the year to 68.9% (2022: 110.5%). This was driven mainly by the 29.9% point decrease in net loss ratio and 13.2% point decrease in net acquisition cost ratio referenced above.

A2.1 Material Lines of Business

The commentary below, by Solvency II line of business, incorporates values reported in the S.05.01 QRT (which is included in Appendix 1 - Quantitative Reporting Templates). The Company's underwriting performance by geographical area is detailed in the QRT S.04.05.21.

A.2.1.1 Marine, aviation, and transport

$ thousands	2023	2022 (Restated)
Gross premiums written	283,487	253,010
Net premiums written	28,387	27,707
Net premiums earned	23,957	21,527
Net claims incurred	(8,136)	(17,528)
Net acquisition expenses	3,713	(4,036)
Net underwriting contribution	**19,534**	**(37)**
Net loss ratio	34.0 %	81.4 %
Net acquisition cost ratio	(15.5)%	18.7 %

This class of business is composed of the Company's aviation, aerospace and marine lines.

The 12% increase in gross premiums written was driven by aviation business (up $47.7 million), due to an improved rating environment and additional opportunities relating to the Ukraine Conflict. This was partially offset by reductions in marine business (down $20.9 million) with some portfolio rebalancing on business written through Navium Marine. Net premium written has increased 2% as there has been a proportionally greater spend on reinsurance in 2023 than in the prior year. Net premiums earned have increased 11%, broadly in line with the growth in top line and earnings from business written in 2022.

The decrease in the net loss ratio to 34.0% from 81.4% in the prior year was primarily driven by additional loss provisions established in 2022 against potential aviation and aerospace losses relating to the Russia/Ukraine war.

A2.1 Material Lines of Business (continued)

Net acquisition costs have reduced compared with the prior year which is mainly attributable to Marine business. During 2023 there was a lower level of profit commission paid on this business.

A.2.1.2 Fire and other damage to property

$ thousands	2023	2022 (Restated)
Gross premiums written	41,726	39,626
Net premiums written	6,226	3,774
Net premiums earned	5,453	3,467
Net claims incurred	(76)	(615)
Net acquisition expenses	(2,787)	1,378
Net underwriting contribution	**2,590**	**4,230**
Net loss ratio	1.4 %	17.7 %
Net acquisition cost ratio	51.1 %	(39.7)%

This class of business includes the Company's property, nuclear property and energy lines of business.

Gross premiums written increased 5% from $39.6 million in the prior year to $41.7 million, with the most significant increase in energy premiums ($16.7 million), mainly driven by increased opportunities in renewable energy. This is partially offset by a decrease in property business ($15.9 million).

Net premiums written has increased 65% and net premiums earned have increased 57%. The increases are attributable to business mix with the energy business written having a proportionally lower reinsurance spend than property.

Claims activity during the year has been relatively benign and has led to a low net loss ratio, also reflecting some net favourable prior year development in reserves.

Net acquisition costs have increased compared with the prior year due to a reduction in the level of overrider income earned from reinsurance policies during 2023.

A.2.1.3 General liability

$ thousands	2023	2022 (Restated)
Gross premiums written	47,785	138,803
Net premiums written	1,882	19,201
Net premiums earned	6,392	5,981
Net claims incurred	(2,116)	(772)
Net acquisition expenses	573	(1,178)
Net underwriting contribution	**4,849**	**4,031**
Net loss ratio	33.1 %	12.9 %
Net acquisition cost ratio	(9.0)%	19.7 %

This class of business is inclusive of the Company's warranty, product recall and cyber business.

The 66% decrease in gross premiums written was mainly driven by decreases in warranty business ($76.6 million) associated with third party MGAs, as the merger and acquisition markets were slower than expected in 2023. There was also a decrease in cyber premiums ($7.8 million) due to a reduction in renewals during 2023. On General Liability business written during the year there was a relative increase in the level of reinsurance protection purchased; as such net premium written reduced 90% during the year. Net premiums earned have however increased as business written in prior years earned through in 2023.

A2.1 Material Lines of Business (continued)

The increase in net loss ratio was primarily driven by loss activity in the reps and warranty business.

Net acquisition costs have decreased due to the proportionally higher level of reinsurance purchased in 2023 and associated ceding commissions being earned.

A.2.1.4 Credit and suretyship

$ thousands	2023	2022 (Restated)
Gross premiums written	191,872	97,881
Net premiums written	17,309	5,251
Net premiums earned	5,113	2,688
Net claims incurred	(2,576)	(1,949)
Net acquisition expenses	(1,198)	3,505
Net underwriting contribution	**1,339**	**4,244**
Net loss ratio	50.4 %	72.5 %
Net acquisition cost ratio	23.4 %	(130.4)%

This class of business includes mortgage insurance, surety and other credit business.

The 96% increase in gross premiums written was mainly driven by an increase in credit business ($90.3 million) due to increased opportunities in business written through Pernix Specialty. Net premiums written have more than trebled due to both the increase in gross premiums and an average reduction in reinsurance purchased on business written. Net premium earned has increased in line with the business growth during the year.

Claims incurred reduced to 50.4% during 2023 driven by a proportional increase in ceded loss recoveries compared with the prior year.

Net acquisition costs increased in 2023 with a reduction in ceded overriders with the overall reduced level of reinsurance purchased during the year.

A.2.1.5 Miscellaneous financial loss

$ thousands	2023	2022 (Restated)
Gross premiums written	15,877	17,171
Net premiums written	2,768	3,902
Net premiums earned	4,315	6,926
Net claims incurred	(277)	(4,974)
Net acquisition expenses	(651)	(5,543)
Net underwriting contribution	**3,387**	**(3,591)**
Net loss ratio	6.4 %	71.8 %
Net acquisition cost ratio	15.1 %	80.0 %

This class of business includes title insurance.

Gross premiums written decreased 8% from $17.2 million in the prior year to $15.9 million, attributable mainly to reductions in expected premium income.

Net premiums written decreased 29% due to a proportionately higher reinsurance spend in 2023.

A2.1 Material Lines of Business (continued)

Title business has a longer than average earning pattern and net earned premium exceeded net written premium as a result; however net earned premium reduced 38% year-on-year. This reflects reduced premium in this line of business in recent years.

Net acquisition costs have decreased due to a higher level of ceded commissions in 2023 due to increased levels of reinsurance.

A.2.1.6 Other classes of business

FIID writes a relatively small amount of non-proportional reinsurance business on marine, aviation and transit business and on property. These lines are not considered to be material to the Company's operations.

A2.2 Material geographical areas

Performance in Ireland and the top five countries in which the Company operates is summarised in the table below:

Income Statement 2023

$ thousands	Ireland	Germany	Netherlands	France	Italy	Switzerland	Other	Total
Net premiums earned	3,210	6,456	7,000	2,100	5,799	6,577	14,093	45,235
Net claims incurred	(325)	(1,370)	(1,186)	(534)	(1,292)	(5,594)	(3,536)	(13,837)
Technical expenses	(1,242)	(2,498)	(2,709)	(813)	(2,244)	(2,545)	(5,453)	(17,504)
Underwriting result	**1,643**	**2,588**	**3,105**	**753**	**2,263**	**(1,562)**	**5,103**	**13,894**

Income Statement 2022

$ thousands	Ireland	Germany	Italy	Netherlands	Belgium	Greece	Other	Total
Net premiums earned	1,539	7,261	2,426	6,163	2,340	2,757	18,103	40,589
Net claims incurred	(1,374)	(2,753)	(1,059)	(1,935)	(10,067)	(1,075)	(6,292)	(24,555)
Technical expenses	(2,545)	(2,456)	(941)	(2,120)	(1,323)	(1,603)	(9,473)	(20,461)
Underwriting result	**(2,380)**	**2,052**	**426**	**2,108**	**(9,050)**	**79**	**2,338**	**(4,427)**

A3. INVESTMENT PERFORMANCE

The Company maintains a high-grade investment portfolio with a primary focus on capital preservation.

The following table presents the components of investment return by asset class during the year-ended 31 December 2023:

$ thousands	Investment income	Net realised losses	Change in net unrealised gains	Investment return
Government bonds	800	(129)	969	1,640
Corporate bonds	2,839	(857)	3,739	5,721
Cash and other	1,388	—	—	1,388
Investment fees	(194)	—	—	(194)
Investment return	**4,833**	**(986)**	**4,708**	**8,555**

The following table presents the components of investment return by asset class during the year-ended 31 December 2022:

$ thousands	Investment income	Net realised gains (losses)	Change in net unrealised losses	Investment return
Government bonds	437	(161)	(1,078)	(802)
Corporate bonds	1,848	(504)	(3,743)	(2,399)
Cash and other	605	367	—	972
Investment fees	(185)	—	—	(185)
Investment return	**2,705**	**(298)**	**(4,821)**	**(2,414)**

The total annual return on cash and investments was +4.2%, driven by strong investment income and unrealised gains in the portfolio. The performance of the portfolio was impacted by the unwind of unrealised losses and downward move in yields in the year, creating a positive return on core fixed income portfolio securities.

The Company accounts for all investments at fair value with gains and losses through the profit and loss account. During the year, all gains or losses were recognised in the profit and loss account and no gains or losses were recognised directly in equity.

FIID did not hold any collateralised securities during 2023 or 2022. The Company's investment advisory agreement allows for collateralised securities to be held providing they comply with Solvency II requirements, however to date none have been purchased.

A4. PERFORMANCE OF OTHER ACTIVITIES

Expenses during the year and prior year comprise the following:

$ thousands	2023	2022
Employment costs	6,501	5,466
Non-employment costs	6,854	10,367
IT costs	216	1,206
Professional and consulting fees	984	1,254
Investment expenses	194	112
Total investment and administrative expenses	**14,749**	**18,405**

A4. PERFORMANCE OF OTHER ACTIVITIES (continued)

The Company does not have any direct employees. All of the Dublin based staff are employed by the Irish branch of FSL. Administrative expenses for FIID are predominantly a result of recharges from other Group companies for providing physical infrastructure, staff and associated support services.

A5. OTHER INFORMATION REGARDING THE BUSINESS

Other than as noted above, no other events occurred during the year which had a material impact on the business or performance of the Company.

SECTION B : SYSTEM OF GOVERNANCE

B1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

B1.1 Role and responsibilities of the administrative, management or supervisory body and key functions

FIID recognises the importance of strong corporate governance and has established a well-defined governance framework, system of control and committee structure. The FIID Board retains ultimate responsibility for the effective, prudent and ethical oversight of FIID and aligns its system of corporate governance with that of the Group where applicable. The Company is subject to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 (the "Requirements") and the System of Governance requirements of the SII regulations.

The Board supervises management and monitors its performance through reporting and controlling processes. Regular reporting by the FIID CEO and other executives to the Board provides appropriate information and updates, including key data for the core business, financial information and legal and regulatory updates.

The Board is responsible for overseeing the business of the Company and supervising management. The Board sets the standards of conduct of the Company, provides direction and oversight, and promotes a culture of integrity. While the Board delegates certain functions to Committees and Management, this does not absolve the Directors of their responsibility for the Company.

The Board operates under agreed terms of reference and has the following key responsibilities:

- To comply with any obligations for the Board prescribed by the Code, the Companies Acts 2014 and all other rules, regulation, guidelines and laws applicable;
- The effective, prudent and ethical oversight of the Company;
- Setting the business strategy for the Company; and
- Ensuring that the Company complies with its constitution as well as relevant legal, regulatory, and governance requirements.

The Board reserves matters specifically to the Board unless, where permitted by applicable Irish law and regulatory requirements, such matters are expressly delegated in writing to management, the Audit Committee, the Risk and Capital Committee of the Company, or otherwise.

Board Committees

The Board has an Audit Committee and a Risk and Capital Committee. Both are governed by their respective Terms of Reference.

The duties of the Audit Committee include:

- Independent review and challenge of financial and regulatory reporting and the internal control environment, oversight of the internal audit function and external auditors;
- Ensure that the findings and recommendations of both the internal and external auditors are communicated to the Board and acted upon in a timely manner;
- Approve the appointment of the head of internal audit and the appointment of external auditors, assessing their independence and effectiveness;
- Review the scope of the audit plans presented by the external and internal auditors;
- Review the Company's interim and annual financial statements in conjunction with executive management and, on an annual basis, with the external auditor;
- Assess the effectiveness of the Company's internal financial control processes, investigating any material breaches and recommending corrective action if required; and

B1.1 Role and responsibilities of the administrative, management or supervisory body and key functions (continued)

- Review the Company's accounting policies and any significant matters raised by external and internal auditors.

The Audit Committee meets at least four times a year and the Terms of Reference are reviewed on an annual basis. External auditors, internal auditors, and management attend these meetings by invitation in order to, inter alia, discuss auditors' reports, review and assess the audit plan and approach and the examination process, and to assess the activities of both external and internal auditors.

The duties of the Risk and Capital Committee ("RCC") are:

- Oversee the Risk Framework, including risk management and control, risk policies, their implementation and the risk strategy and the monitoring of operational risks;
- Review the methodologies for risk measurement and the Company's adherence to its risk limits and review the performance of the Risk Management Function; and
- Review, with business management and the Risk Management Function, the Company's general policies and procedures and satisfy itself that effective systems of risk management are established and maintained, and receive periodic reports from the Risk Management Function and assess whether significant issues of a risk management and control nature are being appropriately addressed by management in a timely manner.

Executive Management Team (EMT)

In accordance with the authority delegated to FIID executives by the Board, the FIID EMT is the executive body responsible for managing the overall business, implementing the business plan in line with the agreed strategy and overseeing the management of risk and regulatory compliance across the business. The EMT comprises the Chief Executive Officer (Chair), Chief Financial Officer (Deputy Chair), Chief Underwriting Officer, Chief Risk Officer, Head of Claims and Operations, Head of Compliance, and the Head of Actuarial Function of FIID. The FIID CEO is also a member of the group senior executive leadership team ("Group ELT"). FIID management is represented on all relevant Group management committees and is responsible for ensuring matters pertaining to FIID are addressed and resolved in a timely manner, including those outlined below.

Risk & Return Committee ("RRC")

The RRC is responsible for the oversight of risk appetite, tolerances and preferences, risk methodology, capital and solvency appetite, capital methodology, risk return optimization, and risk and capital monitoring. Matters requiring FIID Board consideration or approval are referred by the FIID Chief Risk Officer ("CRO") to the FIID Board in quarterly Board reporting.

Underwriting & Reinsurance Committee ("URC")

The Group has outsourced underwriting & reinsurance activities to The Fidelis Partnership through the Framework Agreement and related Delegated Underwriting Authority Agreements with The Fidelis Partnership (including, in relation to the Company, the Irish Delegated Underwriting Authority Agreement) and has established this Underwriting & Reinsurance Committee to provide a forum to enhance the functional oversight of the delegated underwriting activity. Matters requiring FIID Board consideration or approval are referred by the FIID CUO to the FIID Board.

