VOLKSWAGEN INSURANCE COMPANY dac

Solvency and Financial Condition Report

2023

At a glance

Volkswagen Insurance Company dac
'000 €

	31 Dec 2023	31 Dec 2022
Own funds	81,136	66,401
Solvency Capital Requirement (SCR)	43,985	24,245
Solvency Ratio	184%	274%
Minimum Capital Requirement (MCR)	10,996	6,061

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Summary

This Solvency and Financial Condition Report (SFCR) has been prepared by the management of Volkswagen Insurance Company dac (VICO) in line with the requirements of the Solvency II Regulations, to assist clients of VICO and other stakeholders in understanding the nature of our business, how it is managed, and its solvency position. This report was presented to the Board in advance of its release for their review and guidance.

This report covers the Business and Performance of the VICO, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The administrative body that has the responsibility for all these matters is VICO's Board of Directors, with the assistance of various governance and control functions that it has put in place to monitor and manage the business.

With regards to VICO's governance structure, there have been changes in the Board composition that are outlined in the present SFCR document. With regards to the solvency capital position, VICO decided to use a more conservative approach on SCR which leads to a decrease in the SCR ratio compared to prior years but still well above internal and regulatory thresholds.

Integrity and Compliance Statement

Compliance risks at VICO are understood as risks that may result from non-compliance with statutory regulations, specifications, or internal regulations. By contrast, behavioural risks (conduct risks) are understood as the risks resulting from inadequate behaviour of the company towards the customer, resulting from inappropriate treatment of the customer or advice using products that are unsuitable for the customer. Integrity Risks contain all risks that result from unethical behaviour and behaviour that is not in accordance with Volkswagen Financial Services AG group values (Group Essentials and the FS Values) by employees and conflict with sustainable business success.

The Compliance Officer supports and advises the Board of Directors on the avoidance of Compliance and Integrity risks and reports to them at regular intervals. The Board of Directors, in addition, agree on a self-commitment regarding Compliance & Integrity. This ensures that aspects of Compliance & Integrity are discussed and followed in every decision of the Board of Directors.

BUSINESS AND PERFORMANCE

A

A. Business and Performance

A.1. Business and external environment

Volkswagen Insurance Company dac (VICO) is an Irish incorporated entity domiciled in the Republic of Ireland and is authorised by the Central Bank of Ireland to provide non-life insurance under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015). The principal activity of VICO is the acceptance of insurance business relating to the Volkswagen group in being a captive insurer. In broader terms, "an insurance or reinsurance undertaking, owned either by a financial undertaking other than an insurance or reinsurance undertaking or a group of insurance or reinsurance undertakings within the meaning of Article 212(1)(c) of Directive 2009/138/EC (the Solvency II Directive) or by a non-financial undertaking, the purpose of which is to provide insurance or reinsurance cover exclusively for the risks of the undertaking or undertakings to which it belongs or of an undertaking or undertakings of the group of which it is a member." (FRS, Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertaking, 2015)
VICOs' registered office address is Block C, Liffey Valley Office Campus, Liffey Valley, Dublin 22, D22 CF60, Ireland.
VICO's regulatory supervisor is the Central Bank of Ireland, whose address is: Central Bank of Ireland, New Wapping Street, North Wall Quay, Spencer Dock, PO Box 559, Dublin 1, Ireland.
VICO's external auditor is Ernst & Young, Chartered Accountants and Statutory Audit Firm, EY Building, Harcourt Centre, 2 Harcourt Street, Dublin, Ireland.
VICO is a wholly owned subsidiary of Volkswagen Financial Services AG, incorporated in Germany. The ultimate parent company is Volkswagen AG as can be seen from the organisation chart below.

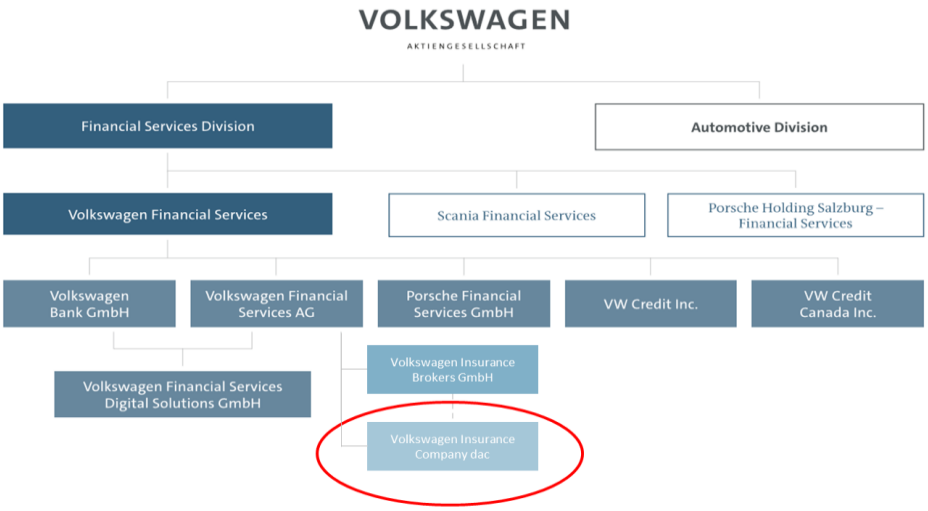

Figure 1 – Organisational Chart of Volkswagen AG and VICO's position in the organisation

VICO is classified as a Low Impact firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms and is subject to the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

A.2. Performance from underwriting activities

The following table sets out VICO's underwriting performance at an aggregate level and by line of business. The financial values are per VICO's financial statements, which have been prepared under the historical cost convention and in accordance with Financial Reporting Standards 102 & 103 ("FRS 102 & 103"), as issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland (hereinafter "Local FRS")

Underwriting Performance (by material line of business)	Total	Marine, aviation and transport insurance	Fire and other damage to property insurance	General Liability	Legal Expenses	Misc. financial loss
31 Dec 2023	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Gross Written Premium	260,359	150,008	80,593	14,912	215	14,631
Gross Earned Premium	259,713	149,794	80,593	14,907	215	14,204
Net Written Premium	53,347	34,303	14,170	1,030	32	3,812
Net Earned Premium	52,701	34,090	14,170	1,024	32	3,385
Net Incurred Claims	-	-	-	-	-	-
Underwriting expenses	39,391	21,237	14,975	1.501	11	1,667
Underwriting result	13,310	12,853	(805)	(477)	21	1,718
Underwriting Performance (by material line of business)	Total	Marine, aviation and transport insurance	Fire and other damage to property insurance	General Liability	Legal Expenses	Misc. financial loss
31 Dec 2022	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Gross Written Premium	177,126	81,576	71,806	13,713	215	9,817
Gross Earned Premium	176,895	81,576	71,806	13,723	215	9,576
Net Written Premium	(2,563)	(20,863)	14,971	748	20	2,561
Net Earned Premium	(2,794)	(20,863)	14,971	758	20	2,319
Net Incurred Claims	6,249	5,800	(46)	427	3	65
Underwriting expenses	22,894	7,155	13,268	1,514	11	947
Underwriting result	(31,937)	(33,818)	1,749	(1,182)	7	1,308

Table 1 – Comparison of underwriting performance FY 2023 vs. FY 2022 by line of business

2023 brought a positive underwriting result, largely driven by Marine transport, VICO's largest line of business. In Marine, VICO experienced rather low volumes of claims in 2023 compared to prior years. The underwriting result slightly exceeded the planned from the financial plan for 2023.
VICO's lines of business remained consistent with the prior year. VICO's inward exposure is reinsured by a multi-year, multi-line structured risk financing program (RFP) supplemented by an inuring treaty and individual reinsurance for VICO's participation in XoL layers. The following table sets out VICO's underwriting performance at an aggregate level and by material geographical area. The financial values are per VICO's Local GAAP financial statements:

Underwriting Performance (by geographical area)	Total	Germany	Mexico	Spain	United States	Italy	Others non Top 5
31 Dec 2023	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Gross Written Premium	260,359	113,088	22,886	13,200	20,004	11,498	79,683
Gross Earned Premium	259,713	113,088	22,886	13,200	20,004	11,498	79,037
Net Written Premium	53,347	23,171	4,689	2,705	4,099	2,356	16,327
Net Earned Premium	52,701	23,171	4,689	2,705	4,099	2,356	15,681
Net Incurred Claims	-	-	-	-	-	-	-
Underwriting expenses	39,391	17,110	3,463	1,997	3,027	1,740	12,054
Underwriting result	13,310	6,061	1,226	708	1,702	616	3,627

Underwriting Performance (by geographical area)	Total	Germany	Mexico	Spain	United States	Italy	Others non Top 5
31 Dec 2022	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Gross Written Premium	177,126	88,658	18,872	10,659	9,000	8,097	41,840
Gross Earned Premium	176,895	88,658	18,872	10,659	9,000	8,097	41,609
Net Written Premium	(2,563)	(1,283)	(273)	(154)	(130)	(117)	(605)
Net Earned Premium	(2,794)	(1,283)	(273)	(154)	(130)	(117)	(837)
Net Incurred Claims	6,249	-	-	-	-	-	6,249
Underwriting expenses	22,894	11,460	2,439	1,378	1,163	1,047	5,407
Underwriting result	(31,937)	(12,743)	(2,712)	(1,532)	(1,293)	(1,164)	(12,493)

Table 2 – Comparison of underwriting performance FY 2023 vs. FY 2022 by geographical area

As apparent in above tables, the majority of VICO's risks are in Germany and other EU member states.

A.3. Performance from investment activities

Investment Income	2023	2022
	€'000s	€'000s
Deposits other than cash equivalents	2,992	-

Table 3 – Performance from investment activities

VICO's own funds are invested in minimum BBB-rated highly liquid cash deposits only. VICO started to earn positive yields on its deposits held in both Euro and US-Dollar denomination since the interest environment shifted from negative end of 2022.

A.4. Performance from other activities

VICO manages a sister company that used to be the reinsurance captive Volkswagen Reinsurance Company dac. For the management, VICO received an annual management fee. In the course of 2023, all VRCO's insurance-related liabilities were commuted, and its reinsurance license was returned.

A.5. Any other information

No further information to report on Business and Performance.

Systems of Governance

B

B. Systems of Governance

B.1. General information on the system of governance

The VICO Board of Directors has ultimate responsibility for VICO's governance and risk management. The composition of the VICO Board changed in the course of 2023. An overview of previous and new Board members and their respective dates of appointment or dates of resignation are outlined below:

Name	Status of Board	Date of Appointment
Lars Kaufmann	Executive Director (until 13 December 2023)	4 April 2012
Richard Tulloch	Independent Non-Executive Director (until 13 December 2023)	1 April 2015
Aine McMahon	Executive Director and Chairperson (until 19 July 2023)	6 February 2017
Tibor Boettcher	Executive Director and Chairperson	19 July 2023 28 August 2023
Denisa Breathnach	Executive Director	14 December 2023
Simona Loges	Non-Executive Director	14 December 2023

Table 4 – Board composition in 2023

VICO's governance and risk management system is based on three pillars:

1) A Governance Framework aligned with VICO's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, appropriate independence to various risk stakeholders, as well as clear escalating and reporting channels.
2) A Risk Management Function, in conjunction to a clearly defined Risk Appetite framework, sets out VICO's strategic objectives in documented Risk Policies.
3) A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks facing VICO's global strategic objectives.

VICO has established four key control functions - Risk Management, Actuarial, Compliance, and Internal Audit. These functions are responsible for providing guidance, oversight of and challenge to the business, additionally providing assurance to the Board in relation to VICO's control framework. The table below outlines the four key control functions:

Key Functions	Name	Company
Head of Compliance	Maria Keating (until 13 August 2023) Natalia Garcia-Barrios* (since 14 August 2023)	VICO Marsh Captive Solutions
Chief Risk Officer	Denisa Breathnach (until 13 December 2023)	VICO
Head of Actuarial Function*	Cherry Chan (until 1 June 2023) Fearghas Mac Gregor (since 11 September 2023)	Barnett Waddingham
Head of Internal Audit*	Diarmaid O'Keeffe	EisnerAmper
*Outsourced**		

Table 5 – Overview of key functions

The role and responsibilities of each key control function is reviewed annually by the Board to ensure each function has the required access to information and personnel, is independent and free from influence, and has the human and financial resources to fulfil its role. The Board retains responsibility for key activities and has not delegated such responsibility to any formal sub-committees.
VICO being a Captive Insurance Company, avails of the exemption to have an audit committee under section 1551 (13a) of the Companies (Statutory Audits) Act 2018.

B.1.1. Role of the Board of Directors

The Board of Directors is charged with the strategic management of VICO. The role of each director, in addition to their fundamental fiduciary duties under Company law in Ireland, includes:

- attending board meetings unless they are unable to do so owing to circumstances beyond their control
- ensuring to have knowledge and understanding of the business, risks, and material activities
- overseeing the effective management of VICO by the Management team
- participating actively in constructively challenging and developing strategies
- participating actively in the Board's decision-making process
- exercising appropriate oversight over execution of strategies, goals and to monitor reporting of performance
- propose strategies to the Board and following challenging Board scrutiny, overseeing the execution of the agreed strategies.

In 2023, VICO held three regular Board meetings which were attended by all Board Members. Internal Audit and Actuarial Function are included on agenda at least once a year.

B.1.2. Role of the Risk Management Function

The Board has established a Risk Management Function (RMF) with the purpose of assisting the Board in providing leadership, direction, and oversight of VICO's risk appetite, tolerance, risk strategy, risk management and control framework. The RMF's primary function is to identify, measure, manage, monitor, and report significant risks to the achievement of VICO's business objectives. The Chief Risk Officer (CRO) is responsible for oversight of the RMF and has specific functional responsibilities associated with the role.
The CRO has direct access to the Board and reports at least once a year to the Board or as and when requested by the Board. The Board are provided with the risk report in advance of said Board meeting to allow the Board sufficient time to review.

B.1.3. Role of the Actuarial function

Head of Actuarial Function (HoAF) is outsourced to Barnett Waddingham. The responsibilities of the HoAF and the Actuarial Function, in line with regulatory guidance include, but are not limited to:

- Co-ordinate calculation of technical provisions
- Inform the Board of the adequacy of calculation
- Prepare opinion on overall underwriting policy
- Prepare opinion on adequacy of reinsurance arrangements
- Contribute to effective risk management system
- Provide opinion on range of risks & adequacy of scenarios considered as part of the ORSA

HoAF has direct access to the Board and reports at least once a year to the Board or as and when requested by the Board. The Board is provided with the actuarial function report (AFR) in advance of said Board meeting to allow the Board sufficient time to review.

B.1.4. Role of the Compliance function

The compliance function has the following roles and responsibilities:

- Advise the Board on compliance with laws, rules, and standards, including keeping the Board informed on developments in compliance.
- Assist in educating the Board on compliance issues and acting as a contact point for compliance queries from staff members. The compliance function establishes written guidance on the appropriate implementation of compliance laws, rules, and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines.
- Monitoring and testing compliance by performing sufficient and representative compliance testing. Results of the compliance testing are reported to the Board on at least an annual basis.

The Compliance function, led by the Head of Compliance, reports administratively and functionally to the Board at each Board meeting The Board is provided with a compliance update in advance of each Board meeting to allow the Board sufficient time to review.

B.1.5. Role of the Internal Audit function

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to VICO's Internal Control System by facilitating an objective and independent assessment. Internal Audit is outsourced to EisnerAmper Ireland. It assists VICO to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes employed by VICO. The role of the Internal Audit function includes:

- examination and evaluation of the adequacy and effectiveness of the Internal Control Systems
- review of the application and effectiveness of risk management procedures and risk assessment methodologies
- review of the management and financial information systems, including the electronic information system and electronic banking services utilised by VICO
- review of the accuracy and reliability of the accounting records and financial reports
- review of the means of safeguarding assets
- testing of both transactions and the functioning of specific internal control procedures
- review of systems established by the compliance function to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures

The Internal Audit Function is objective and independent from the operational functions and does not have any responsibility for any other function when evaluating and reporting the audit results. The Head of Internal Audit has direct access to the Board and reports at least annually to the Board or as and when requested by the Board. The Board is provided in advance of said Board meeting an Internal Audit Report to allow the Board sufficient time to review.

B.1.6. Remuneration policy

VICO has implemented a Remuneration Policy which outlines the terms and conditions for the remuneration of non-executive Directors, executive Directors, and senior management employees. The policy sets out to preclude the possibility of manipulation, negative incentives, and undesired risk taking. VICO's remuneration policy is aligned with the business and risk strategy and is designed to take account of the internal organisation and the risks inherent in the nature, scope, and complexity of business activities.
VICO does not provide any share based or long-term incentive schemes to its directors or employees. In addition, VICO does not provide any supplementary pension or early retirement schemes to its Directors or key function holders.

B.1.7. Material transactions with related parties

As a captive insurer, the nature of VICO's business is it to deal with group-related entities. Hence, the need for VICO to have developed a sound system of governance to ensure appropriate controls are in place. Other than as part of the course of its normal business, there were no material transactions with shareholders, directors, or those who exert significant influence over VICO during the year.

B.1.8. Adequacy of the systems of governance

Reviews of the corporate governance and effectiveness of the Board of VICO are carried out on a regular basis, considering requirements of the Central Bank of Ireland's "Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015".
Given the nature, scale, and complexity of the risks inherent to the entity, Management and Board believe that the systems of governance in place are adequate and effective.