Delegated Performance Management Committee ("DPMC")

The DPMC is responsible for the ongoing monitoring of performance and management of delegated authorities, as per the Board approved Sub-Delegated Underwriting Governance and Oversight Framework, including any sub-delegations to PWE and 3rd party Managing General Agents ("sub-MGAs"). Matters requiring FIID Board consideration or approval are referred by the FIID CUO to the FIID Board.

Counterparty Security Committee ("CSC")

The purpose of the CSC is to oversee the development and adherence to reinsurer and broker approval and monitoring procedures to maintain credit risk exposures within approved concentration tolerances in accordance with risk appetite, to monitor and report to the Board the actual exposures to counterparties and specifically to escalate any exceptions to

B1.1 Role and responsibilities of the administrative, management or supervisory body and key functions (continued)

or breaches of appetite or tolerance when recognized. Matters requiring FIID Board consideration or approval are referred by the FIID CRO to the FIID Board.

Large Loss Committee ("LLC")
The LLC monitors the developments in relation to large or complex insurance and reinsurance claims and sets case specific loss reserves exceeding the delegated authorities. Matters requiring FIID Board consideration or approval are referred by FIID's Head of Actuarial Function and/or the Head of Claims & Operations to the FIID Board.

Reserving Committee
The Reserving Committee considers and opines on portfolio level reserves and IBNR for recommendation to the relevant Boards. Matters requiring FIID Board consideration or approval are referred by FIID's Head of Actuarial Function to the FIID Board in quarterly Board Reporting.

Operations Committee
The Operations Committee is the oversight body responsible for ensuring that The Fidelis Partnership comply with the Service Management & Oversight Framework, the Framework Agreement and the Delegated Underwriting Authority Agreements with The Fidelis Partnership including, in relation to the Company, the Irish Delegated Underwriting Authority Agreement. In addition, the Committee is responsible for oversight and reporting of Operational 'business as usual' activities of the group and legal entity functions. Matters requiring FIID Board consideration or approval are referred by the FIID Head of Claims and Operations to the FIID Board.

B1.2 Material changes in the system of governance over the reporting period

The Group undertook a material restructuring through the Separation Transactions, as outlined in section A1.4. The Group reviewed the system of governance arrangements in place to identify the governance changes required to reflect the change in the operating model of the Company as a result of the Separation Transactions and entering into the Framework Agreement and Delegated Underwriting Authority Agreements with The Fidelis Partnership. Such changes were enacted prior to the Separation Transactions to ensure the Group and FIID maintain a well-defined governance framework, system of control and committee structure. These changes were again reviewed during 2023 with subsequent amendments made to ensure a continued strong system of governance. The outcome of these reviews and the changes implemented have ensured that there is effective monitoring, oversight, challenge and reporting of the Group's business and the various outsourced activities undertaken for and on behalf of the Company.

B1.3 Remuneration policy for the administrative, management or supervisory body and employees

B1.3.1 Principles of the remuneration policy

The Compensation Framework is recommended for approval by the Group Compensation Committee to the FIHL Board. After approval by the FIHL Board, the relevant details are reported to the subsidiary boards including FIID's Board. The FIID Board does not deem it necessary to establish a separate FIID Compensation committee and believes it appropriate that such matters, on the basis of the proportionate size and risk profile of the Company, be addressed by the FIHL Board.

The Group's compensation philosophy for our senior managers and employees is that total compensation should have the potential to deliver above-market levels of reward for outstanding individual and financial performance, while aligning the interests of our senior managers and employees with those of our shareholders. The Group seeks to maintain base salary and fixed pay for senior managers and employees in line with the market median of our major competitors to fairly and competitively compensate employees for their positions and the scope of their responsibilities. The Group also offers variable compensation in the form of cash bonuses and, where eligible, a long-term incentive plan under which equity awards ("LTIP Awards") are issued.

The Company's INEDs receive a quarterly director's fee. They are not eligible for additional non-cash benefits or variable compensation.

B1.3 Remuneration policy for the administrative, management or supervisory body and employees (continued)

In addition to the above, certain senior staff are required to commit, by way of an annual declaration, that they have not and will not enter into any personal hedging strategies in relation to their variable remuneration or to otherwise undermine their risk alignment with FIID and the Fidelis Group in their variable remuneration.

B1.3.2 Information on individual and collective performance criteria on which variable components of remuneration is based

Annual Cash Bonus

The purpose of our annual cash bonus program is to reward employees for achievement against key financial and non-financial operational goals that will help drive long-term business strategy and are predicates of shareholder value.

Bonuses are generally based on a formulaic calculation, though are entirely discretionary, so that employees can be confident that an even-handed approach has been taken and can readily understand the effect of financial and personal performance on their bonuses. Two core elements are assessed by the Group Compensation Committee when determining the bonuses: (i) the Group's financial performance ("Financial Performance") and (ii) the employee's strategic and personal performance ("Personal Performance"). The weighting of each element is based on pre-determined percentage allocations. For purposes of the annual cash bonus pool calculation, Financial Performance is based on achievement by the Group of the business plan then in force. If the Financial Performance is below the minimum payout level, then payment of an annual cash bonus to any employee will be discretionary. Personal Performance is based upon individual achievement of clearly articulated objectives created and agreed to at the beginning of the year.

The annual cash bonus targets are proposed by the Group CEO and approved by the Group Compensation Committee towards the beginning of each year when the information necessary to compute the bonuses has been obtained. Once approved, the bonuses are paid within the first quarter of each year following the relevant fiscal year in which they were earned.

Share Incentive Plan

In 2023, the Group adopted the 2023 Share Incentive Plan (the "2023 Plan") in connection with the Separation Transactions. Each employee, officer, non-executive director or other individual service provider of the Group is eligible to participate in the 2023 Plan. The purpose of the 2023 Plan is to create a strong and long-term alignment between the Group's employees and its shareholders. The Group Compensation Committee administers the 2023 Plan under delegation from the FIHL Board. The size and form of the LTIP Awards granted under the 2023 Plan is determined by the Group Compensation Committee based upon a participant's prior year performance, role and level of seniority within the Group. The LTIP Awards may be delivered in the form of restricted share units, restricted common shares, share options, share appreciation rights and other awards which may be denominated in common shares or cash. The LTIP Awards relate to FIHL's common shares and generally vest over a three-year period, subject to continued service and the achievement of performance goals.

For more information on the Group's compensation framework, please refer to the 2023 Annual Report, available electronically at www.sec.gov.

B1.3.3 Supplementary pension or early retirement schemes for the members of the administrative, management or supervisory body and other key function holders

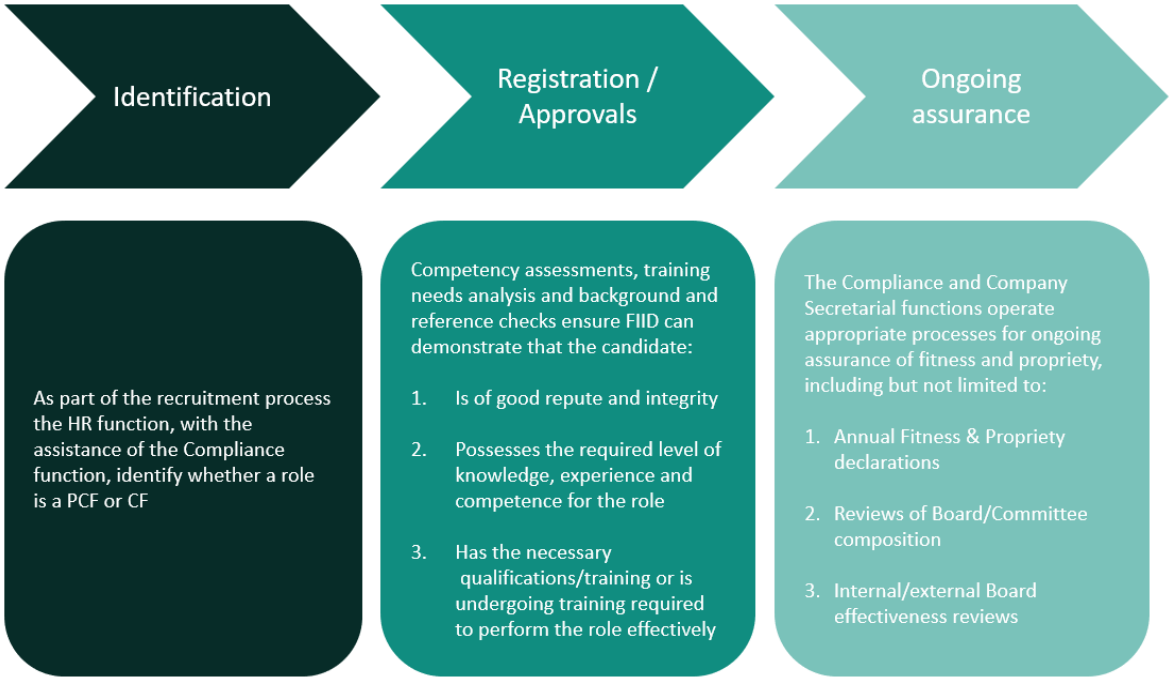
The Group offers eligible staff the choice of making contributions into the Group's relevant retirement plans, subject to applicable pension rules. To the extent permitted by the applicable rules in the relevant jurisdiction in which the Group has participating employees, eligible participants receive a Company pension contribution as a percentage of annual base salary by the relevant operating subsidiary of the Group, subject to the limitations of the laws of the relevant jurisdiction.

B1.4 Material transactions with the shareholder, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

The Company received a capital contribution from FEHL in 2023 of $25.0 million (2022: $40.0 million). This capital contribution was approved by the CBI as tier 1 capital.

B2. FIT AND PROPER REQUIREMENTS

FIID operates Fitness and Probity procedures which governs the recruitment, approvals, induction, training and ongoing assessment of the Fitness and Probity for those individuals performing Controlled Functions (including Pre-Approval Controlled Functions ("PCF").



B3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

B3.1 Risk management system

FIID operates the Group Risk, Capital and Solvency Management Framework leveraging Group capabilities and governance structures whilst maintaining FIID local accountability with the FIID Board.

The approved Framework is designed to identify, measure, manage and report on the exposures that FIID faces.

1. **Identification** – the risk exposures that could materially impact FIID in achieving its objectives are identified through the quarterly risk review process with each of the risk owners and the emerging risk process.
2. **Measurement** – these risks are quantified and ranked in the operational risk register in terms of the impact that they would have on FIID if the risk were to materialise. With respect to the aggregation of the underwriting exposures, these are monitored on at least a quarterly basis to ensure that they remain within the FIID Board's approved risk appetite levels.

B3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

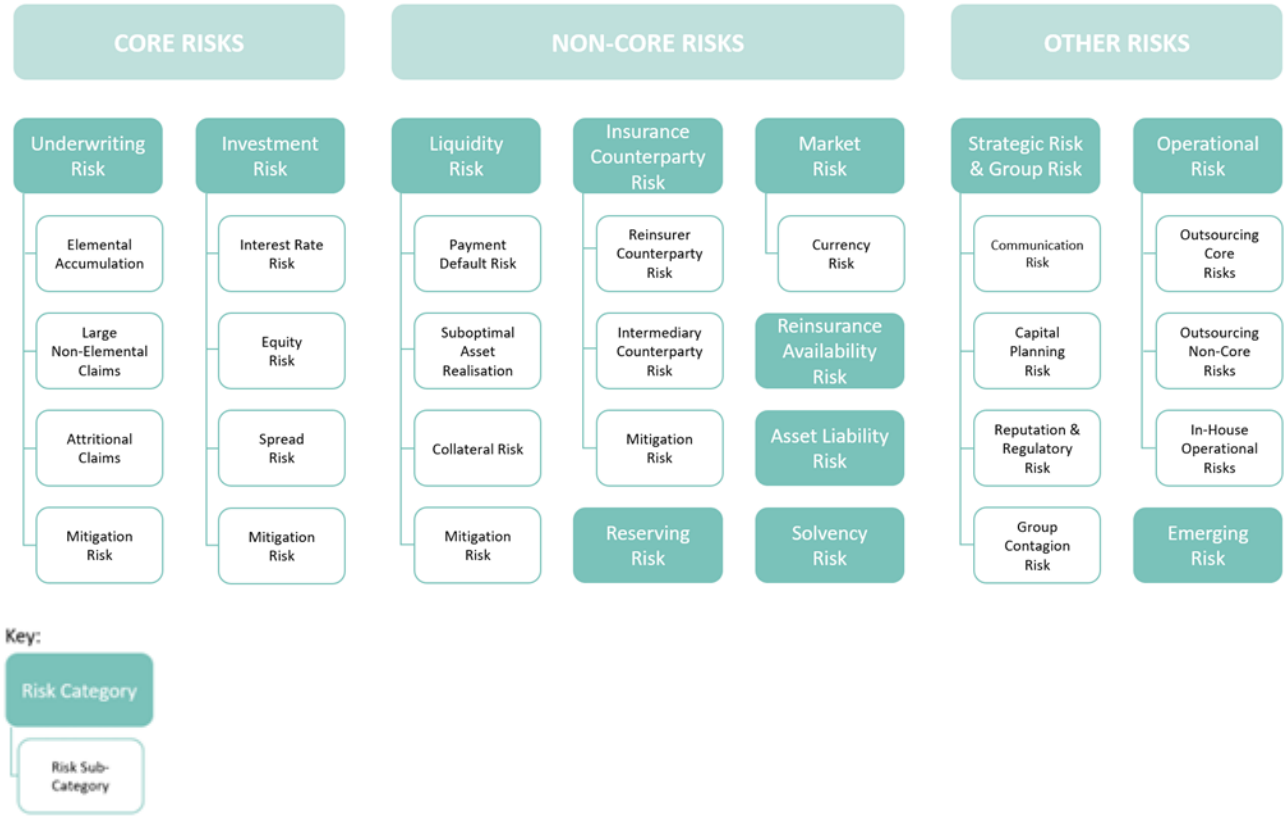
B3.1 Risk management system

3. **Management** - where a risk exposure has exceeded the FIID Board's risk appetite or the risk levels are more generally considered to be higher than desirable, management identifies suitable actions to either transfer, avoid or mitigate the risk level.

4. **Reporting** – a summary of all key material risk exposures is reported to the FIID Board on a quarterly basis. Where there has been an exceedance in the FIID Board's risk appetite, the report details management's plans to transfer, avoid or mitigate the risk, where appropriate.

The Framework is founded upon a clear understanding and articulation of the risk universe to which FIID is, or could be, exposed. This universe encompasses those intrinsic risks that are fundamental to FIID's business (such as underwriting and market risk), operational risks (that may crystallise either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as strategic and emerging risk.

The universe spans the following overall risk categories & subcategories:



The classification of subcategories of risk is reflected throughout the framework. These subcategories of risk are:

- "core" risks, which encompasses those intrinsic risks that are fundamental to our business and that are actively pursued to optimise FIID's risk adjusted return;
- "non-core" risks which are intrinsic risks that are a necessary consequence of the business but have little or no potential to generate a reward; and
- "other" risks that arise from the failure of people, processes or systems upon which we rely (that may crystallise either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as strategic and emerging risks.