B.2. Fit and proper requirements

B.2.1. Fit and proper policy

VICO's fit and proper policy sets out VICO's approach to the assessment of the fitness and probity of persons who run VICO or are responsible for key functions. This policy complies with any regulations around the area of Fitness and Probity and will be updated anytime the regulation changes. The purpose of the policy is to create transparency and consistency in our systems and processes to achieve our organisational targets and be always fully compliant with all legal requirements.

B.2.2. Fit and proper assessment and requirements

The Criteria considered as part of the determination of an individual's Fitness and Probity includes whether the individual:

- possesses the necessary skills, knowledge, expertise, diligence, relevant qualification and soundness of judgment to undertake and fulfil the particular duties and responsibilities of the particular position
- has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously in their professional career
- possesses the competence, character, diligence, honesty, integrity and judgment to perform properly their duties
- the person has a conflict of interest in performing the duties
- has been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters regarding the person's honesty, integrity, or business conduct
- has been the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, and which reflected adversely on the person's competence, diligence, judgment, honesty or integrity
- has been substantially involved in the management of a business or VICO which has failed, where that failure has been occasioned in part by deficiencies in that management
- has sufficient time to devote to the role and associated responsibilities
- is financially sound.

Assessments of a person's fitness and propriety for a responsible person position must be made:

- before the person is appointed
- on at least an annual basis following appointment
- upon the event of material information adverse to the assessment becoming known to VICO or any other circumstances whereby the fitness or probity of responsible persons may be adversely affected.

B.3. Risk Management System (including the ORSA)

B.3.1. Risk Management System

VICO has implemented a risk management system which is a comprehensive process for monitoring, reviewing, and appropriately managing and mitigating the risks associated with VICO's objectives over the short, medium, and long term. The Risk Management System comprises of the following:

- Risk Management Strategy which outlines the framework with which VICO identifies, assesses, monitors, controls and reports on a continuous basis all key material risks facing the business;
- Risk Management Policies for each key risk class, which define the material risks faced by VICO, and sets out how the Risk Management Strategy and the relevant risk appetite shall be implemented across that risk class and the control framework in place;

- Risk Management Processes and Procedures which set out the processes and procedures that VICO employs to identify, assess, manage, and monitor material risks VICO is, or might be exposed to (emerging risks) and how these risks are reported; and
- ORSA process: the process of assessing all the risks inherent in the business and thereby determining the corresponding capital needs.

Following a continuous improvement, VICO has enhanced the risk reporting and especially the risk register during 2023. The Risk Management Strategy is a high-level plan developed by the Board of Directors and sets out how risk should be managed and how much risk should be accepted for VICO to achieve its strategic objectives. The strategy shall therefore operate across all operations of VICO and in all decision-making. A review of the Strategy takes place annually or periodically if required.

B.3.2. ORSA

The Own Risk and Solvency Assessment policy and procedure is a top-down strategic analysis linking the business plan to risk and capital management. It may only be amended by the approval of the Board. The ORSA allows VICO to

- Assess the material risks it faces;
- Assess the amount of capital it requires to protect against those risks; and
- Document the assessment of risks and capital requirements to ensure that strategic decision making remains within appetite.

ORSA is used to assess whether VICO's risk management and solvency position is adequate, and to consider its development in the future. It represents a fundamental part of the risk management system. The ORSA is linked to VICO's business planning process and acts as a key management tool in the development of the strategy and risk and capital management.
Strategic decisions are taken into consideration in the ORSA process through a forward-looking assessment process. Additionally, management is aware of the implications of its decisions on the risk profile and regulatory capital requirements of VICO.
Strategic or other major decisions that may materially affect VICO's own funds and solvency position need to be considered through the ORSA process before such decision is taken. As such, the ORSA considers risk, capital, performance, and strategy processes, and provides management with information required to make key decisions regarding the overall risk and capital profile. The report is then presented to the Board for challenge, review, and approval. However as referenced previously, there are certain events that may require the process to be run on an ad hoc basis. Such events may follow from internal decisions and external factors or if the risk profile of VICO changes significantly. Below diagram details key inputs, processes and outputs associated with the ORSA:

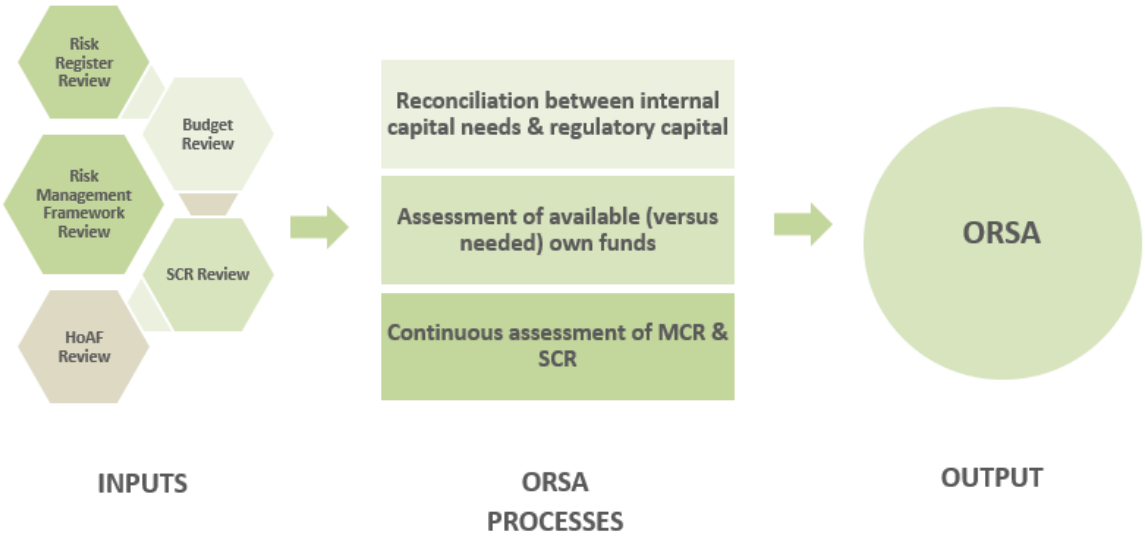

Figure 2 - Overview of ORSA process

VICO determined that the Solvency II standard formula would be used to calculate the required solvency capital. A three-year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements (SCR) position is produced using the standard formula, as well as actuarial and reserving assumptions. The results are subjected to a range of stress and scenario tests that is reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted, and conclusions drawn. Furthermore, the risk management function, management and the Board consider its view of VICO's overall solvency assessment which is subject to similar stress and scenario testing. This range of stress and scenario tests are considered to provide an adequate basis for the assessment of VICO's overall solvency needs.
Assessments indicate that, under the standard formula and ORSA scenarios presented by Management to the Board, VICO is adequately capitalised. Section E sets out VICO's capital management structure.

B.4. Internal control system

B.4.1. Internal control system (ICS)

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the risk management systems. VICO has implemented internal controls and has in place internal procedures for most important business activities and inherent risks. With the outsourcing of several activities to Marsh, an overall (re-)assessment of the internal control system is a focus topic in 2024. The assessment reflects the following principles:

Component	Contents
1) Control environment	A strong "risk and control" culture is embedded within VICO's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders
2) Risk assessment	Procedures and policies are formalised to disclose the way of identifying, managing, controlling, mitigating, and reporting issues relating to each risk category.
3) Reporting channels	Clear reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct, and timely communication related to internal as well as external events.
4) Monitoring process	The escalation of issues to the Board, the involvement of all internal stakeholders as well as the Internal Audit process enables VICO to monitor and adapt when necessary its Internal Control System.
5) Control activities	VICO developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Table 6 – Guiding principles for the internal control system

B.4.2. Head of Compliance Function

The Compliance Function of VICO is structured as follows:

1. The Head of Compliance reports directly to the Board of VICO on a regular basis and at least annually. The Board ensures that the Head of Compliance has sufficient experience and qualifications and is of good repute to discharge the associated duties.
2. The Board endeavours to ensure the independence of the compliance function of VICO. The independence in respect of the day-to-day environment in which the Head of Compliance of VICO works is reinforced by the Board of VICO by:
   - Formal appointment by the Board
   - Compliance Officer reports directly to the Board
   - The Head of Compliance has complete and unfettered access to all information and personnel they require to discharge their duties
   - Peer review of compliance tasks carried out by a third party to confirm compliance with all regulatory requirements

The Board has committed to at least once a year to identify and assess the main compliance risk issues facing VICO. This forms part of the overall Risk Management System which monitors the risks faced by VICO. The Board amends this policy as necessary to ensure that the policy continues to be relevant in addressing the compliance risks faced by VICO. The Board have also committed to implementing a software system to assess and manage the ongoing compliance and governance requirements under Solvency II thus ensuring a proactive approach to the compliance function**.**
Such assessments should address any shortfalls related to how effectively existing compliance risks have been managed, as well as the need for any additional policies or procedures to deal with new compliance risks identified as a result of the annual compliance risk assessment. At least once a year, the Head of Compliance reports to the Board on the management of VICO's compliance risk, in such a manner as to assist Board members to make an informed judgment on whether VICO is managing its compliance risk effectively. Notwithstanding this the Head of Compliance reports promptly to the Board on any material compliance failures as they arise thought out the year. VICO's Head of Compliance must comply with requirements of VICO's compliance policy.