B3.1 Risk management system (continued)

For each category of risk, the FIID Board has an established risk appetite comprising qualitative statements supported by specific tolerances (expressed in quantitative terms where appropriate) against which risk exposures are monitored and managed. This appetite is adjusted over the business cycle in response to market conditions and the strategic and tactical drivers over the horizon of the business plan.

Monitoring and reporting of the risk, capital and solvency position is performed on both an actual and, where meaningful prospective basis with a frequency that is proportionate to the materiality and volatility of risk presented by each category of risk defined in the universe and reported quarterly as part of the CRO report.

FIID has embedded the principles of effective risk management and the ORSA in its core business processes - the forward-looking assessment of risk, capital and solvency adequacy being integrated into the strategic decision making and continuous monitoring processes.

The significant quantifiable risks that FIID will face are set out below:

Risk Category	Risk Description
Non-life underwriting risk	This risk arises from two sources – adverse claims development (reserve risk) and underwriting (premium risk)
Market risk	The risk that the value of the Company's assets falls or that there are adverse currency swings
Counterparty default risk	The risk of default of one of FIID's reinsurers or intermediaries
Operational risk	The risk of losses resulting from inadequate or failed people, processes, systems or from external events

Each of these risks has been captured in the overall solvency needs of FIID through the calculation of the SCR using the Solvency II Standard Formula, the setting and monitoring of risk appetite tolerances for each of the risks, and consideration of how the risk exposures are likely to change over the planning period in both normal and stressed environments.

Other than liquidity risk, which is not explicitly captured by the standard formula SCR, there are no identified quantifiable material risks faced by FIID that are not currently considered to be included in the SCR as calculated by the Standard Formula. The details as to how the Company monitors and mitigates against liquidity risk are detailed in section C1.4.

i. Governance and structure

The FIID Board retains sole authority for setting the risk and capital appetite for the Company within the context of the overall Group and taking into account any recommendations from FIID Board committees and management.

The Board receives comprehensive risk and capital reporting on at least a quarterly basis and at such other times as required due to an actual or projected change in the Company's risk, capital or solvency profile. The Risk and Capital Committee supports the Board in ensuring the continued effectiveness and appropriateness of the framework - reviewing, challenging and making recommendations upon its outputs.

The RCC and Board are supported by management's Risk and Return Committee ("RRC") in the day-to-day maintenance of the framework and its underlying components. A summary of the RRC work in the period and any issues and recommendations for Board attention are reported through the CRO report to the RCC.

The Board and committees are supported by the risk management, actuarial, compliance, legal and audit functions.

ii. Core processes

The risk, capital and solvency management framework is delivered through a series of business processes operated with a frequency designed to provide on-going management of the Company's changing risk profile, capital and solvency position on both a current and projected basis that is proportionate, whilst addressing stated regulatory reporting requirements.

B3.1 Risk management system (continued)

The core elements of the process include:

Strategic Planning
The annual strategic planning process provides projections based on a range of potential economic and market scenarios. The review revisits and restates the Company's strategic risk and return aims to evaluate the prospective performance of the business model. The strategy is reviewed annually by the Board.

Business Planning
The business planning process incorporates a forward-looking projection of the risk, capital and solvency profile of the Company and associated strategies. It includes the assessment of a range of potential business scenarios supported by the use of stress testing, to test forecast capital adequacy, volatility and viability and inform capital and liquidity management strategies and associated contingency plans.

The proposed plan is subject to Board challenge and approval and formalises the risk / return objectives, risk and capital appetite, underwriting, and investment and capital management plans for the coming year against which performance is assessed.

The process involves extensive input from risk management, the actuarial function, and the RRC, with a key output being the CRO's review of the business plan covering a series of summary assertions relating to risk, capital and solvency matters noting any exceptions or recommending changes to the risk, capital and solvency appetite.

The plan is reviewed and approved by the Board in the fourth quarter and updated in the first quarter of the following year with the benefit of the year-end and key January renewals and forms the core of the annual ORSA process.

iii. Quarterly risk, capital and solvency review
The risk function provides the RCC with a review of the risks facing the Company at least quarterly and at any other time as required in the interim in response to a material actual or proposed change in its risk, capital and solvency profile.

The review provides an analysis of the risk, capital and solvency profile of the Company against the Board approved risk appetites as well as considering a forward-looking view of the risks that it faces.

B3.2 Own Risk and Solvency Assessment ("ORSA")

The ORSA is the forward-looking process by which the Board can monitor the risks to the business and assess the impact of those risks on the capital adequacy of the business. The Board uses the ORSA to inform its future business decisions and to ensure that any risk remaining after controls have been applied is within the parameters of FIID's risk appetite.

The ORSA process is undertaken on a formal basis at least annually as part of FIID's annual business planning process. A full or partial ad hoc ORSA process is undertaken if there has been a material change in FIID's risk profile.

FIID has embedded relevant ORSA processes into the quarterly business-as-usual internal reporting. This information includes monitoring the level of risk faced against the Board approved risk appetite, as well as strategic developments and their potential impact on the required level of capital. This all forms a key part of the ORSA-related internal documentation and the quarterly reporting to the FIID RCC and the FIID Board.

Following the completion of each ORSA process, the results are documented and reported to the FIID Board for review and approval.

Through the performance of the ORSA process and based on the business strategy and plan, FIID determines its overall solvency needs by considering its current and projected risk profile, regulatory capital requirements, and risk appetite tolerance limits.

The results of the ORSA process are considered on an on-going basis in decision-making in respect of the Company's capital management activities and risk framework development.

B4. INTERNAL CONTROL SYSTEM

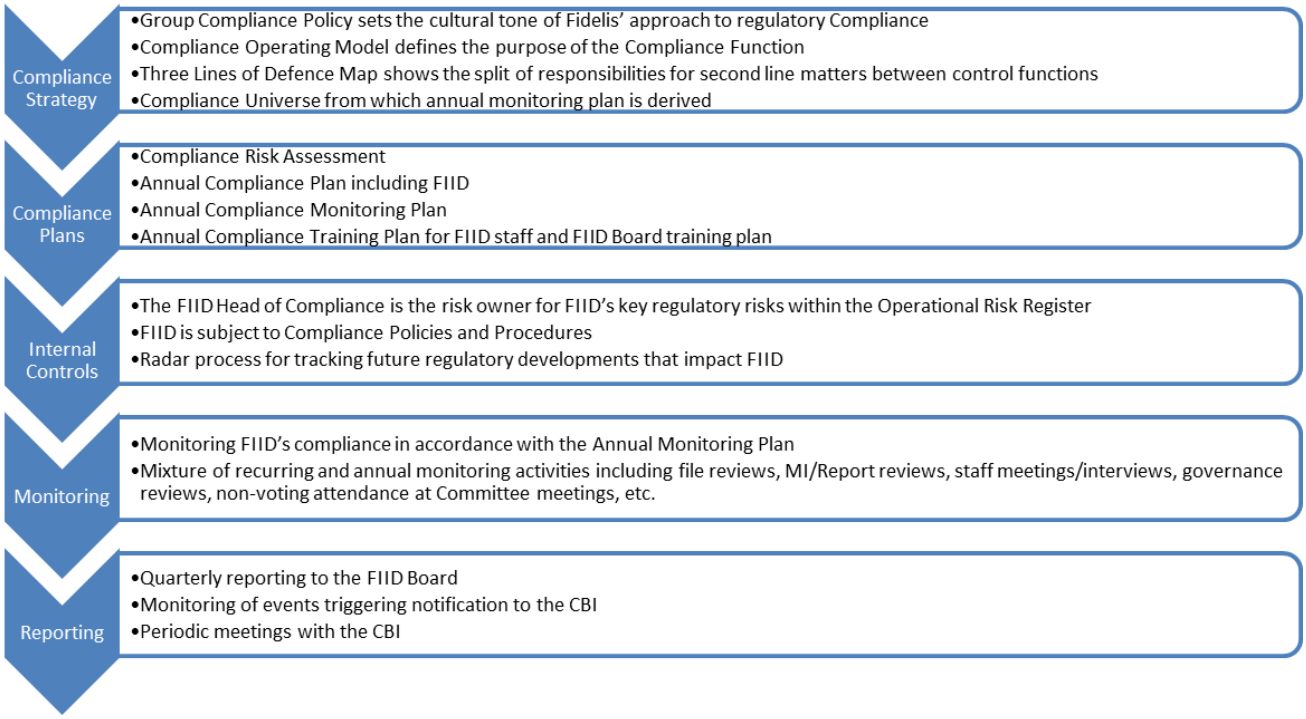
B4.1 Description of internal control system

Significant internal policies are approved at Group level by the FIHL Board, with subsequent approval by the subsidiary boards who may either approve the policy, approve subject to amendments, or decline to approve the policy, with a resulting referral back to the FIHL Board for reconsideration. Group level policies provide a statement of intent, with internal procedures intended to embed and achieve the policy being driven, owned and approved by senior management.

Internal controls have been adopted in such a way as to ensure that they are aligned with each other and to the business strategy and are subject to a risk-based periodic review cycle. All key internal controls are recorded in the risks and controls register so as to be capable of second line monitoring and third line audits.

B4.2 Implementation of the compliance function

The FIID compliance function is led by the FIID Head of Compliance who reports into the FIID CEO. A summary of the compliance risk management framework is below:



B4.2 Implementation of the compliance function (continued)

The compliance function seeks to be a trusted advisor to the business, driving and supporting innovation whilst partnering with the business and regulators to ensure regulatory obligations are met. The compliance function seeks to ensure that FIID's culture and behaviours put clients' interests at the heart of its business activities and that FIID acts with integrity in the market.

B5. INTERNAL AUDIT FUNCTION

B5.1 Implementation of the internal audit function

The internal audit department is resourced both internally by the Group Head of Internal Audit (HIA) and internal audit staff located in the UK, Ireland, and Bermuda, and through a panel of co-source service providers. The Group HIA has drafted and the FIID Audit Committee has approved and recommended to the FIID Board:

- An audit charter;
- An audit universe;
- A budget for co-source resource; and
- An annual audit plan.

The Group HIA drafts and maintains the audit universe which is presented to the FIID Audit Committee annually as part of the audit plan approval process. The audit plan is risk-based and constructed using several inputs including the risk and controls register, discussion with management, discussion with the external auditor, KPMG, and input from the co-source providers. The overriding factor in deciding what is on the audit plan is the Group HIA's experience and opinion to ensure the audit plan is independent of management and management's view of risk. The audit plan is reviewed regularly, with any changes deemed necessary by the Group HIA approved by the FIID Audit Committee. The Group HIA, using in-house or co-source resource, as agreed by the FIID Audit Committee, will then execute the audit plan.

The internal audit department aims to comply with industry best practice wherever possible. This includes the principles set out by the IIA.

There is a quarterly report issued to the FIID Audit Committee reporting on the activities of Internal Audit over the prior quarter, specifically:

- Progress of completion of the audit plan;
- Summary of audit work completed in the quarter including reports issued;
- Progress with the clearance of agreed actions;
- Overdue agreed actions;
- Proposed changes to the plan if necessary;
- Budget usage for co-source; and
- Any other matters.

The Group HIA, in conjunction with the business plan to be approved by the FIID Board each year, presents an annual audit plan, typically in the fourth quarter, for approval by the FIID Board.

B5.2 Independence and objectivity of internal audit

The following key procedures are in place to ensure that internal audit is independent and objective:

- Primary reporting line – The Group HIA has a direct reporting line to the Chair of the FIID Audit Committee;
- Secondary reporting line – The Group HIA's secondary reporting line on a day-to-day basis is to the Group CFO;
- Group HIA compensation – All compensation arrangements for the Group HIA are subject to Group Compensation Committee review and approval, removing any management influence over the Group HIA compensation;
- HIA appraisal – this will be performed in the first instance by the Group CFO and is then reviewed and approved by the Chair of the Group Audit Committee;

- Audit Committee private session – the FIID Audit Committee, as per its quarterly standing agenda item, may request a closed session with the Group HIA at its regularly held meetings. Furthermore, it is compulsory at least annually for the Group HIA to have a closed session with the FIID Audit Committee. This ensures that the Group HIA can relay any serious concerns without management present;
- The HIA and Chair of the Audit Committee have a private meeting pre-Audit Committee every quarter to discuss all Audit Committee materials provided by the HIA. At this meeting the HIA has the opportunity to raise any concerns he may have;
- Agreement of audit reports – the Group HIA is responsible for agreeing and issuing all internal audit reports and being satisfied that any raised actions have been appropriately addressed and closed; and
- Internal audit policy – the approved policy provides for the audit team to have unfettered access to all staff, records and information of the Company as they see fit while conducting audits.

B6. ACTUARIAL FUNCTION

The FIID Head of Actuarial Function ("HoAF") is supported by the Group actuarial function, led by the Group Chief Actuarial Officer, which consists of a number of qualified actuaries and analysts. The function is also supported by an external consultancy, Dynamo Analytics, who provide actuarial support.

Key responsibilities include the valuation of the technical provisions, opining on the underwriting policy, reinsurance arrangements and calculating the standard formula SCR as well as assessing the appropriateness of the standard formula being used to calculate the SCR. Monitoring and oversight of the delegated underwriting by The Fidelis Partnership is undertaken by the underwriting function in cooperation with the actuarial and risk functions which monitor and oversee The Fidelis Partnership's actuarial pricing and exposure management functions in respect of delegated business. These functions are set out in the Service Management & Oversight Framework of which the FIID HoAF has complete oversight including the setting of key Service Level Agreements (SLAs) and Key Performance Indicators (KPIs).

The work performed by the function and the resulting opinions, are documented at least annually in the actuarial function report. The function reports its activities and findings to the FIID Board.

It is the responsibility of the actuarial function to report on each of the above areas, and in addition to this, make recommendations to remediate any deficiencies identified.

The FIID HoAF is responsible for ensuring that there is sufficient independence in the activities undertaken by the actuarial function. Independence is supported by the following factors:

- All actuaries within the function are members of actuarial associations and subject to both professional and technical requirements;
- An external reserve review is carried out at year end providing the Board with an alternative view;
- Key tasks of the function are subject to governance through the Audit Committee, RRC and/or the FIID Board. These committees include all non-executive directors ensuring familiarity and adequate challenge;
- All tasks of the function are subject to internal audit on a regular basis which aids identification and escalation of deficiencies; and
- The FIID HoAF role is an approved position and is subject to approval by the CBI.

B7. OUTSOURCING

FIID operates an outsourcing policy and outsourcing procedure ("outsourcing controls"). This applies to any form of agreement between FIID and an external third party, where the latter performs a (re)insurance activity or undertakes a key function on behalf of FIID, which FIID would otherwise perform itself. An outsourced service is deemed to be a critical or important function or activity ("CIFA") pursuant to Article 49 of the Solvency II Directive 2009/138/EC, if a defect or failure in its performance would have a material, negative impact on:

1. The quality and continuity of providing core services to the policyholders;
2. FIID's continuing compliance with the conditions and obligations of its authorisation; and/or
3. FIID's ability to comply with other regulatory obligations.

The outsourcing controls require appropriate consideration of the operational, regulatory and other risks associated with the activities to be outsourced, both prior to signing the agreement and in monitoring after the agreement is signed.

Where there is critical or important outsourcing arrangement, the outsourcing controls require the following levels of additional scrutiny:

Prior to executing the arrangement:

- Enhanced due diligence;
- Minimum contractual requirements;
- FIID Board approval of the outsourcing arrangement;
- Parent Board approval if the outsourcing arrangement is critical for the Fidelis Group as a whole; and
- Notification to relevant regulators.

After executing the agreement:

- Frequent monitoring by the function owner of the outsourcing relationship;
- Quarterly Board reporting; and
- More stringent renewal requirements.

Following the restructuring outlined in A1.4, the Company has designed its system of governance to ensure that there is effective monitoring, oversight, challenge and reporting of the various outsourced activities undertaken for and on behalf of the Company.

FIID's material outsourcing arrangements are the Irish Delegated Underwriting Authority Agreement, the Framework Agreement and the Inter-Group Services Agreement with The Fidelis Partnership, Clearwater for investment management and custodian services, and Dynamo for actuarial support. FIID maintains an outsourcing register which details of outsourcing arrangements and this is submitted to the CBI annually. All CIFA arrangements are reviewed on an ongoing basis and, where material, changes are brought to the Board for consideration and approval. The Company undertakes a detailed assessment of all outsourcing service providers to ensure they have the necessary ability to carry out the outsourcing function or activity, considering the impact of the proposed outsourcing arrangement on the operations of the Company.

B8. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE

The system of governance and its effectiveness is subject to annual review by the compliance function, which reports to the Board. During the year, the following assessments were performed:

- An annual review undertaken by the compliance function to ensure that FIID complies with the governance requirements set out in the CBI's Corporate Governance Requirements for Insurance Undertakings (2015).

B8. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE (continued)

Additionally, an annual compliance statement stating that FIID complies with its obligations and requirements under the Corporate Governance Requirements for Insurance Undertakings 2015 was approved by the Board and submitted to the CBI.

- An annual Board effectiveness review is undertaken, with the results reported to the Board.

B9. ANY OTHER INFORMATION

All material information regarding system of governance is disclosed in sections B.1 - B.8.

SECTION C : RISK PROFILE

C1. RISK CATEGORIES

C1.1 Non-life underwriting risk

i. Overview of assessment of non-life underwriting risk

Underwriting risk comprises premium risk and reserve risk. Underwriting risk arises from the Company's general insurance business and refers to the risk of loss, or of adverse change in the value of insurance liabilities due to inadequate pricing and reserving assumptions.

Examples of non-life underwriting risks include unexpected losses arising from fluctuations in the timing, frequency and severity of claims compared to expectations and inadequate reinsurance protection. The Company's underwriting and reinsurance strategies are set within the context of the overall Fidelis strategies, approved by the Board and communicated clearly throughout the business through policy statements and guidelines. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

ii. Risk mitigation techniques for non-life underwriting risk

Premium risk

Building on the foundation of strict underwriting and individual underwriter authorities, the Company monitors and oversees The Fidelis Partnership's robust system of peer review, which operates to a high level of sophistication, depth and scope of application.

All new risks and renewals are required to be presented to the daily UMCC (or "the call(s)") within The Fidelis Partnership, normally prior to terms being offered and in the event of a material change in terms, exposure or pricing from that agreed previously. The call is designed to ensure the cooperative and collegiate management of insurance risk, ensure that individual underwriters draw upon the expertise of their peers, and avoid silos of underwriting. Product design and pricing aims to minimise adverse selection of risks and use appropriate rating factors to differentiate between levels of risk. The FIID CUO and the underwriting team attend these calls to ensure appropriate monitoring and oversight of the delegated business in accordance with the terms and conditions of the Irish Delegated Underwriting Authority Agreement.

A key aspect of the Company's strategy for risk mitigation centres on the use of outwards reinsurance for the inwards portfolio. Outwards reinsurance allows FIID to manage capital more effectively, to reduce and spread the risk of loss on insurance and reinsurance business and to limit the Company's exposure to multiple claims arising from a single occurrence.

The FIID Board approves the purchase of an overall outwards reinsurance plan as a part of the approval of the business plan and is updated on any deviation from the plan when the terms and conditions of the outwards reinsurance are finalised. FIID benefits from third party outwards reinsurance including proportional and non-proportional treaty placements and additional facultative reinsurance protection. The FIID CUO and members of the underwriting team oversee the purchase of outwards reinsurance treaties and ensure the appropriate sign-off from FIID management in accordance with the plan. The main intra-group reinsurance treaties for FIID are an IGR quota share treaty and an excess of loss treaty, both with FIBL, which are subject to FIID Board approval.

The Company plans to continue to use outwards reinsurance as one of its main underwriting risk mitigation techniques over the business planning time horizon.

Reserving risk

As the majority of the Company's portfolio is expected to benefit from a short period of discovery of loss, the reserves will relate to claims notified against which the Company will hold individually evaluated case reserves and IBNR reserves. These reserves are expected to be less material from a risk perspective than peers with longer tail business.

The Company aims to set reserves at a level that limits the potential impact of reserve deterioration on overall return on equity whilst avoiding the taxation, reputational and regulatory risks that could result from systematic or excessive over-reserving.

C1.1 Non-life underwriting risk (continued)

FIID's stated risk tolerance level is that it has no appetite for setting case reserves below the levels advised by internal or external claims adjusters and counsel, nor does it have appetite to set IBNR reserves below the mean best estimate determined in consultation with internal and external actuaries.

In addition to the quarterly review cycle operated by the Fidelis actuarial function, the level of reserves across all classes are subject to a full external actuarial review annually.

iii. Risk assessment of non-life underwriting risk

Premium risk

Elemental (e.g. wind, earthquake) and non-elemental (e.g. terror, financial risk) exposures are monitored when relevant on a range of metrics set out in the Board approved risk appetite, based upon data from the underwriting system combined with the use of external and proprietary modelling techniques.

FIID is primarily exposed to non-elemental exposures. For such exposures, where stochastic modelling capabilities are not available, the process considers a range of RRC approved deterministic RDS designed to represent hypothetical extreme but nonetheless credible potential loss scenarios. These are supplemented by internally modelled loss distributions projecting potential losses at a range of return periods similar to the approach applied to elemental exposures. The deterministic RDS scenarios also include those defined in the standard formula that materially influence the Company's SCR.

For elemental exposures, modelling leverages the use of external stochastic catastrophe modelling tools. The results of the modelling are reviewed by the RRC and reported to senior management and the Board at least quarterly, providing modelled OEP curves estimating the PML both gross and net of reinsurance for each significant peril / geographical zone at a range of return periods.

Reserving risk

In respect of reserving risk, in addition to the quarterly review cycle operated by the Fidelis actuarial function, the level of reserves across all classes are subject to a full external actuarial review annually.

iv. Risk concentration of non-life underwriting risk

Non-life underwriting risk concentrations may occur in relation to geographic regions, geographic locations, industry sectors, and insured counterparties. The potential for the build-up of concentration risk is monitored on a frequent basis against the Board's stated risk appetite for such concentrations.

C1.2 Market risk

i. Overview of assessment of market risk

The Company seeks to optimise its investment income whilst focusing on ensuring it maintains sufficient capital to meet solvency requirements and maintain sufficient liquid funds to meet liabilities when they fall due. Exposure to market risk is therefore limited to the extent that investment strategies are balanced by these primary objectives.

Market risk is divided into three subcategories: investment risk, currency risk, and asset and liability matching risk. We assess our risk asset exposures whenever there is volatility in the equity markets.

ii. Risk mitigation techniques for market risk

Investment risk

The key drivers of investment risk are a function of the fixed income strategy that the Company has chosen to follow. The primary drivers of risk in the fixed income portfolio are shifts in the yield curve (interest rate risk) and the credit quality of the investment (spread risk).

The investment portfolio performance and risk are managed at an aggregate portfolio level. The investment strategy and investment types have been chosen specifically to construct an investment portfolio that ensures the credit quality, duration, and value at risk remain within the risk tolerances set out in the risk appetite. The investment portfolio's key metrics are included in the quarterly CRO report to the FIID RCC and the FIID Board. FIID contracts with its portfolio managers for the provision of investment management services. The Company's investment guidelines and the Risk, Capital, and Solvency Appetite Framework formalise FIID's appetite for investment risk at the portfolio level.

C1.2 Market risk (continued)

In determining and finalising investment guidelines many aspects of the investment decision making process are considered including the potential for adverse aggregations and correlations with other elements of the investment portfolio and the underwriting portfolio.

A strategic asset allocation exercise is undertaken regularly in conjunction with the investment managers which takes into account the Company's risk tolerance levels and investment objectives. Investment decisions are made in line with the Company's investment guidelines and the prudent person principle.

The high credit quality nature of the fixed income portfolio provides a level of mitigation against spread risk.

Currency risk

Currency risk exposures arise due to assets and liabilities being held in differing currencies. Whilst the Company accepts a degree of currency risk as a natural consequence of operating across multiple currencies, it has no desire for speculative exposure as a means to value creation.

The Risk, Capital, and Solvency Appetite Framework limits currency mismatches to $5.0 million equivalent per currency and mitigation activities must be implemented within 14 days of completion of quarterly management accounts, recognising that doing so at an individual operating entity level may be disproportionate and in theory potentially trigger inefficient risk management action.

Recognising that the variability in individual currencies is something over which the Company has no control, it therefore seeks to limit its actual exposure to currency risk through asset liability matching including, and where appropriate, currency hedging strategies that are undertaken at the Group level taking into account FIID's own exposures.

The Group's and FIID's actual net currency matching exposure is reported in the quarterly CRO report to the FIID RCC.

Asset and liability matching risk

Asset and liability matching risk is defined as the risk that the Company either does not have available sufficient financial resources to enable it to meet its medium to long term financial obligations due to for example, a currency or duration mismatch in its assets and liabilities.

These risks arise from open market positions in interest rate and currency products, both of which are exposed to general and specific market movements.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. It manages these positions within a risk management framework that incorporates a Board-approved risk appetite limit that defines the maximum currency and duration mismatches that are allowed, as well as the investment portfolio being developed to ensure that investment proceeds and returns and available cash are in excess of obligations under insurance contracts.

iii. Risk assessment of non-life market risk

Investment Risk

The aggregate risk level is managed through the adherence to the investment guidelines with the portfolio managers. The investment portfolio is monitored and reviewed on an ongoing basis to ensure adherence to credit limit guidelines. In addition, there are limits on the amount of credit exposure to any one issuer, except for US government securities.

The investment portfolio is also monitored on a quarterly basis to ensure that the following risk metrics remain within the Board's stated risk appetite:

- The average portfolio duration;
- The average portfolio credit quality;
- The minimum credit quality at time of purchase; and
- Value-at-Risk.

C1.2 Market risk (continued)

The Company monitors interest rate risk on at least a quarterly basis by calculating the duration of the investment portfolio. Duration is an indicator of the sensitivity of the assets to changes in current interest rates.

Investment risk is also assessed as a part of the stress and scenario testing undertaken within the ORSA process.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

An increase or decrease of 25 basis points ("BPS", a measurement where one BPS is equal to 0.01%), in interest yields would result in an additional loss or gain for the year of $0.8 million (2022: $0.3 million) with an equal impact on net assets, assuming all other assumptions remain unchanged.

Currency risk

FIID assesses its exposure to currency risk through its regular monitoring against the Board agreed risk appetite limits.

The Group's and FIID's actual net currency matching exposure is reported in the quarterly CRO report to the FIID RCC.

An increase or decrease of 10% in the US dollar would result in additional loss or gain for the year of $0.8 million (2022: $1.0 million) with an equal impact on net assets, assuming all other assumptions remain unchanged.

Asset and liability matching risk

FIID assesses its exposure to asset and liability matching risk through its regular monitoring against the Board agreed risk appetite limits in respect of currency mismatches and the average durations of the investment and liability portfolios.

The Group's and FIID's actual net currency matching exposure and investment and liability portfolios are reported in the quarterly CRO report to the FIID RCC.

iv. Risk concentration of market risk

Market risk concentrations may occur in relation to geographic locations, currency, asset duration, industry sectors and counterparties. The potential for the build-up of concentration risk is monitored on a frequent basis against the investment manager guidelines, investment portfolio benchmarks (that are based upon the findings from the strategic allocation exercise), and the Board's stated risk appetite limits.

C1.3 Counterparty default risk

i. Overview of assessment of counterparty default risk

Counterparty default risk exposures relate to the potential failure of a third-party to meet their financial obligations to the Company, and explicitly excludes counterparty default risk in relation to the investment portfolio. Key areas where the Company is exposed to counterparty default risk are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders; and
- Amounts due from insurance intermediaries.

ii. Risk mitigation techniques for counterparty default risk

The risk management approach to counterparty default risk is designed to limit potential reinsurance and broker counterparty default to a level consistent with the risk appetite through a combination of:

- Appropriate counterparty selection;
- Appropriate levels of diversification in the portfolio;
- Appropriate mitigation in respect of external counterparties with a lower security rating through the use of collateralisation and/or downgrade clauses as appropriate; and
- Monitoring changes in security and taking appropriate remedial action as required.

C1.3 Counterparty default risk (continued)

The Counterparty Security Committee meets at least bi-annually, and ad hoc as new partners are proposed. The RRC monitors the Group's aggregations which are reported to the FIHL, FIBL and FIID RCCs and Boards on a quarterly basis in the CRO Report. In certain circumstances, deposits from reinsurers are also held as collateral.

Intra-group reinsurer counterparty
The counterparty risk presented by the intra-group reinsurance (IGR) arrangements is mitigated through the use of collateralisation, where applicable, FIBL as guarantor and FIID as beneficiary. FIBL has deposited assets in the trust account, to secure its obligations to FIID, under the IGR arrangement.

Confirmation that the level of actual and required collateral has been met is monitored and reported quarterly to the FIID Board.

Intermediary counterparty risk
Under the terms of the Framework Agreement, all monies received by The Fidelis Partnership from or on behalf of the Company are on a risk transfer basis.

There is a risk that inadequate credit control processes could result in material backlogs within The Fidelis Partnership, resulting in the Company having an increased counterparty credit exposure to The Fidelis Partnership. Underwriters assist with the collection of premiums when required and if no response is forthcoming, a notice of cancellation may be issued. Credit control policies and procedures are in place to ensure all money owed to FIID is collected and to ensure that cash received is allocated appropriately.

The Company is prepared to tolerate pre-determined levels of outstanding broker balances reflecting the concentration of business in the markets in which it operates subject to regular monitoring and the reporting of material exposures to management and the Board.