B.5. Internal audit function

B.5.1. Implementation of the Internal Audit Function

Internal Audit is an independent function outsourced to EisnerAmper Ireland, in line with VICO's outsourcing policy. Activities of the Internal Audit function are carried out by appropriately skilled and experienced individuals in line with VICO's Fitness and Probity Policy, and the Head of Internal Audit has been approved by the Central Bank of Ireland as a Pre-Approval Controlled function (PCF) role holder. Internal Audit independently examines and evaluates the functioning, effectiveness, and efficiency of VICO's internal control system and all other elements of the system of governance.
Its purpose is to provide ongoing objective and independent evaluations of the effectiveness of the system of internal controls, and to perform special reviews and investigations as directed by the Board, Management, and the Parent. Internal audit prepares an Audit Plan annually, which is presented to the Board. To prepare the Audit Plan, the following are considered:

- The priorities that might be determined considering VICO's risk map and/or Parent´s risks map.
- Board requirements.
- The requests of the Parent Audit and Control Committee.
- The requests of VICO.
- The experience and judgment of the Head of Internal Audit.

Internal Audit, on its own initiative or following a request of the Board, can be enabled to perform other assignments not included in the initial Audit Plan. Internal Audit is fully authorised to:

- request the cooperation of any employee, through the relevant hierarchical line
- have access to the facilities where VICO conducts its business; and
- have access to any information and documentation of VICO.

Internal Audit's activities are designed to provide advice to Management in improving the internal control environment and monitor the implementation of strategic control initiatives and Management's remediation activity.

B.5.2. Internal audit independence

To maintain independence and objectivity, Internal Audit will not prepare any accounting and related records or engage in any relevant activity requiring audit review, including the development or installation of new systems, policies, or procedures. The review of new systems or procedures prior to implementation shall not be considered an impairment of independence and objectivity. In addition, Internal Audit for VICO is outsourced to an independent external audit firm to ensure further independence from VICO's Board and management.
Internal Audit is included in the current organisational structure by means of a direct link to the Board of Directors, and the Internal Audit function of the Parent. The Internal Audit function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit function entails that the Internal Audit function operates under the direct control of the Board of Directors of VICO.

B.6. Actuarial function

The Actuarial function in VICO is outsourced to Barnett Waddingham in line with VICO's approved outsourcing policy. The Head of Actuarial Function (HoAF) provides independent opinion, analysis, and validation. The activities of the Actuarial function are carried out by appropriately skilled and experienced individuals in line with VICO's Fitness and Probity Policy and have been approved by the Central Bank of Ireland. Key responsibilities of the HoAF include:

- Co-ordination of the calculation of technical provisions. This consists of assessing the sufficiency of the provisions, assessing the uncertainty in the estimates, and justifying the differences between successive periods.
- Review the appropriateness of the models and assumptions, consider the sufficiency and quality of data, and interpret deviations of best estimates against experience. There is also a requirement to consider the verifiability of assumed management actions.
- The Actuarial Function must produce an annual report for the Board. The report should cover all information necessary for the Board to form its own opinion on the adequacy of technical provisions and on the underwriting and reinsurance arrangements.
- In addition to responsibilities in relation to the technical provisions, and the requirements to express opinions on underwriting policy and reinsurance arrangements, the HoAF contributes to the effective implementation of the risk management system of VICO.

The management team report to the Board on the performance of the Actuarial function as often as deemed necessary and at least annually. In addition, the Head of Actuarial function will provide the Board with an annual report outlining the tasks that have been undertaken by the Actuarial function, their results and any recommendations or suggestions for improvement.

B.7. Outsourcing

B.7.1. Outsourcing Policy

VICO maintains an Outsourcing Policy which is reviewed and approved annually by the Board. The purpose of the Outsourcing Policy is to establish a prudent approach to the management of the

outsourcing arrangements and ensure compliance with the relevant regulatory requirements. The Board's objective is to ensure that outsourcing arrangements entered are subject to appropriate due diligence, approval, written agreements, and ongoing monitoring and effective management of risks associated with entering outsourcing arrangements. The Outsourcing Policy applies to all outsourcing agreements and covers the requirements for both external outsourcing and intra-group outsourcing. VICO also outsources functional areas categorised as important as identifiable in Table 7.

VICO outsources important activities to service providers based in and outside the European Economic Area. When the decision is taken to outsource an activity, VICO must carry out a tender to choose the most suitable provider and complete an assessment of the risks associated with the outsourcing of any function. The final outsourcing decision is not taken until the risk analysis has been completed. A business case is then prepared for consultation with the Board of Directors which includes the outcome of the evaluation on whether the outsourcing activity is high or low risk to the group. All material outsourcing arrangements must be undertaken using a written, legally binding contract. In line with Central Bank of Ireland guidelines and regulations, the Board has appointed a designated individual with overall responsibility for the outsourcing of key functions. This designated individual reports to the Board on all outsourcing activities.

B.7.2. Outsourced Activities

The following critical or important services have been outsourced by VICO:

Service Provider	Jurisdiction	Service Outsourced
Barnett Waddingham	United Kingdom	Actuarial Services and HoAF
EisnerAmper	Ireland	Internal Audit
Marsh Captive Solutions	Ireland	Captive Manager responsible for Compliance Function, Company Secretary, and Risk Function

Table 7 – Overview of outsourced activities

B.8. Assessment of governance

Changes in VICO's Board as described in B.1.1 led to challenges but also immediate improvements in governance. The new Board members initiated several measures to realign and further strengthen VICO's governance. Governance will continue to be a focus for VICO's Board in 2024 with further measures of strengthening the governance underway – like the introduction of a Governance Committee.

Risk Profile

C

C. Risk Profile

Acceptance of risk is the core business of VICO. To achieve the Company's strategic objectives, VICO has identified and defined all material risks that the Company is exposed to, with the aim of monitoring the Company's exposure to each risk. VICO produces a quarterly Risk Monitoring Report which measures actual results against risk tolerance levels to assess the need for additional risk mitigation.
The Board's appetite for risk is documented in the FX, which sets out the Company's overall approach to risk taking, especially regarding the types of risks it is willing to accept and to what extent. The RAS is aligned with the overarching Risk Management Framework. The material risks of the Company that have an impact on the achievement of strategic objectives are evaluated in the Risk Register. The key risks that VICO is confronted with (extreme and high inherent risks included in this report) along with the related mitigation actions and controls are outlined in the following.
The CRO updates the Board at least biannually on any changes or deviations and if the appetite or tolerance levels have been breached. Any changes or amendments in the risk profile are run through the SCR standard model with the results presented to the Board for review and consideration. The Board ensures that all scenarios are suitably stressed before committing to acceptance of the risk.
Over the year 2023, risk appetite breaches were reported to the Board, discussed by the Board, and counteractions introduced.

C.1. Underwriting risk

Underwriting and reserving risk refers to the risk of loss, or of adverse change in the value of insurance liabilities, loss from exposure to risk concentrations, and the risk of inadequacy of premium income to cover expected claims and expenses. It can be broken down into underwriting risk related to premiums and underwriting risk related to catastrophic events.

Underwriting risk related to premiums

Risk that incoming insurance premiums are not sufficient to cover outgoing reinsurance premiums due to one or more of the following:

- Error either by VICO or the insurance broker
- Insufficient communication with the insurance broker in relation to the structure and content of the RFP prior to signing up to terms
- Local Volkswagen entities withdraw from the coverage programme; and/or
- The impact of RFP premium based upon the value of business covered (exposure adjustment premium)

resulting in financial and/or reputational loss.

VICO has defined suitable mitigations and controls to address this risk around the regular communication between VICO and Volkswagen's inhouse broker VIB and negotiation of potential premium increases with the VW Group brands if needed.

Underwriting risk related to catastrophic event

Risk of a catastrophic scenario due to a single high impact event or a chain of events resulting in financial loss.
VICO has defined suitable mitigations and controls to address this risk mainly by structuring its reinsurance cover in such a way that it maintains the zero net retention, based on actuarial considerations. Also, the HoAF assesses the adequacy of reinsurance on a regular basis.
The SCR capital requirement for Premium & Reserve risk is €14.4m.