The key controls in respect of intermediary counterparty risk are:

- The implementation of credit and administration SLA with KPIs and metrics to identify if The Fidelis Partnership fails to meet its performance targets;
- The regular reporting on the aged debt and unallocated cash levels to the Company;
- The agreed payment of funds due to the Company from The Fidelis Partnership on a monthly basis; and
- The regular monthly reporting of the level of exposure that the Company and The Fidelis Insurance Group has to The Fidelis Partnership.

iii. Risk assessment of counterparty default risk
Reinsurance is used to manage and mitigate underwriting risk; however, this does not discharge the Company's liability as the primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assesses the creditworthiness of its reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

Exposures to individual policyholders, groups of policyholders and intermediaries are also monitored on an ongoing basis through the Company's credit control processes.

The risk appetite limits on the level of intermediary and reinsurance counterparty default risk are reviewed and approved annually by the FIID Board.

Counterparty default risk is also assessed as a part of the stress and scenario testing undertaken as a part of the ORSA process. No FIID credit limits were exceeded during the year. No financial assets are impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

iv. Risk assessment of counterparty default risk
Counterparty default risk concentrations may occur in relation to reinsurer counterparties, insurance contract holders and insurance intermediaries. The potential for the build-up of concentration risk is monitored on a frequent basis against the Board's stated risk appetite limits.

C1.4 Liquidity risk

i. Overview of assessment of liquidity risk

Liquidity risk relates to the risk of the Company being unable to meet its liabilities as they fall due because of a lack of available cash. FIHL has unconditionally and irrevocably guaranteed all FIID's financial obligations.

ii. Risk mitigation techniques for liquidity risk

FIID's investment portfolio consists of a highly liquid fixed income portfolio and cash. The Company's investment guidelines and Risk, Capital and Solvency appetite formalise FIID's appetite for liquidity at the portfolio level. This level of required liquidity across the overall portfolio is one of the drivers for the construction and maintenance of the investment portfolio. This results in liquidity levels being maintained significantly in excess of that which would otherwise be required to support projected outflows related to insurance obligations even in stressed scenarios.

The Company's exposure to liquidity risk is regularly monitored through its liquidity risk appetite which is dominated by its strategic imperative to maintain a highly liquid investment portfolio. The Company maintains a predominantly fixed-income portfolio, with the main goal of the investment policy to maximise income under the constraints of capital conservation.

Subject to maintaining sufficient liquidity in aggregate across entities, FIID has the ability to perform intragroup transactions in the event of temporary liquidity shortfalls at individual entity level. This obviates incurring costs that might result from raising entity-specific liquidity through external means. As such, management do not believe it necessary to cascade formal risk tolerances and associated risk reporting requirements to entity level and instead report the overall Group position to all Boards.

The target minimum level of Group liquidity is designed to ensure that the Company can satisfy policyholder liabilities in a stressed environment requiring sufficient cash liquidity at 5 days, 30 days and 180 days to cover a variety of pre-defined gross man-made and natural catastrophe loss events. FIID's portfolio consists of a highly liquid fixed income portfolio and cash.

Furthermore, FIID has the right to request immediate settlement of material recoveries under the IGR agreement with FIBL.

iii. Risk assessment of liquidity risk

Liquidity risk is assessed on a regular basis against the stress tests defined in the Company's liquidity risk appetite statement, as well as a part of the stress and scenario testing undertaken as a part of the ORSA process.

The results of the stress tests and the amount of the invested assets that are expected to be able to be liquidated within 5 days are reported to the FIID RCC and Board in the CRO report.

iv. Risk concentration of liquidity risk

Liquidity risk concentrations may occur in relation to the nature of the underlying assets that FIID invests in, as well as the custodians, banks, credit institutions and bond issuers that FIID places its cash and investments with.

The potential for the build-up of concentration risk is monitored on a frequent basis against investment manager guidelines, investment portfolio benchmarks (that are based upon the findings from the strategic allocation exercise), and the Board's stated risk appetite limits.

In order to stress our liquidity position, a test was developed where our largest 1-in-100 net PML exposure allowable within the risk appetite coincides with a failure of our external Excess of Loss reinsurance programme. FIID is expected to have access to a sufficient level of liquid funds to meet the gross claims payment as under the terms of our intragroup reinsurance arrangements, FIID can require settlement of a large reinsurance recovery prior to the payment of the original gross claim.

v. Expected profit included in future premiums ("EPIFP")

Liquidity risk also takes account of EPIFP. The Company recognises that EPIFP can contribute to an increase in future net cash flows and therefore can act to reduce liquidity risk.

EPIFP is the expected present value of the future cash-flows of legally obliged insurance contracts where the future incomings are larger than future outgoings. This value forms part of the calculation of Solvency II technical provisions.

C1.4 Liquidity risk (continued)

The EPIFP as at 31 December 2023 is $72.8 million (2022: $34.4 million). The calculation of the EPIFP has been performed to understand the level of expected profit within premiums that are expected to be received in the future. This calculation has inherent uncertainty as it is on a planning basis and actual outcome may differ materially.

C1.5 Operational risk

i. Overview of assessment of operational risk

Operational risk relates to the risk of losses arising from adverse external events, or from inadequate or failed processes, people or systems. FIID sets high standards for its operations and maintains a simple operating structure designed to limit operational risk and ensure effective identification and appropriate action in the event of risks crystallising.

Operational risk is considered from a range of internal and external sources according to whether it has the potential to exacerbate the intrinsic losses that may be suffered and / or crystallise in a specific financial loss or other adverse impact.

Sources of risk are considered under the following broad categories:

- Failure of a core business process, people or system to contain intrinsic risk within the Board's approved appetite e.g. failure to underwrite within underwriting authority / maximum lines;
- Failure of a process, people or system and / or external events leading to a specific financial loss or impact over and above that resulting from intrinsic risk exposures e.g. a failure to comply with anti- money laundering policy resulting in fine or sanction; and
- Failure of process, people or systems leading to loss of opportunity (i.e. not necessarily a capital impact but one that adversely impacts potential risk adjusted returns) e.g. failure to effectively maintain broker relationships leading to a loss of income.

ii. Risk mitigation techniques used for operational risk

The Company maintains an operational risk and controls register encompassing all material operational risks and the controls designed to prevent, mitigate or detect them.

On a quarterly basis the CRO and/or a member of the risk management function meets with individual risk owners to discuss and document any changes to risks, controls or processes. The meeting includes an open discussion encompassing changes to business and processes, new or developing emerging risks and any other topics raised by the risk owners.

A disaster recovery plan and a business continuity plan are both in place to mitigate the impact to the Company of a failure in FIID's IT systems or a loss of access to its premises.

In respect of key person risk, Fidelis has succession plans in place that are reviewed and updated on at least an annual basis to mitigate the impact of the departure of key individuals from the organisation.

The utilisation of documented policies and procedures also mitigates against the risk of a loss of knowledge from the Company.

iii. Risk assessment of operational risk

On at least an annual basis, and at such points in the development of the Company where material changes are made to the operating structure, relevant risk owners are required to reassess and reaffirm the full scope of risks, controls and related assessments for which they are responsible.

The resulting assessment is recorded and subject to review, challenge and approval by the risk management function.

An assessment of key risks and any material changes in the period is reported by the CRO to the RCC supported by a summary of key points from the risk owner discussions. Material changes to the scope, nature or assessments of risks and controls are reported to the internal audit function to inform the audit planning and review process.

C1.5 Operational risk (continued)

In the event of a material operational risk crystallising, a risk learning exercise will be undertaken to understand the root causes and identify mitigating factors or steps to reduce the probability and / or impact of a recurrence where appropriate.

The conclusions from this exercise and the results of the follow up action will be reported to senior management and agreed with the relevant risk / control owner(s) and summarised in CRO reporting to the RCC and the FIID Board.

Operational risk is also assessed as part of the stress and scenario testing undertaken within the ORSA process.

iv. Risk concentration of operational risk

Operational risk concentrations may occur in relation to an overreliance on key individuals within the organisation, or dependency on third parties, key systems and processes that the Company utilises.

Operation risk is monitored on a frequent basis against the Board's stated risk appetite limits.

C1.6 Other material risks

Risks relating to the strategic relationship with the Fidelis Partnership

i. Overview of the risks relating to the strategic relationship with the Fidelis Partnership

The Company relies on The Fidelis Partnership for services critical to its underwriting and other operations. The termination of the relationship or the failure by The Fidelis Partnership to perform these services may cause material disruption in our business or materially adversely affect our financial results.

ii. Risk mitigation techniques used

The Framework Agreement and the Irish Delegated Underwriting Authority Agreement has a rolling initial term of 10 years.

In accordance with the terms of the Framework Agreement, the Group and The Fidelis Partnership will agree the following documents on an annual basis: (i) an annual plan, agreed at group level, which will set out the limits of The Fidelis Partnership's delegated authority for the respective underwriting year, including the agreed underwriting parameters and risk tolerances in respect of its three-segment underwriting strategy on a gross and net basis for each annual period; and (ii) a group-level underwriting strategy, which will establish how the Group and The Fidelis Partnership will coordinate the manner in which insurance and reinsurance risks are underwritten pursuant to the Delegated Underwriting Authority Agreements (including the Irish Delegated Underwriting Authority Agreement) in each annual period.

The Fidelis Partnership is subject to various service standards in relation to the services it provides to the Group under the Framework Agreement and the Inter-Group Services Agreement. In addition to general requirements to carry out its obligations in accordance with good industry practice and all reasonable care and skill, the Framework Agreement and the Inter-Group Services Agreement each contain a number of prescribed service-level agreements ("SLAs") and key performance indicators ("KPIs"), that apply to a range of services. If The Fidelis Partnership fails to remedy breaches of the SLAs or KPIs within a reasonable period agreed with the Company, there are financial penalties which can be levied upon The Fidelis Partnership.

Under the terms of the Irish Delegated Underwriting Authority Agreement, the Framework Agreement and the Inter-Group Services Agreement, The Fidelis Partnership provides detailed reporting to the Company on a regular basis.

iii. Risk assessment

The Company has designed its system of governance to ensure that there is effective monitoring, oversight, challenge and reporting of the outsourced activities undertaken for and on behalf of the Company by The Fidelis Partnership. As part of this system of governance, a governance and oversight framework (the Service Management & Oversight Framework) has been established to provide the Company and Fidelis Insurance Group with oversight of key activities conducted within The Fidelis Partnership.

C1.6 Other material risks (Continued)

iv. Risk concentration

The Company's operating model places a significant reliance on The Fidelis Partnership, with resulting credit and operational risk. Given the materiality of our exposure to The Fidelis Partnership, as well as the concentration of that exposure, regular scenario tests are conducted of our Operational Resilience, the robustness of our Business Continuity Plans and our Exit Plans from the Framework Agreement and Inter-Group Services Agreement with The Fidelis Partnership.

Emerging risk

i. Overview of assessment of emerging risk

Emerging risks are defined as the risks that are either previously unknown, or which were to some extent known but that are evolving in unexpected ways, and that have the potential to develop in such a way as to impact the balance sheet.

FIID identifies and monitors new and developing emerging risks through a range of channels including but not limited to:

- Regular communication with underwriters in respect of areas of risk material to their portfolios;
- Liaison with asset managers and advisors in respect of emerging macroeconomic, geopolitical and societal risks;
- The FIID CRO's and other members of the Risk Management function's reviews with risk owners conducted via the operational risk management process; and
- The FIID CRO's and other members of the risk management function's review of relevant external inputs, publications and periodic surveys.

ii. Risk mitigation techniques used for emerging risks

An emerging risk register is maintained by the risk management function and emerging or crystallising risks are reported to the RCC and the Board in aggregate through the regular CRO reporting process.

In the event of a new or developing emerging risk representing a material risk, the CRO will escalate as appropriate in order that appropriate mitigation can be implemented.

iii. Risk assessment of emerging risks

FIID assesses its exposure to emerging risks through the review and updating of the emerging risk register. On an annual basis the emerging risk register is presented to the FIID Board.

iv. Risk concentration of emerging risks

Emerging risk concentrations may occur in relation to a broad range of areas covering environmental, political, economic, social and technological developments.

Group and strategic risk

i. Overview of Group and strategic risk

Group and strategic risk are defined as the risk of impact on shareholder value, earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Within this definition the Group has identified four key sub-categories of risk:

- **Communication risk**: The risk that the Group fails to define, maintain or adequately communicate its strategy and, as a result, cannot take advantage of strategic opportunities;
- **Capital planning risk**: The risk that the Company has insufficient capital at the right time to take advantage of strategic opportunities;
- **Reputational and regulatory risk**: The risk that adverse events or circumstances negatively affect the reputation of the Group with its rating agencies, regulators, policyholders, intermediaries, existing or prospective investors; and
- **Group contagion risk**: The risk that adverse events or circumstances affecting one or more business units or entities damage the solvency, liquidity, results or reputation of other entities or the overall Group.

C1.6 Other material risks (Continued)

ii. Risk mitigation techniques used for Group and strategic risk
The Company uses Group resources in a number of areas, including IT and risk management. Group risk is assessed, managed, monitored and reported as part of the Company's risk management processes. The Company seeks to manage strategic risks to the business by ensuring that the business strategies and resources are compatible with the strategic goals and the economic situation of the markets in which it operates.

iii. Risk assessment of Group and strategic risk
Strategic risk is assessed at least annually, as a part of the CRO's review of the strategy. Group risk is assessed as part of the ORSA process.

iv. Risk concentration of Group and strategic risk
Group risk concentrations may occur in relation to an overreliance by the Company on key individuals, systems, processes and financial resources of the Group.

Group and strategic risk are included within and monitored against the Board's stated operational risk appetite limits on a frequent basis.

C2. RISK EXPOSURES

C2.1 Material risks and risk measures

The figures in the table below detail the current material risks for FIID as part of the SCR as at 31 December 2023 compared to 31 December 2022:

$ thousands	2023	2022
Non-life underwriting risk	66,455	54,440
Market risk	11,470	8,511
Counterparty default risk	17,877	20,282
Diversification	(14,938)	(13,450)
BSCR	**80,864**	**69,783**
Operational risk	12,358	14,506
Deferred tax adjustment	(2,074)	—
SCR	**91,148**	**84,289**

The FIID Board is updated on at least a quarterly basis as to whether the current risk profile is within the approved risk appetite tolerances and expected to remain so. As part of the ORSA process, these risks have been subject to a series of plausible but extreme stress and scenario tests covering each of these risk categories and the liquidity of the Company's assets following these events. There have been no material changes in these processes during the year.

The most material risk that FIID faces relates to non-life underwriting risk. An overview of how this risk is assessed and the key risk mitigation tools employed are detailed in section C1.1.i above.

C2.2 Investment of assets in accordance with the prudent person principle

The Company is required to invest the assets used to cover the MCR and the SCR in accordance with the "prudent person principle". The prudent person principle defines that the assets must be invested in a manner that a "prudent person" would – that is that the decisions are generally accepted as being sound for the average person.

FIID fulfils its obligations required by the Solvency II Directive to ensure that its assets are invested in line with the prudent person principle by only investing in investment-grade corporate bonds, investment-grade structured credit, investment-grade government bonds, cash or cash equivalents. These assets are all considered to be of a high quality and liquidity, and are in line with its risk appetite. The investment portfolio is monitored on a regular basis to ensure that it remains at an appropriate level of quality and liquidity whilst avoiding excessive concentrations.

C3. RISK SENSITIVITY

The following plausible but extreme scenario tests were undertaken as part of the ORSA process that was presented to the FIID Board in May 2023. These scenarios were developed by a sub-committee of the Board, comprising the Chair of the RCC, the FIID CEO, the FIID CFO, the FIID Chief Actuary and the FIID CRO. The aim of the scenarios is to provide a range of realistic challenges to the business plan covering the key risk categories that the Company is exposed to, and to test the potential range of responses to the outcomes. A range of scenarios were stressed in 2023 with the following key stressed scenarios assumed to occur in either 2023, 2024 or 2025.

- Underwriting Risk: FIID suffers losses that are equivalent to the maximum exposures allowable within the risk appetite on its Mortgage Indemnity and its Regulatory Capital Relief book in 2023 (1-in-500 year return period).
- Reserve Risk: Due to higher than anticipated attritional loss ratios, the loss experience is higher than planned across all specialty lines, impacting technical provisions. Management responds to this scenario by taking corrective pricing action and non-renewing its poorest performing accounts (1-in-20 year return period).
- Reserving Risk: The underlying assumptions in the technical provisions are revised following a review of their appropriateness, resulting in a material increase in the earned technical provisions; a material decrease in the expected profit of the unearned technical provisions; and a material increase in the technical provisions unearned claims (1-in-10 year return period).
- Currency Risk: The US Dollar falls 25% against the Euro, resulting in an immediate balance sheet shock and a stress and ongoing increase to the expense base, with a material increase in those expenses which are Euro denominated, such as local salary costs, premises costs, and costs and fees due to local service providers and advisors (1-in-20 year return period).
- Market Risk: There is an increase in US interest rates by 5% (on an absolute basis) over a 12-month time horizon, resulting in a reduction in value of the FIID bond portfolio, and an increase in interest income (1-in-20 year return period).
- Counterparty Risk: The insolvency of a number of our external reinsurers following a market event, resulting in an average loss given default of 50%, that coincides with an unrelated gross insurance loss of $300 million to FIID (1-in-500 year return period)
- Counterparty Risk: The Fidelis Partnership defaults at the point in time where FIID's exposure to The Fidelis Partnership is greatest, with a 100% loss given default (1-in-20 year return period)
- Operational Risk: Operational processing backlogs arise resulting in delays in the remittance of premium due to FIID, with a material increase in aged debt and a corresponding reduction in cashflow to FIID. (1-in-5 year return period)

Under all of the above plausible but extreme scenarios the Company is projected to maintain its own funds above the MCR and SCR in 2024.

C4. ANY OTHER INFORMATION

C4.1 Climate change

Climate change represents one of the greatest long-term risks for the insurance industry. It is expected that climate change will lead to an increase in the frequency and severity of extreme weather events in the long term. Fidelis' risk-management procedures and risk models seek to allow for the assessment of these risks and to develop new solutions for the Company's primary insurance and reinsurance clients.

C4.2 Conflict in Ukraine

Following Russia's invasion of Ukraine on 24 February 2022, government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Many of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such

C4.2 Conflict in Ukraine (continued)

aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft. The insurers have denied the claims and the lessors have instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including the Company. Provision has been made in the Company's reserves for losses and loss adjustment expenses for potential exposures relating to the Ukraine Conflict, a considerable majority of which are reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings.

This is an unprecedented event, which, as of the date of this report, is anticipated to continue for a protracted period of time and presents unique circumstances and coverage issues in respect of both the gross loss and consequent extent of the reinsurance recoveries, which will continue to be unresolved until the multiple courts rule on the merits of the lawsuits. The situation is continuously evolving, including with respect to explorative discussions ongoing between Western leasing firms and Russian airline operators for the sale of some of the unreturned aircraft to the Russian operators. Such discussions, if successful, may lead to a reduction in any potential exposures under the relevant insurance policies.

While it is not feasible to predict or determine the ultimate outcome of the above mentioned proceedings, Management do not believe that the outcome of these proceedings will have a material adverse effect on the financial condition of the Company, after consideration of any applicable reserves.

C4.3 Capital maintenance agreement from FIBL

It should also be noted that FIID has a capital maintenance agreement in place from FIBL, which commits FIBL to providing sufficient capital to maintain FIID's regulatory solvency position above an agreed Solvency II SCR Coverage Ratio. This agreement includes a clause that the commitment will be triggered if the FIID Board believes that the Solvency II SCR Coverage Ratio will drop below this position at any point over a subsequent nine-month period. FIBL is required to provide the funds within 15 Business Days of receipt of a valid demand from FIID under the agreement. Any funds provided under the agreement must be of a form that they can be used to meet FIID's solvency capital requirements.

FIID does not plan to rely on this agreement, but as part of the extreme but plausible stress tests that were run in the previous ORSA report, a scenario was designed to explicitly model a situation where FIBL suffered a severe stress event, and FIID simultaneously suffered multiple large loss events that resulted in FIID requesting that FIBL provide support in line with the requirements of the agreement. This scenario was considered to be extraordinarily remote (greater than a 1-in-400 return period), but still did not result in the Solvency II SCR Coverage Ratio dropping below 100%.

C4.4 Unconditional guarantee from FIHL

It should also be noted that FIID has an unconditional guarantee from FIHL for all of its financial obligations, however, FIID does not plan to rely on this guarantee and none of the extreme but plausible stress tests that have been run in the previous ORSA report resulted in a scenario that FIID needed to rely on this guarantee.

SECTION D : VALUATION FOR SOLVENCY PURPOSES

The Company's annual financial statements are prepared under Irish GAAP for filing with the Companies Registration Office. They are prepared under the historical cost convention, as modified by the inclusion of certain investments at fair value and in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102) and FRS 103 "Insurance Contracts" (FRS 103) issued by the Financial Reporting Council.

On the Solvency II balance sheet assets and liabilities are generally valued differently and in accordance with valuation rules set out in the Solvency II Directive.

The difference between the valuation bases used under Irish GAAP and Solvency II has resulted in a difference in the net asset value at the end of the year of -$1.1 million (2022 difference: -$2.3 million).

The table below shows the differences in the valuation of assets and liabilities per the Company’s financial statements to the valuation for solvency purposes as at 31 December 2023:

$ thousands	Valuation per Irish GAAP	Valuation and re-classification adjustments	Valuation per Solvency II
Assets			
Investments	192,901	1,504	194,405
Cash and cash equivalents	14,222	—	14,222
Insurance and intermediaries receivables	580,184	(563,782)	16,402
Recoverable accrual	28,715	3,390	32,105
Deferred acquisition costs	60,495	(60,495)	—
Reinsurance recoverables	350,431	(129,488)	220,943
Ceded unearned premium reserve	693,960	(693,960)	—
Deferred tax assets	452	199	651
Any other assets, not elsewhere shown	20,229	(4,894)	15,335
Total assets	**1,941,589**	**(1,447,526)**	**494,063**
Liabilities			
Technical provisions	1,155,261	(878,934)	276,327
Reinsurance premiums payable	483,778	(483,778)	—
Deferred reinsurance commissions	60,272	(60,272)	—
Any other liabilities, not elsewhere shown	57,085	(23,413)	33,672
Total liabilities	**1,756,396**	**(1,446,397)**	**309,999**
Excess of assets over liabilities	**185,193**	**(1,129)**	**184,064**

D. VALUATION FOR SOLVENCY PURPOSES (CONTINUED)

The table below shows the differences in the valuation of assets and liabilities per the Company's financial statements to the valuation for solvency purposes as at 31 December 2022:

$ thousands	Valuation per Irish GAAP	Valuation and re-classification adjustments	Valuation per Solvency II
Assets			
Investments	144,034	568	144,602
Cash and cash equivalents	18,147	1	18,148
Investment in subsidiary	101	—	101
Insurance and intermediaries receivables	411,629	(391,682)	19,947
Recoverable accrual	15,131	14,014	29,145
Deferred acquisition costs	36,626	(36,626)	—
Reinsurance recoverables	242,245	(99,882)	142,363
Ceded unearned premium reserve	535,228	(535,228)	—
Deferred tax assets	824	324	1,148
Any other assets, not elsewhere shown	40,056	(11,397)	28,659
Total assets	**1,444,021**	**(1,059,908)**	**384,113**
Liabilities			
Technical provisions	869,253	(651,065)	218,188
Reinsurance premiums payable	343,901	(343,901)	—
Deferred reinsurance commissions	46,517	(46,517)	—
Any other liabilities, not elsewhere shown	43,433	(16,110)	27,323
Total liabilities	**1,303,104**	**(1,057,593)**	**245,511**
Excess of assets over liabilities	**140,917**	**(2,315)**	**138,602**

D1. ASSETS

D1.1 Investments

FIID has a portfolio of investments which comprises predominantly corporate bonds, government bonds, cash and fixed income securities. The average credit quality of the portfolio is high, with a focus on capital preservation.

As at 31 December 2023, the Company held $194.4 million (2022: $144.6 million) of investments, which are carried at fair value under Solvency II. An adjustment has been made to include accrued interest (which is not included under Irish GAAP) in the bond valuation for Solvency II purposes.

The table below shows the Company's financial assets at fair value by material class of investment as at 31 December 2023:

$ thousands	Level 1	Level 2	Total
Government bonds	23,490	18,926	42,416
Corporate bonds	—	126,381	126,381
Collective Investments Undertakings	—	25,608	25,608
Total debt securities and other fixed income securities	**23,490**	**170,915**	**194,405**

D1.2 Cash and cash equivalents

As at 31 December 2023, the Company held $14.2 million (2022: $18.1 million) as cash and cash equivalents. Cash and cash equivalents carrying amounts are considered to be held at fair value on the basis that these are short term assets, therefore there are no differences between the valuations under Solvency II and Irish GAAP.

D1.3 Investment in subsidiary

On 24 March 2022 the Company incorporated a wholly-owned subsidiary in Belgium, Fidelis Insurance Europe S.A. Fidelis Insurance Europe S.A. had no trading activity during 2022 or 2023 and was liquidated on 29 September 2023.

D1.4 Insurance and intermediaries receivables

Insurance and intermediaries receivables represents premiums owed from policyholders. As at 31 December 2023, the Company had a total of $580.2 million (2022: $411.6 million) of outstanding premiums under Irish GAAP. For Solvency II purposes, an adjustment is made to remove non-overdue receivables leaving an insurance and intermediaries receivables balance of $16.4 million (2022: $19.9 million). The non-overdue receivables balance is considered within the calculation of the technical provisions as they are used as the basis for the future premiums and claims reinsurance recoveries elements.

Under Irish GAAP, insurance and intermediaries receivables are measured at amortised cost less any impairment losses. Under Solvency II, receivables are measured at fair value. Due to the short-term nature of the receivables, the Irish GAAP carrying value represents a fair approximation of the market consistent valuation under Solvency II.

D1.5 Recoverable accrual

The recoverable accrual comprises reinsurance recoverables on paid claims and totalled $28.7 million as at 31 December 2023 under Irish GAAP (2022: $15.1 million) under Irish GAAP. Group reinsurance purchases and recoveries are recognised in any other liabilities / any other assets, not shown elsewhere on a US and Irish GAAP basis, but reallocated to TPs / recoverable accrual on an SII basis. An adjustment of $3.4 million has been made for these recoveries not yet received.

D1.6 Deferred acquisition costs

Deferred acquisition costs comprise brokerage and commission incurred on contracts written during the financial year, but expensed over the term of the insurance contract. Under Irish GAAP, DAC is recognized at cost and amortised systematically over the life of the contracts and tested for impairment at each balance sheet date. Any amount not recoverable is expensed. Under Solvency II DAC is not recognized. Instead, all cash flows related to expenses due to servicing recognised insurance obligations are considered in the best estimate technical provisions.

D1.7 Reinsurance recoverables and ceded UPR

As at 31 December 2023, reinsurance recoverables and Ceded UPR were $350.4 million and $694.0 million under Irish GAAP (2022: $242.2 million and $535.2 million respectively). Reinsurance recoverables are held at amortised cost less any impairment, which approximates to fair value given the short-term nature of these assets. For Solvency II purposes, reinsurance recoverables are determined as part of the calculation for technical provisions.

D1.8 Deferred tax asset and liabilities

Deferred taxes are calculated based on the differences between the values ascribed to assets and liabilities on a Solvency II basis, as opposed to an Irish GAAP basis, and the values ascribed to the same assets and liabilities for tax purposes. The value of the deferred tax asset per Irish GAAP is $0.5 million as at 31 December 2023 (2022: $0.8 million). There was no deferred tax liability for Solvency II purposes in 2022 and 2023.

Deferred tax is measured using rates enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of a timing difference.

FIID's deferred tax asset has been recognised on the basis that these tax credits are expected to be utilised in future periods, as supported by future profit forecasts.

D1.9 Any other assets, not elsewhere shown

As at 31 December 2023, other assets which primarily comprise intercompany receivables, were $20.2 million (2022: $40.1 million) per Irish GAAP and are valued at amortised cost less any impairment which approximates to fair value given the short-term nature of these assets. The difference between the valuations is driven by the re-classification of accrued interest to Investments for Solvency II.

D2. TECHNICAL PROVISIONS

Under Solvency II principles technical provisions (or "TP's") represent a valuation of the Company's obligations towards its policyholders. TP's are required to be calculated as the sum of:

a) best estimate equal to the probability-weighted average of all future cash-flows, taking account of the time value of money; and

b) a risk margin equivalent to the amount that an insurance undertaking would be expected to require in order to take over and meet the technical provision obligations.

There are a number of factors which influence the calculation of technical provisions and their final value. These are discussed in this section D.2.1 of this report. On a Solvency II basis the total technical provisions at 31 December 2023, including the risk margin, were $55.4 million compared to $110.9 million on a statutory basis, a difference of $55.5 million.

The table below shows the technical provisions as at 31 December 2023 by line of business:

	Direct and accepted proportional business					Accepted non-proportional business			
$ thousands	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability**	**Credit and suretyship insurance**	**Miscellaneous financial loss**	**Casualty reinsurance**	**Marine, aviation and transport**	**Property**	**Total**
Premium provisions: Gross	(9,463)	(560)	20,338	(85,355)	3,780	—	95	(86)	(71,251)
Premium provisions: Ceded	(860)	(1,747)	13,628	(15,882)	(524)	—	564	(108)	(4,929)
Premium provisions: Net	**(8,603)**	**1,187**	**6,710**	**(69,473)**	**4,304**	**—**	**(469)**	**22**	**(66,322)**
Claims provisions: Gross	192,901	6,975	34,919	29,586	71,395	—	1,347	1,058	338,181
Claims provisions: Ceded	137,221	(3,734)	24,085	(2,532)	57,864	—	1,061	11,907	225,872
Claims provisions: Net	**55,680**	**10,709**	**10,834**	**32,118**	**13,531**	**—**	**286**	**(10,849)**	**112,309**
Risk margin	3,656	790	1,323	2,788	814	—	25	1	9,397
Total technical provisions	**50,733**	**12,686**	**18,867**	**(34,567)**	**18,649**	**—**	**(158)**	**(10,826)**	**55,384**

D2.1 Valuation of technical provisions

Under Solvency II guidelines, technical provisions are calculated as the sum of a best estimate of the liabilities and a risk margin.