C.2. Market risk

Market risk describes the potential loss emanating from disadvantageous changes in market prices or in the parameters affecting price such as currency exchange rates, interest rates etc. VICO's risk appetite can be classified as moderate. VICO's primary objective in relation to market risk is to protect and preserve its assets. Most of the assets on VICO's balance sheet are held in cash or demand deposits. According to the 'Prudent Person Principle', VICO is required to apply this principle and has ensured that its investment policy is aligned with this Principle. VICO operates a review process as part of its risk appetite review which monitors the performance, financial security, and concentration risk of investments. This report is presented to the Board at least annually. The SCR capital requirement for Market risk is €17.7m.

Foreign Currency Risk:

VICO insures Volkswagen Group brands globally in different lines of business. While FOS regions are normally covered by master policies where Volkswagen AG is the insured and the contract is denominated in EUR, there are several local policies in place where the ultimately insureds' contracts are denominated in a currency other than EUR. Therefore, VICO is exposed to FX risk. The SCR capital requirement for foreign currency risk is €10.0m.

Interest Rate Risk:

VICO's exposure to Interest Rate Risk is low. VICO's investment strategy consists solely of monthly or bi-monthly bank deposits. This means, in turn, that VICO will participate in changes in interest rates with a time delay of maximum one month. The SCR capital requirement for interest rate risk is €0.9m.

Concentration Risk:

Concentration Risk mainly stems from VICO's investment strategy carrying out short-term deposits with a limited number of banks. Even though the regulation of banking counterparties is harmonised, and anti-concentration regulation applies, the standard formula includes this as Concentration Risk. The SCR capital requirement for concentration risk is €13.8m.

Spread Risk:

As VICO does not issue or hold bonds or similar fixed income instruments, Spread Risk accounts for only a small part of the SCR. The SCR capital requirement for spread risk is €2.1m.

C.3. Credit risk

Credit risk refers to the risk that a counterparty will default on contractual obligations resulting in financial loss to VICO. The key areas of exposure for VICO relate to its investment portfolio and reinsurance balances recoverable.

Reinsurers

VICO buys down its inward insurance risk at the reinsurance markets which results in a significant counterparty exposure, and this is represented in the capital charge applied. The Counterparty Risk charge is a function of the loss-given default, the value of the claims recoverable and the number and ratings of reinsurance counterparties. Funds withheld is currently a contract feature used within the Company's reinsurance agreements (RFP cover) that absorbs a certain share of reinsurers' Counterparty Default Risk.

Cash and cash equivalents invested with banks

VICO maintains current accounts at a small number of banks. In case one of the banking counterparties defaults, VICO is exposed to a risk of losing cash sitting in the respective bank accounts. All banks where VICO holds cash accounts are rates BBB or higher.

In addition to the current accounts, VICO invests excess cash in monthly or bi-monthly deposits according to its investment strategy at 4 to 5 different banks with ratings BBB or higher.

VICO's investment strategy is very conservative, cash and deposit accounts are only held with counterparties with rather high credit rating. While reflecting counterparty default risk on cash and cash equivalents in a SCR charge, VICO evaluates the actual risk of counterparty default on cash and cash equivalents as low.

Insured brands

VICO insures a majority of brands within Volkswagen Group globally and is therefore theoretically exposed to a Counterparty Default Risk that one of the brands will not be able to pay the premium for VICO's insurance cover. In case of default of a smaller co-insured brand, Volkswagen AG would, according to the structure of the insurance programs, step in and pay the premium. Therefore, the Counterparty Default Risk on insured brands is considered as very low.

C.4. Liquidity risk

Liquidity risk is the risk that VICO cannot meet its obligations associated with financial liabilities as they fall due. VICO's liquidity risk appetite can be described as that Company maintains liquidity sufficient to settle future outgoings without constraint. Liquidity risk is mainly managed by the short-term nature and therefore high availability of investments. No breaches of the defined appetite level in the liquidity risk occurred in 2023.

C.5. Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, or from personnel and systems or from external events. There are no operational risks that have been deemed "material" in line with VICO's risk assessment methodology considering the probability, impact of the risk occurring and the mitigations in place to prevent or minimise the impact of a risk. The SCR capital requirement for Operational risk is €9.2m.

C.6. Other material risks

In 2023, VICO saw changes in key personnel. This was addressed by internal new hires and the gradual outsourcing of several core insurance processes to Marsh Captive Solutions to ensure stable operations. The outsourcing to Marsh will be finalised in 2024.

Valuation for Solvency Purposes

D

D. Valuation for Solvency Purposes

D.1. Assets

The Solvency II valuation method differs from the local GAAP statutory financial statements only in relation to technical provisions. Technical provisions are valued in accordance with Articles 75 to 86 of the Solvency II Directive. Additional information reading the calculation of technical provisions in provided in section D2.

The table below outlines the assets of VICO under the local GAAP and Solvency II valuation methods:

Assets	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31 Dec 2023	€'000s	€'000s	€'000s	€'000s
Plant and Equipment	60	-	-	60
Bank deposits	122,639	-	-	122,639
Cash and cash equivalents	23,445	-	-	23,445
Reinsurers share of technical provisions	283,621	-	(31,682)	251,939
Receivables (from insurance activities)	39,311	-	-	39,311
Other assets	3,164	-	-	3,164
Total	**472,239**	**-**	**(31,682)**	**440,558**

Assets	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31 Dec 2022	€'000s	€'000s	€'000s	€'000s
Plant and Equipment	96	-	-	96
Bank deposits	63,088	-	-	63,088
Cash and cash equivalents	4,415	-	-	4,145
Reinsurers share of technical provisions	130,193	(53,516)	(10,582)	66,095
Receivables (from insurance activities)	45,873	(25,373)	-	20,500
Other assets	2,767	-	-	2,767
Total	**246,162**	**-**	**(10,582)**	**156,691**

Table 8 – Overview of assets

There have been no material changes in the relevant assumptions made in the calculation of asset valuations during the year.

D.1.1. Bases of asset valuation for material classes

For each material class of asset, the following are the bases, methods and main assumptions used in the valuation for Solvency II, together with an explanation of the material differences to those reported under Local GAAP.

D.1.2. Deposits other than cash equivalents

Deposits other than cash equivalents comprise of demand deposits with specified short term maturity periods. These are carried at fair value on the Solvency II and Local GAAP balance sheets. Fair value is based upon amounts due on demand as these are highly liquid assets. Under Local GAAP, demand deposits are disclosed as cash at bank and have been reclassified for Solvency II reporting.

D.1.3. Insurance and intermediaries' receivable

Insurance and intermediaries' receivables are stated at realisable value and relate to the amounts due from ceding insurers linked to inward reinsurance business. These amounts are stated at fair value under Solvency II and Local GAAP. Given these assets are for the most part relatively short term (less than one year), VICO has determined that their realisable value reasonably approximates fair value. Under Solvency II the receivable amounts that are not past due, are reclassified to be included in the cash in-flows of best estimate of liabilities. Further information on the best estimate of liabilities, its valuation methodology, basis, and assumptions used can be found in Section D.2.

D.2. Technical provisions

The Solvency II valuation method differs from the local GAAP statutory financial statements in relation to technical provisions. Technical provisions are valued in accordance with Articles 75 to 86 of the Solvency II Directive. Under SII, insurance contract liabilities required by local GAAP are replaced by an assessment of the technical provisions, comprising the Best Estimate Liability (BEL) and the Risk Margin. The BEL is determined as the discounted value of the projected cashflows involved in fulfilling the liabilities under the in-force business. It comprises:

- Best estimate claims provisions
- Best estimate premium provisions
- Expenses
- Events not in data

For all lines of business, the best estimate corresponds to the probability weighted average of future cash-flows taking account of the time value of money. The cash-flows are discounted using the relevant risk-free interest rates term structures as issued by EIOPA. No allowance has been included in the BEL for any of the transitional adjustments set out in the Solvency II Delegated Acts (i.e., matching or volatility adjustments to the risk-free rate, or transitional adjustments to the overall technical provisions).

The Risk Margin is determined as the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insured portfolio. This cost is determined by applying a prescribed cost of capital rate of 6% p.a. to each year's projected SCR and discounting those amounts at the risk-free rates.

In the calculation of technical provisions, it is necessary to make judgements, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

VICO's technical provisions under Solvency II include an allowance for business that is bound but not yet incepted (BBNI) at the valuation date. Premium provisions include future cashflows in respect of the BBNI business up to the relevant contract boundary.

Technical Provisions	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31 Dec 23	€'000s	€'000s	€'000s	€'000s
Best Estimate	287,699	-	(45,408)	242,292
Risk Margin	-	-	2,832	2,832
Total	**287,699**	**-**	**(42,576)**	**245,124**

Technical Provisions	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31 Dec 22	€'000s	€'000s	€'000s	€'000s
Best Estimate	131,811	(53,516)	(14,758)	63,537
Risk Margin	-	-	2,323	2,323
Total	**131,811**	**(53,516)**	**(12,435)**	**65,860**

Table 9 – Overview of technical provisions

The only assumption related to technical provisions that was updated for 2023 annual reporting was underwriting expenses. Apart from that, only calculations have been updated. The main lines of business are Property and Marine, which make up 88% of best estimates of technical provisions.

D.3. Other Liabilities

Other Liabilities	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31 Dec 2023	€'000s	€'000s	€'000s	€'000s
Deferred Tax Liabilities	-	(3,960)	-	(3,960)
Payables (trade, not insurance)	-	-	-	-
Reinsurance payables	111,654	-	-	111,654
Any other liabilities, not elsewhere shown	6,604	-	-	6,604
Total	**118,258**	**(3,960)**	**-**	**114,298**

Other Liabilities	Statutory Accounts Value (Local GAAP FRS 102)	Reclassification due to SII	Difference due to SII Valuation Principles	SII Value
31 Dec 2022	€'000s	€'000s	€'000s	€'000s
Deferred Tax Liabilities	-	873	-	873
Payables (trade, not insurance)	-	-	-	-
Reinsurance payables	53,516	(30,504)	-	23,012
Any other liabilities, not elsewhere shown	545		-	545
Total	**54,061**	**(29,631)**	**-**	**24,430**

Table 10 – Overview of other liabilities

For each material class of other liability, the following are the bases, methods and main assumptions used in the valuation for Solvency II, together with an explanation of the material differences to those reported under Local GAAP.

Under Local GAAP, any other liabilities are stated at cost. Any other liabilities are stated at fair value on the Solvency II balance sheet. Due to the short-term nature of the obligation and no consideration of own credit risk in the valuation, the carrying value under Local GAAP is not considered materially different to the fair value under Solvency II.

There are no other liability positions besides the above mentioned.

D.4. Alternative methods for valuation

VICO does not employ any alternative valuation techniques to its assets or liabilities and does not have any other material information to disclose regarding the valuation for solvency purposes, other than what has been disclosed above.

D.5. Any other information

No other relevant information to report.

Capital Management

E

E. Capital Management

VICO's capital management strategy aims at ensuring availability of own funds to meet capital requirements and maintain a prudent cushion of equity to protect to Company's economic viability. The strategy is formalised through a capital management policy which is reviewed and approved annually by the Board.

E.1. Own funds

Items reported in own funds are split into three categories depending on different factors such as quality, liquidity, and timeline to availability when liabilities arise. Tier 1 own funds include ordinary share capital, non-cumulative preference shares and relevant subordinated liabilities. Tier 2 own funds include cumulative preference shares, and subordinated liabilities with a shorter duration. Tier 3 own funds include own funds which do not satisfy the Tier 1 or Tier 2 requirements. VICO's own funds are mainly Tier 1 for Solvency II and a small portion of Tier 3 due to negative deferred tax liabilities.

Own Funds 31 Dec 23	Total €'000s	Tier 1 €'000s	Tier 2 €'000s	Tier 3 €'000s
Share Capital	5,113	5,113	-	-
Initial Funds, members contribution	57,117	57,117	-	-
Reconciliation reserve	14,946	14,946	-	-
Deferred tax asset	3,960	-	-	3,960
Total	**81,136**	**77,176**	**-**	**3,960**

Own Funds 31 Dec 22	Total €'000s	Tier 1 €'000s	Tier 2 €'000s	Tier 3 €'000s
Share Capital	5,113	5,113	-	-
Initial Funds, members contribution	57,117	57,117	-	-
Reconciliation reserve	4,171	4,171	-	-
Deferred tax asset	-	-	-	-
Total	**66,401**	**66,401**	**-**	**-**

Table 11 – Overview of own funds

The difference between equity in the financial statements and basic own funds is as follows:

Reserve Item	2023 €'000s	2022 €'000s
Financial Statement Equity	66,282	60,290
Reconciliation Reserve	10,894	6,111
Deferred tax asset	3,960	-
Basic own Funds	81,136	66,401

Table 12 - Difference financial statement equity and basic own funds

E.2. Solvency and Minimum Capital Requirement

For this section, VICO has adopted the Standard Formula approach. VICO's SCR and MCR requirements on 31 December 2023 are:

Capital Requirement	2023 €'000s	2022 €'000s
Minimum Capital Requirement	10,996	6,061
Solvency Capital Requirement	43,985	24,245

Table 13 – Overview of MCR and SCR

It should be noted that the final SCR amount above is subject to supervisory assessment. The table below shows the components of the SCR requirement:

Capital Requirement	2023	2022
	€'000s	€'000s
Market Risk	17,655	6,691
Counterparty Default Risk	13,998	6,370
Life Underwriting Risk	-	-
Health Underwriting Risk	-	-
Non-Life Underwriting Risk	15,196	11,735
Diversification	(12,079)	(5,865)
Intangible Asset Risk	-	-
Basic Solvency Capital Requirement	34,771	18,931
Operational Risk	9,215	5,314
Adjustment	-	-
Solvency Capital Requirement	43,985	24,245

Table 14– Breakdown of SCR

VICO does not use any simplifications, or undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC, in the calculation of the SCR.

E.3. Use of duration-based equity risk sub-module in the SCR

VICO has not opted to use the duration-based equity risk sub-module of the Solvency II regulations.

E.4. Internal model information

VICO applies the Standard formula and does not use an internal model to calculate the SCR.

E.5. Non-compliance

VICO has had own funds in excess of both the SCR and MCR requirements over the reporting year.

E.6. Any other Information

All important information regarding the capital management of VICO is addressed in the above sections.

Appendices – Quantitative Reporting Templates 31 December 2023 (€'000's)

S.02.01.02 – Balance sheet

		C0010 **Solvency II Value**	C0020 **Statutory accounts value**	EC0021 **Reclassification adjustments**
Assets				
R0010	Goodwill		0	
R0020	Deferred acquisition costs		0	
R0030	Intangible assets	0	0	
R0040	Deferred tax assets	0	0	
R0050	Pension benefit surplus	0	0	
R0060	Property, plant & equipment held for own use	60	60	
R0070	Investments (others than assets held for index-linked and for unit-linked contracts)	122,639	122,639	
R0080	Property (other than for own use)	0		
R0090		0		
R0100	Equities	0		
R0110	Equities - listed	0		
R0120	Equities - unlisted	0		
R0130	Bonds	0		
R0140	Government Bonds	0		
R0150	Corporate Bonds	0		
R0160	Structured notes	0		
R0170	Collateralised securities	0		
R0180	Collective Investments Undertakings	0		
R0190	Derivatives	0		
R0200	Deposits other than cash equivalents	122,639	122,639	
R0210	Other investments	0	0	
R0220	Assets held for index-linked and unit-linked contracts			
R0230	Loans and mortgages	0	0	
R0240	Loans on policies	0	0	
R0250	Loans and mortgages to individuals	0	0	
R0260	Other loans and mortgages	0	0	
R0270	Reinsurance recoverables from:	251,939	283,621	
R0280	Non-life and health similar to non-life	251,939	283,621	
R0290	Non-life excluding health	251,939	283,621	
R0300	Health similar to non-life	0	0	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked			
R0320	Health similar to life			
R0330	Life excluding health and index-linked and unit-linked			
R0340	Life index-linked and unit-linked			
R0350	Deposits to cedants	0	0	
R0360	Insurance and intermediaries' receivables	33,154	33,154	
R0370	Reinsurance receivables	6,157	6,157	
R0380	Receivables (trade, not insurance)	0	0	
R0390	Own shares (held directly)	0	0	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0	0	

R0410	Cash and cash equivalents	23,445	23,445	
R0420	Any other assets, not elsewhere shown	3,164	3,164	
R0500	**Total assets**	440,558	472,239	