The best estimate portion of the TPs represents the sum of probability-weighted average future cash flows in respect of all policies that are legally obliged as at the valuation date, taking into account the time value of money (expected present value of future cash flows) using the EIOPA risk-free interest rate term structure. These future cash flows include future premium receipts, future claims payments, future reinsurance spend, future reinsurance recoveries and associated future expense cash flows. For Solvency II, these cash flows are split into the premium provision (unearned element of future cash flows including premiums and claims) and claims provision (earned element of future cash flows including premiums and claims). The methodology employed in the calculation for TPs is consistent across all lines of business.

The risk margin represents the risk premium that would be required to be paid to a third party in order to take over and meet the insurance and reinsurance obligations over their lifetime. The risk margin is calculated using the Solvency II prescribed approach, as the discounted cost of capital of running off all policies that form part of the best estimate, at a rate of 6% per annum. The risk margin is currently allocated between Solvency II lines of business in line with its insurance premium volume measure within the Standard Formula calculation.

There are a number of valuation differences between Solvency II and Irish GAAP:

- Unexpired risks – Under Irish GAAP, premium is earned over the period of the underlying policies having regard to the incidence of risk. Unearned premium represents premium relating to unexpired periods of policies written. A liability for unearned premium liability is not recognized under Solvency II; instead a premium provision is included in TP's to reflect expected future claims and expenses netted by expected future premiums on existing policies.
- Discounting – is not applied under Irish GAAP where under Solvency II all TP's are discounted to make allowance for the time value of money.
- Profit recognition – under Irish GAAP FIID recognises profits or losses on insurance policies over the duration of the policy periods, whereas under Solvency II these are recognized as the associated policies are recognised.
- Margin for uncertainty / events not in data – under Irish GAAP an additional margin may be booked over and above the best estimate of technical provisions upon the recommendation of a company's Reserving Committee. Under Solvency II Technical Provisions must be booked at best estimate; however, Events Not in Data ("ENIDs") must be considered in terms of whether they give rise to the need for additional provisions. An ENID is a type of potential future claim which historical loss data might not necessarily reflect.
- Risk margin – risk margin is an estimate of the amount above and beyond the best estimate valuation which one might reasonably expect another insurer to charge to assume the Company's liabilities. Under Solvency II it is necessary to consider this in the valuation of TP's, whereas no such requirement exists under Irish GAAP.

In completing the Company's TP's, the following key assumptions are made:

- **Expected claims** - Expected claims on earned business are taken directly from the Irish GAAP reserves, while unearned claims are determined using Initial Expected Loss Ratios ("IELR's") based on Fidelis data, industry data and expert judgement.
- **Events not in data** - Under Solvency II, the mathematical mean of the distribution of all possible future outcomes should be captured. Therefore, a load is added to the future losses to allow for ENIDs which would not be captured in the best estimate calculated on an Irish GAAP basis.
- **Expenses** - The TPs make allowance for the expenses incurred in servicing the legal obligations of contracts and these include acquisition costs, reinsurance costs, ULAE, administrative and investment expenses.
- **Interest rates** - The future cash flows are discounted using the standard risk-free rate term structure provided by EIOPA. The matching adjustment or the volatility adjustment has not been utilised.

D2.1 Valuation of technical provisions

The assumptions within each class can vary, for example the loss ratios and ENID ratios that are parameterised using industry data. Outside of differences in assumptions, there are no material differences in the methodological approach taken for each line of business.

D2.2 Level of uncertainty associated with the value of TPs

There is inherent uncertainty within the cash flows that relate to insurance contracts and it is recognised that future claim emergence is likely to deviate from the estimates, potentially materially. Key uncertainties include:

- the number and magnitude of potential large losses and catastrophe events on unexpired business at the valuation date;
- the provision for ENIDs for which by their nature there is no data available;
- potential for policies to be cancelled;
- the estimation of risk margin with uncertainty over run-off of capital requirements;
- potential deviation on expected profits on unincepted and unearned business;
- the volume of unincepted business;
- the ultimate payout patterns and how a different pattern would impact the level of discounting; and
- uncertainty around the level of future premium receivable.

The Company's estimates are subject to additional uncertainty due to the high exposure to potential large losses due to the nature of the business written and the number of multi-year deals with large volumes of premium yet to be received.

As part of the technical provision process, a suite of sensitivity tests is run to better understand the materiality of key assumptions and how sensitive the overall best estimate technical provision is to changes in the underlying assumptions.

D2.3 Solvency II and Irish GAAP valuation differences of TPs by material line of business

The table below shows a build up from the Irish GAAP valuation of insurance contract liabilities to the Solvency II TPs, split by line of business, as at 31 December 2023:

	Direct and accepted proportional business					Accepted non-proportional business			
$ thousands	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability**	**Credit and suretyship insurance**	**Miscellaneous financial loss**	**Casualty reinsurance**	**Marine, aviation and transport**	**Property**	**Total**
Gross Irish GAAP insurance contract liabilities	421,719	42,452	220,099	365,160	102,980	—	1,818	1,033	1,155,261
Solvency II adjustments	(238,281)	(36,037)	(164,842)	(420,929)	(27,805)	—	(376)	(61)	(888,331)
Gross BEL	**183,438**	**6,415**	**55,257**	**(55,769)**	**75,175**	**—**	**1,442**	**972**	**266,930**
Net Irish GAAP insurance contract liabilities	41,939	4,286	23,298	28,926	12,230	—	194	(3)	110,870
Solvency II adjustments	5,138	7,610	(5,754)	(66,281)	5,605	—	(377)	(10,824)	(64,883)
Net BEL	**47,077**	**11,896**	**17,544**	**(37,355)**	**17,835**	**—**	**(183)**	**(10,827)**	**45,987**
Risk margin	3,656	790	1,323	2,788	814	—	25	1	9,397
Technical provisions	**50,733**	**12,686**	**18,867**	**(34,567)**	**18,649**	**—**	**(158)**	**(10,826)**	**55,384**

Under the Company's Irish GAAP reserving methodology the actuarial function calculates ultimate loss ratios with no margins for prudence or optimism. An explicit margin may be added based on consideration and recommendation from the Reserving Committee.

The Company does not use the following adjustments in calculating the Technical Provisions:

- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- the transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC; and
- the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D2.3 Solvency II and Irish GAAP valuation differences of TPs by material line of business (continued)

Solvency II technical provisions are evaluated on a best estimate cash flow basis with items such as unearned premium reserves being removed. In estimating Solvency II technical provisions, the following adjustments are made to Irish GAAP estimates:

- Removal of any margins in the Irish GAAP reserves – Solvency II technical provisions are required to be on an actuarial best estimate basis with no implicit margin (or reduction from best estimate). FIID assumes the booked Irish GAAP reserves at 31 December 2023 are on this basis and the reserves based on actuarial ultimate loss ratios have not been recalculated. Any margin for uncertainty is removed for Solvency II purposes and any expected reinsurance recoveries are allowed for separately (for both proportional and non-proportional reinsurance).
- Recognition of profit in the unearned premium reserve (UPR) – The full amount of unearned premiums is removed from the TPs and the best estimate of the claims liabilities associated with the UPR are added back. Expected reinsurance recoveries are allowed for separately for both proportional and non-proportional reinsurance.
- Recognition of profits in business written prior to, but incepting after, the valuation date – bound but not incepted ("BBNI") premium serves to reduce the technical provisions. The best estimate of the claims liabilities associated with BBNI is added to the technical provisions. Expected reinsurance recoveries are allowed for separately for both proportional and non-proportional reinsurance.
- Allowance for future premiums – Future premium cash flows, premiums that have been written and are either earned or unearned but are not yet due to be paid, are derived from the Company's financial systems for both gross cash inflows and reinsurance cash outflows.
- Events not in data – Under Irish GAAP technical provisions only allow for items that are implicitly included within the data or are reasonably foreseeable. Under Solvency II the best estimate must allow for to all possible outcomes. This would include latent claims and/or very high severity, low probability claims. Gross and ceded technical provisions are estimated separately.
- Expenses required to run-off of the technical provisions – Under Solvency II all expenses expected to be incurred in running-off the technical provisions must be allowed for in the TP calculations, including a proportion of fixed overheads. These are projected using the latest financial data and an estimate of the expected time to run-off the technical provisions based on the estimated claims payment patterns.
- Allowance for reinsurance bad debt (non-recoverable reinsurance) – an allowance for an expected non-payment of reinsurance recoveries, calculated on a SII basis. The expected default under Solvency II takes into account the timing of the expected payment by reinsurer and hence allows for a change in rating over time.
- Allowance for the future cost of reinsurance in respect of written business – some future reinsurance purchases will benefit business written at the valuation date and the expected cost of this spend is included in the technical provisions.
- Allowance for the impact of policies lapsing – based on historical data an allowance is made against future profits / losses for a level of policies lapsing (or being cancelled) before expiry date or a claim being made.
- Allowance for future investment income (discounting) – Cash flows are discounted for the time value of money based on the expected timing of all cash flows. The yield curves (discount rates) for major currencies are used to discount the cash flows and are provided by the supervisory authorities.
- Allowance for risk margin – this increases the overall value of the TP's from the discounted best estimate to an amount equivalent to a theoretical level, needed to transfer the obligations to another insurance undertaking.
- Reinsurance – The Company has significant reinsurance assets as all lines of business are ultimately covered by an 85% intra-group quota share reinsurance arrangement with FIBL.

There have been no significant changes in the assumptions used to calculate the technical provisions during the year.

D3. OTHER LIABILITIES

D3.1 Reinsurance payables

As at 31 December 2023, reinsurance payables were $483.8 million (2022: $343.9 million) per Irish GAAP. Reinsurance payables are measured at amortised cost less any impairment. Given the short-term nature of reinsurance payables, this approximates to fair value under Irish GAAP. There are no differences in principle between Solvency II and Irish GAAP valuations of reinsurance payables. However, for Solvency II purposes, the non-overdue element of reinsurance payables is considered as part of the calculation for technical provisions on the basis that they relate to future cashflows. None of the reinsurance payables balance was overdue as at 31 December 2023.

D3.2 Deferred reinsurance commissions

As at 31 December 2023, ceded deferred reinsurance commissions were $60.3 million (2022: $46.5 million) per Irish GAAP. Deferred acquisition costs are removed under Solvency II principles, however future cashflows of unpaid acquisition costs are accounted for within the technical provisions.

D3.3 Any other liabilities, not elsewhere shown

As at 31 December 2023, all other payables were $57.1 million (2022: $43.4 million) per Irish GAAP and $33.7 million per Solvency II (2022: $27.3 million). The downward adjustment of $23.4 million is a reclass from intercompany payables to technical provisions of amounts owed to other Fidelis entities for group reinsurance purchases. Other payables, which includes accruals, intercompany payables and deferred income, are measured at amortised cost less any impairment which approximates to fair value under Irish GAAP given the short-term nature of these liabilities.

D4. ALTERNATIVE METHODS FOR VALUATION

The Company does not use any alternative methods for valuation of its assets or liabilities.

D5. ANY OTHER INFORMATION

None noted.

SECTION E : CAPITAL MANAGEMENT

The objective of capital management is to maintain, at all times, sufficient capital to safeguard the Company's ability to continue as a going concern and to protect the interests of its customers, investors, regulators, and trading partners while also efficiently deploying capital and managing risk to sustain ongoing business development.

Under Solvency II regulations, the Company is required to maintain capital at a level which is above its SCR. The MCR is a measure which only becomes relevant in a scenario where the capital base has been subject to extreme distress. Accordingly, the SCR value is significantly greater than that of the MCR. Capital held should be of sufficient quality to meet the eligibility requirements in the Solvency II rules as enacted.

The SCR ratio compares a company's own funds to its SCR requirement. While the Company regularly communicates its SCR ratio to the CBI, an SCR ratio below 100% requires immediate reporting in which event the Company must implement a recovery plan to demonstrate the actions it will take to restore its SCR ratio to 100% within 6 months of the breach taking place.

The Company determines its SCR using the standard formula and maintains a prudent buffer over the SCR. The Company's capital position is kept under constant review and is reported quarterly to the Board and to the CBI as part of quantitative Solvency II reporting. The Company manages its own funds with the objective of always being able to satisfy both the MCR and the SCR plus a buffer. There have been no significant changes to capital management objectives over the period of this report.

The Company prepares solvency projections for the following three years as part of its business planning process, which forms part of the ORSA. In addition, short-term solvency projections are calculated where a significant transaction is considered by the Company. Solvency calculations are prepared following the end of each quarter and compared with available own funds; this is included in the risk function's report to the RRC. The solvency position is also communicated to the Board on a quarterly basis.

E1. OWN FUNDS

The Company's capital resources are made up of Tier 1 capital instruments ($183.4m) and Tier 3 capital ($0.6m) representing net deferred tax assets (2022 : all capital was Tier 1). Tier 1 capital comprises ordinary share capital, capital contributions and the reconciliation reserve which are all available as tier 1 unrestricted own funds per article 69 (a)(i) of the Delegated Regulation and are eligible for meeting the Company's SCR requirements. The ordinary share capital and capital contribution are not subordinated and have no restricted duration.

The components of the Company's own funds at the year-end are shown below:

$ thousands	**2023**	**2022**
Ordinary share capital	1,000	1,000
Capital contributions	172,000	147,000
Deferred tax asset	649	1,149
Reconciliation reserve	10,415	(10,547)
Own funds	**184,064**	**138,602**

$ thousands	**2023**	**2022**
Own funds at year-end	184,064	138,602
Eligibility to meet SCR/MCR requirements	100 %	100 %
SCR at year-end	91,148	84,289
MCR at year-end	22,787	21,072
Solvency ratio, SCR	201.9 %	164.4 %
Solvency ratio, MCR	804.9 %	657.8 %

E1. OWN FUNDS (continued)

As part of the capital management cycle a forward-looking estimate of own funds is calculated on a periodic basis during the year to monitor expected solvency ratios by comparing with forecast SCR positions at quarter-ends.

There are certain differences between the value of own funds under Solvency II and the value of equity shown in the Company's financial statements, prepared under Irish GAAP. These arise due to the difference in valuation of assets and liabilities described in section D of this report. A reconciliation is shown in section E.1.1 below.

None of the Company's own funds are subject to transitional arrangements. The Company has no ancillary own funds. There are no other deductions made from own funds, nor is there any restriction affecting the availability and transferability of own funds within the Company.