		C0010 **Solvency II Value**	C0020 **Statutory accounts value**	EC0021 **Reclassification adjustments**
Liabilities				
R0510	Technical provisions – non-life			
R0520	Technical provisions – non-life (excluding health)	245,124	287,699	
R0530	Technical provisions calculated as a whole			
R0540	Best Estimate	242,292		
R0550	Risk margin	2,832		
R0560	Technical provisions - health (similar to non-life)	0	0	
R0570	Technical provisions calculated as a whole			
R0580	Best Estimate	0		
R0590	Risk margin	0		
R0600	Technical provisions - life (excluding index-linked and unit-linked)			
R0610	Technical provisions - health (similar to life)			
R0620	Technical provisions calculated as a whole			
R0630	Best Estimate			
R0640	Risk margin			
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)			
R0660	Technical provisions calculated as a whole			
R0670	Best Estimate			
R0680	Risk margin			
R0690	Technical provisions – index-linked and unit-linked			
R0700	Technical provisions calculated as a whole			
R0710	Best Estimate			
R0720	Risk margin			
R0730	Other technical provisions		0	
R0740	Contingent liabilities	0	0	
R0750	Provisions other than technical provisions	0	0	
R0760	Pension benefit obligations	0	0	
R0770	Deposits from reinsurers	0	0	
R0780	Deferred tax liabilities	(3,960)	0	
R0790	Derivatives	0	0	
R0800	Debts owed to credit institutions	0	0	
R0810	Financial liabilities other than debts owed to credit institutions	0	0	
R0820	Insurance & intermediaries payables	0	0	
R0830	Reinsurance payables	111,654	111,654	
R0840	Payables (trade, not insurance)	0	0	
R0850	Subordinated liabilities	0	0	
R0860	Subordinated liabilities not in Basic Own Funds	0	0	
R0870	Subordinated liabilities in Basic Own Funds	0	0	
R0880	Any other liabilities, not elsewhere shown	6,604	6,604	
R0900	Total liabilities	359,422	405,957	
R1000	**Excess of assets over liabilities**	81,136	66,282	

S.05.01.02 – Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												TOTAL
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motorvehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0200
Premiums written														
Gross - Direct Business	R0110	0	0	0	0	0	97,582	0	10,756	0	0	0	12,272	120,610
Gross - Prop reinsurance accepted	R0120	0	0	0	0	0	52,426	80,593	4,157	0	215	0	2,358	139,748
Gross - Non-Prop reinsurance accepted	R0130													0
Reinsurers' share	R0140	0	0	0	0	0	115,704	66,422	13,883	0	183	0	10,819	207,012
Net	R0200	0	0	0	0	0	34,304	14,170	1,030	0	32	0	3,812	53,347
Premiums earned														
Gross - Direct Business	R0210	0	0	0	0	0	97,582	0	10,756	0	0	0	12,272	120,610
Gross - Prop reinsurance accepted	R0220	0	0	0	0	0	52,212	80,593	4,151	0	215	0	1,932	139,103
Gross - Non-Prop reinsurance accepted	R0230													0
Reinsurers' share	R0240	0	0	0	0	0	115,704	66,422	13,883	0	183	0	10,819	207,012
Net	R0300	0	0	0	0	0	34,090	14,170	1,024	0	32	0	3,385	52,701
Claims incurred														
Gross - Direct Business	R0310	0	0	0	0	0	55,981	(56)	2,479	0	0	0	0	58,404
Gross - Prop reinsurance accepted	R0320	0	0	0	0	0	28,674	114,601	15,491	0	249	0	383	159,398
Gross - Non-Prop reinsurance accepted	R0330													0
Reinsurers' share	R0340	0	0	0	0	0	84,655	114,545	17,970	0	249	0	383	217,802
Net	R0400	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses														

Gross - Direct Business	R0610	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Prop reinsurance accepted	R0620	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Non-Prop reinsurance accepted	R0630													0
Reinsurers' share	R0640	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	R0700	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment management expenses														
Gross - Direct Business	R0710	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Prop reinsurance accepted	R0720	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Non-Prop reinsurance accepted	R0730													0
Reinsurers' share	R0740	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	R0800	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims management expenses														
Gross - Direct Business	R0810	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Prop reinsurance accepted	R0820	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Non-Prop reinsurance accepted	R0830													0
Reinsurers' share	R0840	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	R0900	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition expense														
Gross - Direct Business	R0910	0	0	0	0	0	13,776	0	430	0	0	0	1,087	15,293
Gross - Prop reinsurance accepted	R0920	0	0	0	0	0	7,462	14,975	1,071	0	11	0	580	24,098
Gross - Non-Prop reinsurance accepted	R0930													0
Reinsurers' share	R0940	0	0	0	0	0	1,312	1,015	156	0	0	0	207	2,690
Net	R1000	0	0	0	0	0	19,925	13,960	1,345	0	11	0	1,460	36,701
Overhead expenses														
Gross - Direct Business	R1010	0	0	0	0	0	0	0	0	0	0	0	0	0

Gross - Prop reinsurance accepted	R1020	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Non-Prop reinsurance accepted	R1030	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1040	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	R1100	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550	0	0	0	0	0	19,926	13,960	1,345	0	11	0	1,460	36,702
Balance – other technical expense/income	R1210													
Total expenses	R1300													

S.17.01.02 – Non-Life technical provisions

		Direct business and accepted proportional reinsurance									Direct business and accepted			Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers 'compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health insurance	Non-proportional casualty insurance	Non-proportional marine, aviation and transport insurance	Non-proportional property insurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	R0050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM																		
Best Estimate																		
Premium provisions																		
Gross	R0060	0	0	0	0	0	7,391	(47,554)	4,734	0	(48)	0	(7,503)	0	0	0	0	(42,981)
Gross – direct business	R0070	0	0	0	0	0	5,998	0	3,595	0	0	0	(6,199)	0	0	0	0	3,394
Gross – accepted proportional reinsurance	R0080	0	0	0	0	0	3,222	(47,180)	1,389	0	(47)	0	(1,191)					(43,806)
Gross – accepted non-proportional reinsurance business	R0090																	
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to	R0100	0	0	0	0	0	13,828	(45,779)	4,908	0	(49)	0	(4,635)	0	0	0	0	(31,728)

counterparty default																		
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	0	0	0	0	0	16,741	(45,179)	5,314	0	(47)	0	(4,489)	0	0	0	0	(27,660)
Recoverables from SPV before adjustment for expected losses	R0120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total recoverable from reinsurance/SPV and Finite Re after the	R0140	0	0	0	0	0	13,825	(45,767)	4,906	0	(49)	0	(4,635)	0	0	0	0	(31,720)
adjustment for expected losses due to counterparty default	R0150	0	0	0	0	0	(6,435)	(1,787)	(173)	0	1	0	(2,867)	0	0	0	0	(11,261)
Claims provisions																		
Gross	R0160	0	0	0	0	0	115,418	134,230	32,344	0	238	0	3,042	0	0	0	0	285,273
Gross - direct business	R0170	0	0	0	0	0	21,808	3,811	2,039	0	0	0	3,004					30,662
Gross - accepted proportional reinsurance business	R0180	0	0	0	0	0	94,931	131,967	30,663	0	241	0	72					257,873
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	0	0	0	0	0	114,983	133,302	32,187	0	237	0	3,022	0	0	0	0	283,731
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	0	0	0	0	0	117,096	135,769	32,757	0	241	0	3,076	0	0	0	0	288,939
Recoverables from SPV before adjustment for expected losses	R0220	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total recoverable from	R0240	0	0	0	0	0	114,960	133,265	32,175	0	237	0	3,022	0	0	0	0	283,659

reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																		
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	0	458	965	169	0	2	0	20	0	0	0	0	1,613
Total Best estimate - gross	R0260	0	0	0	0	0	122,808	86,676	37,078	0	190	0	(4,461)	0	0	0	0	242,292
Total Best estimate - net	R0270	0	0	0	0	0	(5,977)	(823)	(3)	0	3	0	(2,847)	0	0	0	0	(9,648)
Risk margin	R0280	0	0	0	0	0	1,640	676	330	0	1	0	185	0	0	0	0	2,832
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Best estimate	R0300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk margin	R0310	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions - total																		
Technical provisions - total	R0320	0	0	0	0	0	124,448	87,352	37,408	0	191	0	(4,276)	0	0	0	0	245,124
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	128,785	87,499	37,081	0	187	0	(1,613)	0	0	0	0	251,939
Technical provisions minus recoverable from reinsurance/SPV and Finite Re - tota	R0340	0	0	0	0	0	(4,337)	(147)	327	0	4	0	(2,663)	0	0	0	0	(6,816)
Premium provisions - Total number of homogeneous risk groups	R0350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Claims provisions - Total number of homogeneous risk groups	R0360	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Future benefits and claims	R0370	0	0	0	0	0	121,217	33,382	18,046	0	155	0	9,743	0	0	0	0	182,543
Future expenses and other cash-out flows	R0380	0	0	0	0	0	13,113	2,893	1,977	0	14	0	2,062	0	0	0	0	20,058
Future premiums	R0390	0	0	0	0	0	125,110	83,455	15,038	0	215	0	19,194	0	0	0	0	243,012
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Future benefits and claims	R0410	0	0	0	0	0	114,632	133,311	32,132	0	237	0	3,022	0	0	0	0	283,335
Future expenses and other cash-out flows	R0420	0	0	0	0	0	2,107	2,466	570	0	4	0	54	0	0	0	0	5,200
Future premiums	R0430	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of gross Best Estimate calculated using approximations	R0450	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Best estimate subject to transitional of the interest rate	R0460	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions without transitional on interest rate	R0470	0	0	0	0	0	(7,850)	(1,967)	(371)	0	0	0	(2,900)	0	0	0	0	(13,089)
Best estimate subject to volatility adjustment	R0480	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions without volatility adjustment and without others transitional measures	R0490	0	0	0	0	0	(7,850)	(1,967)	(371)	0	0	0	(2,900)	0	0	0	0	(13,089)
Expected profits included in future premiums (EPIFP)	R0500	0	0	0	0	0	(12,147)	46,924	(6,257)	0	47	0	6,425	0	0	0	0	34,993