E1.1 RECONCILIATION RESERVE

At the year-end, the reconciliation reserve stood at $10.4 million compared with $(10.5) million at the end of the previous year:

$ thousands	**2023**	**2022**
Excess of assets over liabilities	184,064	138,602
Deferred tax asset	(649)	(1,149)
Other Basic Own Fund items	(173,000)	(148,000)
Reconciliation reserve	**10,415**	**(10,547)**

The reconciliation reserve represents the excess of assets over liabilities, less a deduction equal to the share capital and the capital contribution.

The Company received capital contributions from FEHL in July 2023 for $25.0 million (2022: $20.0 million in March and $20.0 million in May). These capital contributions have been approved by the CBI as Tier 1 capital.

The following table shows the difference between equity as shown in the financial statements and the Solvency II excess of assets over liabilities:

$ thousands	**2023**	**2022**
Total Irish GAAP equity	185,193	140,917
Valuation adjustments relating to technical provisions	(1,328)	(2,638)
Deferred tax effect	199	323
Total basic own funds	**184,064**	**138,602**

Solvency II own funds of $184.1 million is less than capital calculated on an Irish GAAP basis, driven by the movement in TPs, risk margin and additional expenses in running off technical provisions. This is partially offset by profits in the unearned premium reserve and the impact of deferred tax.

FIID benefits from a contractual intragroup guarantee provided by FIHL. Under the terms of the guarantee, FIHL undertakes to satisfy all liabilities of FIID in the event of its insolvency. This provides a degree of protection greater than that required by the Solvency II SCR.

Additionally, FIID entered into a capital maintenance agreement in 2021, which commits FIBL to provide sufficient capital to maintain FIID's regulatory solvency position equivalent to 105% of its Solvency II SCR coverage ratio. This agreement includes a clause that the commitment will be triggered if the FIID Board believes that the Solvency II SCR coverage ratio will drop below this position at any point over a subsequent nine-month period. FIBL is required to provide the funds within 15 business days of receipt of a valid demand from FIID under the agreement. Any funds provided under the agreement must be of a form that they can be used to meet FIID's solvency capital requirements.

E1.1 RECONCILIATION RESERVE (continued)

Tier 1 own funds are eligible to meet both the SCR and the MCR and are permanently available to cover losses. It is also possible to include deferred tax assets as Tier 3 capital. This category of own funds can be used to cover the SCR (up to a maximum 15%) but is not eligible to cover the MCR.

When considering the loss absorbing capacity of deferred tax in the SCR, it is possible to recognise deferred tax assets against:

- Deferred tax liabilities on the Solvency II balance sheet;
- Future taxable profits; or
- Prior year profits (carry back).

As at 31 December 2023, a deferred tax asset of $0.6 million has been recognised as Tier 3 capital (2022: $1.1 million).

E2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The table below shows FIID's SCR and MCR requirements at the year-end:

$ thousands	2023	2022
SCR	91,148	84,289
MCR	22,787	21,072
SCR coverage ratio	201.9 %	164.4 %

The Company calculates its SCR using the standard formula. The Company does not use any underwriting specific parameters, nor does it use simplified calculations for any of the underlying risk modules.

E2.1 Solvency Capital Requirement

Under Solvency II regulations the SCR is set at a level that ensures that insurers and reinsurers can meet their obligations to policyholders and beneficiaries over the following 12 months with a 99.5% probability, which limits the possibility of falling into financial ruin to less than once in 200 cases. The formula takes a modular approach, meaning that individual exposure to each risk category is assessed and then aggregated.

The SCR, calculated using the standard formula, is intended to be calibrated to ensure all quantifiable risks to which the entity is exposed are captured, covering all existing business and all the business planned to be written over the next twelve months. This means that the 2024 planned premiums and exposures are taken into account in the Q4 2023 SCR calculation.

The risk charges per category as at 31 December 2023 compared to 31 December 2022 are outlined below:

$ thousands	2023	2022
Non-life underwriting risk	66,455	54,440
Market risk	11,470	8,511
Credit risk	17,877	20,282
Diversification	(14,938)	(13,450)
BSCR	**80,864**	**69,783**
Operational risk	12,358	14,506
Loss-absorbing capacity of deferred taxes (LACDT)	(2,074)	—
SCR	**91,148**	**84,289**

E2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT (continued)

During the year the SCR increased by $6.9 million or 8.1%. The main drivers for the change are shown in the table above.

E2.2 Minimum Capital Requirement

Under Solvency II regulations the Minimum Capital Requirement must also be calculated and represents the threshold below which a national regulatory agency would intervene. The MCR targets an 80% value at risk over a one-year time horizon. The MCR is based on proportions of net premiums written in the previous 12 months and the net best estimate of TPs at the valuation date. These are supplied by Solvency II class of business and the proportions vary by class.

The table below shows the inputs into the MCR calculation as at 31 December. The MCR is calculated using a linear formula, subject to a floor of 25% and a cap of 45% of the SCR. The MCR is further subject to an absolute floor that reflects the nature of the undertaking (as defined in Article 129 (1) (d) of Directive 2009/138/EC).

This has been converted into US Dollars below at the 31 December foreign exchange rate:

$ thousands	**2023**	**2022**
Linear MCR	18	14
SCR	91,148	84,289
MCR cap	41	38
MCR floor	22,787	21,072
Combined MCR	22,787	21,072
Absolute floor of the MCR	2,867	3,866
Minimum Capital Requirement	**22,787**	**21,072**

E2.3 Material Change in SCR and MCR

SCR coverage has increased from 164.4% at 31 December 2022 to 201.9% at 31 December 2023. Own funds at the year-end stood at $184.1 million compared with $138.6 million at 31 December 2022, representing an increase of $45.5 million.

The SCR increased to $91.1 million during the year, an increase of 8.1% compared with the prior year balance of $84.3 million. A breakdown of the movements is shown in section E.2.1 above.

The MCR increased to $22.8 million during the year, an increase of 8.1% compared with the prior year balance of $21.1 million.

E3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SCR

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

E4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

The Company does not have an approved internal model to calculate its SCR.

E5. NON-COMPLIANCE WITH MCR AND SCR

There has not been any non-compliance with the SCR or MCR over the period.

E6. ANY OTHER INFORMATION

No additional information is noted at this time.

QUANTITATIVE REPORTING TEMPLATES ("QRTs")

The following QRTs are required for the SFCR:

QRT Ref	QRT Template name
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
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

The templates are included at the end of this report.

General information

Undertaking name	Fidelis Insurance Ireland DAC
Undertaking identification code	635400NI1QCEDFFRMX35
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	USD
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	651
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)	194,405
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*	168,797
R0140	*Government Bonds*	42,416
R0150	*Corporate Bonds*	126,381
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	25,608
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
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:	220,943
R0280	*Non-life and health similar to non-life*	220,943
R0290	*Non-life excluding health*	220,943
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	16,402
R0370	Reinsurance receivables	32,105
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	14,222
R0420	Any other assets, not elsewhere shown	15,335
R0500	**Total assets**	494,063

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	276,328
R0520	*Technical provisions - non-life (excluding health)*	276,328
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	266,930
R0550	*Risk margin*	9,397
R0740	Contingent liabilities	0
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)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	33,672
R0900	**Total liabilities**	309,999
		0
R1000	**Excess of assets over liabilities**	184,064

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				
			DE	NL	FR	IT	CH
	Premiums written (gross)	C0010	C0020	C0021	C0022	C0023	C0024
R0020	Gross Written Premium (direct)	44,416	82,288	80,162	72,069	67,513	60,702
R0021	Gross Written Premium (proportional reinsurance)	369	416	278	46	272	0
R0022	Gross Written Premium (non-proportional reinsurance)	-38	-219	-9	-6	-11	0
	Premiums earned (gross)						
R0030	Gross Earned Premium (direct)	28,612	58,028	62,976	18,949	52,059	59,672
R0031	Gross Earned Premium (proportional reinsurance)	560	818	547	113	564	0
R0032	Gross Earned Premium (non-proportional reinsurance)	-47	-270	-12	-7	-14	0
	Claims incurred (gross)						
R0040	Claims incurred (direct)	3,858	17,005	14,176	6,418	15,466	67,167
R0041	Claims incurred (proportional reinsurance)	162	126	84	7	74	0
R0042	Claims incurred (non-proportional reinsurance)	-116	-684	-26	-19	-30	0
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)	19,156	38,851	42,164	12,687	34,854	39,952
R0051	Gross Expenses Incurred (proportional reinsurance)	375	548	366	75	377	0
R0052	Gross Expenses Incurred (non-proportional reinsurance)	-31	-181	-8	-5	-9	0

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
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Misc. financial loss	Marine, aviation and transport	Property	
		C0060	C0070	C0080	C0090	C0120	C0150	C0160	C0200
	Premiums written								
R0110	Gross - Direct Business	281,596	40,864	47,785	191,872	15,877			577,993
R0120	Gross - Proportional reinsurance accepted	1,891	862	0	0	0			2,753
R0130	Gross - Non-proportional reinsurance accepted						-233	187	-45
R0140	Reinsurers' share	255,100	35,499	45,903	174,563	13,109	-183	38	524,029
R0200	Net	28,388	6,226	1,882	17,309	2,768	-50	150	56,672
	Premiums earned								
R0210	Gross - Direct Business	233,045	35,037	62,696	49,504	26,279			406,560
R0220	Gross - Proportional reinsurance accepted	1,744	2,203	0	0	0			3,948
R0230	Gross - Non-proportional reinsurance accepted						-287	187	-100
R0240	Reinsurers' share	210,832	31,787	56,303	44,391	21,964	-229	124	365,172
R0300	Net	23,957	5,453	6,392	5,113	4,315	-58	63	45,235
	Claims incurred								
R0310	Gross - Direct Business	105,041	2,717	25,948	28,322	2,379			164,407
R0320	Gross - Proportional reinsurance accepted	531	65	0	0	0			597
R0330	Gross - Non-proportional reinsurance accepted						1,024	99	1,122
R0340	Reinsurers' share	97,438	2,706	23,833	25,746	2,101	438	28	152,289
R0400	Net	8,135	76	2,116	2,576	277	586	70	13,837
R0550	**Expenses incurred**	3,782	4,113	2,380	4,093	2,835	243	59	17,504
R1210	**Balance - other technical expenses/income**								0
R1300	**Total technical expenses**								17,504

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance		Total Non-Life obligation
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0070	C0080	C0090	C0100	C0130	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0
	Technical provisions calculated as a sum of BE and RM								
	Best estimate								
	Premium provisions								
R0060	Gross	-9,463	-560	20,339	-85,355	3,780	95	-86	-71,251
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-860	-1,747	13,628	-15,882	-524	564	-108	-4,929
R0150	**Net Best Estimate of Premium Provisions**	-8,603	1,187	6,710	-69,473	4,304	-470	22	-66,322
	Claims provisions								
R0160	Gross	192,901	6,975	34,919	29,586	71,395	1,348	1,058	338,181
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	137,221	-3,734	24,084	-2,532	57,864	1,061	11,907	225,872
R0250	**Net Best Estimate of Claims Provisions**	55,680	10,709	10,835	32,119	13,530	286	-10,849	112,310
R0260	**Total best estimate - gross**	183,438	6,415	55,258	-55,769	75,175	1,442	972	266,930
R0270	**Total best estimate - net**	47,077	11,896	17,545	-37,354	17,835	-183	-10,827	45,988
R0280	**Risk margin**	3,657	790	1,323	2,788	814	25	1	9,397
R0320	**Technical provisions - total**	187,095	7,205	56,580	-52,981	75,989	1,467	972	276,328
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	136,361	-5,481	37,713	-18,415	57,340	1,625	11,799	220,943
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	50,733	12,686	18,868	-34,566	18,648	-158	-10,827	55,385

S.19.01.21
Non-Life insurance claims
Total Non-life business

Z0020 **Accident year / underwriting year** Underwriting Year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	**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	919	0				0	919
R0190	-6	0	0	0	216	21	63	11					11	311
R0200	-5	0	0	2,108	2,255	435	335						335	5,132
R0210	-4	0	794	2,983	1,342	3,267							3,267	8,385
R0220	-3	1,204	9,334	2,027	1,448								1,448	14,013
R0230	-2	1,378	19,893	15,134									15,134	36,405
R0240	-1	6,170	30,536										30,536	36,706
R0250	0	3,094											3,094	3,094
R0260												**Total**	53,824	104,966

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	**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	3,869	2,686	1,381	-535	-617				-606
R0190	-6	0	0	8,585	3,659	1,766	897	705					703
R0200	-5	0	-235	3,420	125	1,696	-1,195						-1,119
R0210	-4	2,120	16,594	21,356	14,631	8,291							7,807
R0220	-3	2,162	11,628	69,272	63,886								58,965
R0230	-2	23,860	137,489	165,447									149,113
R0240	-1	28,320	80,344										75,319
R0250	0	51,947											48,000
R0260												**Total**	338,181

S.23.01.01
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)	1,000	1,000		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	10,415	10,415			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	649				649
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	172,000	172,000	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	0
R0290	**Total basic own funds after deductions**	184,064	183,415	0	0	649
	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	184,064	183,415	0	0	649
R0510	Total available own funds to meet the MCR	183,415	183,415	0	0	
R0540	Total eligible own funds to meet the SCR	184,064	183,415	0	0	649
R0550	Total eligible own funds to meet the MCR	183,415	183,415	0	0	
R0580	**SCR**	91,148				
R0600	**MCR**	22,787				
R0620	**Ratio of Eligible own funds to SCR**	201.94%				
R0640	**Ratio of Eligible own funds to MCR**	804.91%				
	Reconcilliation reserve	C0060				
R0700	Excess of assets over liabilities	184,064				
R0710	Own shares (held directly and indirectly)	0				
R0720	Foreseeable dividends, distributions and charges					
R0730	Other basic own fund items	173,649				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
R0760	**Reconciliation reserve**	10,415				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life business	0				
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	72,849				
R0790	**Total Expected profits included in future premiums (EPIFP)**	72,849				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	11,470		0
R0020	Counterparty default risk	17,877		
R0030	Life underwriting risk	0	0	0
R0040	Health underwriting risk	0	0	0
R0050	Non-life underwriting risk	66,455	0	0
R0060	Diversification	-14,937		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	80,864		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	12,358
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-2,074
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**	91,148
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**	91,148
	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	No

		LAC DT
	Calculation of loss absorbing capacity of deferred taxes	C0130
R0640	LAC DT	-2,074
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	-2,074
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	18,390

		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	47,077	22,389
R0080	Fire and other damage to property insurance and proportional reinsurance	11,896	9,146
R0090	General liability insurance and proportional reinsurance	17,545	9,373
R0100	Credit and suretyship insurance and proportional reinsurance	0	13,471
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	17,835	5,775
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	150

	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	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	18,390
R0310	SCR	91,148
R0320	MCR cap	41,017
R0330	MCR floor	22,787
R0340	Combined MCR	22,787
R0350	Absolute floor of the MCR	2,867
R0400	**Minimum Capital Requirement**	22,787