S.19.01.21 – Claims Developments

Gross Claims Paid (non-cumulative absolute amount)

		0	1	2	3	4	5	6	7	8
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Prior	R0100									
N-10	R0150	19,430	25,403	5,236	171	293	(10)	154	(1)	(8)
N-9	R0160	7,207	11,558	1,992	1,273	163	(54)	0	(8)	(106)
N-8	R0170	13,949	12,294	6,353	1,302	(12)	11	(31)	(118)	0
N-7	R0180	41,020	33,678	6,772	13,813	410	222	(1)	82	
N-6	R0190	33,935	37,857	7,274	768	28	(246)	17		
N-5	R0200	44,324	54,675	(250)	(594)	352	(98)			
N-4	R0210	57,530	29,623	24,747	2,168	61				
N-3	R0220	29,743	25,380	752	3,493					
N-2	R0230	30,452	69,611	8,960						
N-1	R0240	123,597	37,622							
N	R0250	46,368								

	Current year	All years
	C0170	C0180
R0100	0	0
R0150	0	50,670
R0160	0	22,025
R0170	0	33,747
R0180	82	95,996
R0190	17	79,634
R0200	(98)	98,409
R0210	61	114,129
R0220	3,493	59,369
R0230	8,960	109,022
R0240	37,622	161,220
R0250	46,368	46,368
R0260	96,505	870,588

Total

Gross undiscounted Best Estimate Claims Provisions – Development year (non-cumulative absolute amount)

		0	1	2	3	4	5	6	7	8
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280
Prior	R0100									
N-10	R0150	29,488	7,610	1,770	1,135	416	424	0	0	0
N-9	R0160	15,254	4,891	1,077	166	63	1	1	1	1
N-8	R0170	22,017	8,832	2,476	755	264	39	0	0	0
N-7	R0180	84,630	24,390	14,765	1,817	289	170	201	0	
N-6	R0190	58,117	13,844	5,616	1,580	818	633	624		
N-5	R0200	53,680	17,639	7,297	3,881	2,821	2,297			
N-4	R0210	79,599	40,485	8,707	4,265	3,293				
N-3	R0220	24,202	13,146	2,668	1,345					
N-2	R0230	301,621	84,796	10,119						
N-1	R0240	164,595	47,204							
N	R0250	227,554								

		Year end (discounted data)	Year end (undiscounted data)
		C0360	C0360
	R0100	0	0
	R0150	0	0
	R0160	0	0
	R0170	0	0
	R0180	0	0
	R0190	612	624
	R0200	2,254	2,297
	R0210	3,231	3,293
	R0220	1,320	1,345
	R0230	9,906	10,119
	R0240	45,820	47,204
	R0250	222,130	227,554
Total	R0260	285,273	292,437

S.23.01.01 – Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	5,113	5,113		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	4,052	4,052			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	10,894	10,894			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	3,960				3,960
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	57,117	57,117	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for	R0230	0				

participations in financial and credit institutions						
Total basic own funds after deductions	R0290	81,136	77,176	0	0	3,960
Ancillary own funds		0			0	
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	0
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	0
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	
Supplementary members calls under first **subparagraph of Article 96(3) of the Directive 2009/138/EC**	R0360	0			0	0
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0	0	0	0	0
Available and eligible own funds	0					
Total available own funds to meet the SCR	R0500	81,136	77,176	0	0	3,960
Total available own funds to meet the MCR	R0510	77,176	77,176	0	0	
Total eligible own funds to meet the SCR	R0540	81,136	77,176			3,960
Total eligible own funds to meet the	R0550	77,176	77,176			

MCR						
SCR	R0580	43,985				
MCR	R0600	10,996				
Ratio of Eligible own funds to SCR	R0620	0	0	0	0	0
Ratio of Eligible own funds to MCR	R0640	0			0	

		Value
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	81,136
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	70,242
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	10,894
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	34,993
Total Expected profits included in future premiums (EPIFP)	R0790	34,993

S.25.01.21 – SCR using standard formula

Basic Solvency Capital requirement		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	17,655	17,655	0
Counterparty default risk	R0020	13,998	13,998	0
Life underwriting risk	R0030	0	0	0
Health underwriting risk	R0040	0	0	0
Non-life underwriting risk	R0050	15,196	15,196	0
Diversification	R0060	(12,079)	(12,079)	
Intangible asset risk	R0070	0	0	
Basic Solvency Capital Requirement	R0100	34,771	34,771	

Calculation of Solvency Capital Requirement		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Operational risk	R0130	9,215
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	43,985
Capital add-ons already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	43,985
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	0
Net future discretionary benefits	R0460	0

S.28.01.01 – MCR

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

		MCR components
		C0010
MCRNL Result	R0010	6,468

Linear formula component for non-life insurance and reinsurance obligations

Background Information

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	34,304
Fire and other damage to property insurance and proportional reinsurance	R0080	0	14,170
General liability insurance and proportional reinsurance	R0090	0	1,030
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	3	32
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	3,812
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

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

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

Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		Value
		C0070
Linear MCR	R0300	6,468
SCR	R0310	43,985
MCR cap	R0320	19,793
MCR floor	R0330	10,996
Combined MCR	R0340	10,996
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	10,996

Disclaimer

For computational reasons, rounding differences of +/- one unit (€, %, etc.) may occur in the tables and graphs in this report. This report contains forward-looking statements, considering certain planned and target values as well as expectations regarding the future development of the net assets, financial position and results of operations as well as the strategies of Volkswagen Insurance Company DAC. Statements other than statements of historical fact, statements regarding Volkswagen Insurance Company DAC's assumptions and expectations, and statements containing the words "may", "will", "should", "continue", "target", "estimate", "project", "believe", "intend", "plan", "expect" and "anticipate" (and words of similar meaning) are forward-looking statements. These statements are based on planned values and expectations as of the date of the report and projections at the time of execution of the ORSA reported herein. The limited reliability of these statements must be considered. By their very nature, forward-looking statements always involve risks and uncertainties. Numerous factors could influence the future development of the net assets, financial position and results of operations as well as strategies of Volkswagen Insurance Company DAC. Such factors may affect future capital market developments (e.g. interest rate and exchange rate fluctuations and the possibility of a prolonged period of low interest rates), the activities and publications of national and international supervisory authorities, developments in competition, economic growth, inflation, deflation, the development of longevity, mortality and disability rates, the development of cancellation rates, possible tariff adjustments, possible Effects of company acquisitions or mergers in relevant industries, possible capital increases or reductions, the effects of changes in solvency capital requirements, accounting standards or other regulatory requirements, as well as tax and other changes in the legal environment of Volkswagen Insurance Company DAC. These and other relevant factors may lead to changes in assumptions, for example. Volkswagen Insurance Company DAC expressly disclaims any obligation to update the forward-looking statements contained herein because of future developments or new information, except as required by applicable laws and regulatory requirements.

Glossary

List of abbreviations and definitions	
Abbreviation / term	Definition
AFR	Actuarial Function Report
BBNI	Bound but not yet incepted
BEL	Best Estimate Liability
bps	Basis points
CRO	Captive Reinsurance Company
EIOPA	European Insurance and Occupational Pensions Authority
EU	European Union
EUR	Euro
FOS	Freedom of Service
FRS	Financial Reporting Standards
FX	Foreign Exchange
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
HoAF	Head of Actuarial Function
ICS	Internal Control System
MCR	Minimum Capital Requirement
ORSA	Own Risk and Solvency Assessment
RAS	Risk Appetite Statement
RFP	Risk Financing Program
RMF	Risk Management Function
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report (SFCR)
USD	U.S. dollar
VIB	Volkswagen Insurance Brokers GmbH
VICO	Volkswagen Insurance Company DAC
VRCO	Volkswagen Reinsurance Company dac
VW FS (AG)	Volkswagen Financial Services AG
VW (Group)	Volkswagen Group
XoL	Excess of Loss

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PUBLISHER

Volkswagen Insurance Company dac

Block C, Liffey Valley Office Campus

Dublin 22, Ireland, D22CF60