Companjon Insurance DAC

Solvency and Financial Condition Report

for the financial year ended 31 December 2022

Companjon · Custom House Plaza · Harbourmaster Place · IFSC · Dublin · D01 V9V4 · Ireland
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Contents

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Summary

Companjon Insurance DAC ("the Company") became subject to the EU-wide Solvency II Directive on 3 March 2021 on receipt of its Insurance Undertaking licence from the Central Bank of Ireland ("CBI"). From that date, the Company became authorised to underwrite insurance business categorised as Class 16 – Miscellaneous Financial Loss. The Company is underwriting insurance business within this class on a pan-European basis.

This Solvency and Financial Condition Report ("SFCR") provides narrative information on the Company's business and its performance, its system of governance, its risk profile, the valuation of its assets and liabilities for solvency purposes and its capital management. The SFCR also includes as an appendix of certain Quantitative Reporting Templates ("QRTs") in order to provide detailed quantitative information on the company's solvency and financial condition as at 31 December 2022.

Business and performance

During 2022 the principal activities of the Company included the manufacture of digitalised insurance products, designed for the customers of Companjon Group's business partners where those business partners have existing material online business models, activities to ensure that the Company was operationally ready for market entry, underwriting of insurance business on a direct and assumed reinsurance basis and the management of financial investments to support the current and projected insurance activity of the Company.

During 2022 the Company signed up three business partners and in Quarter 4 of 2022 commenced writing insurance with these business partners. As part of the operating model, an inward reinsurance agreement was signed with a third-party risk carrier in the UK to ensure that the Group can offer solutions in that market.

The Company recorded a loss before tax of €10,255k (financial year ended 31 December 2021: loss before tax of €6,706k).

System of governance

The Board is responsible for the overall governance of the Company. The primary role of the Board is to provide leadership and strategic direction while maintaining effective control over the activities of the Company. The Board delegates authority to achieve its goals and is assisted from a governance perspective by its Board Committees and key control functions. As at 31 December 2022, the Board comprised six directors, four of whom are non-executive and three of which have been determined by the Board to be independent. This composition is designed to ensure that the Directors have the skills, expertise and experience to appropriately consider and decide on the key opportunities and challenges which arise for the Company. The Directors are satisfied that the system of governance in place is appropriate and adequate for the Company, taking into account the nature, scale complexity of the risk inherent in the business to date and envisaged within the planning period.

Risk profile

A periodic review is completed by the Risk Committee of major risks to ensure that all risks are identified and evaluated. Each risk is assessed by considering the potential impact and the probability of occurrence. Impact assessments are performed against financial, operational, regulatory and reputational criteria. The risk profile section of the SFCR provides detail on underwriting, market, credit, liquidity, operational and other material risks. These risks are stressed as part of the Company's Own Risk and Solvency Assessment ("ORSA") process to ensure that the Company holds sufficient capital in the case of such a stress event arising.

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Valuation for solvency purposes

There are currently no material differences between the valuation of the Company's assets on a market value basis, as required under Solvency II, and the valuation included in the Company's statutory financial statements. There are some differences in the valuation of the liabilities, reflecting the specific requirements of Solvency II for solvency purposes, i.e., technical reserves.

Capital Management

This section of the SFCR outlines the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") of the Company. The Company calculates these amounts using the Solvency II standard formula. As at 31 December 2022 the SCR coverage ratio was 926% (2021: 1,593%) and the MCR coverage ratio was 2,551% (2021: 3,238%). A high level of solvency coverage is in place to support the growth of the Company.

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A. Business and Performance

A.1 Business

A.1.1 Name and legal form

Companjon Insurance DAC ("the Company") is a designated activity company limited by shares. The Company is domiciled in Ireland under the registration number 669679.

A.1.2 Supervisory authority

The Central Bank of Ireland ("the CBI") is the authority responsible for the financial supervision of the Company. The contact details of the CBI are as follows:

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
Ireland
D01 F7X3

The Company's ultimate parent is the Swiss Mobiliar Cooperative Company. The Swiss Financial Markets Supervisory Authority ("FINMA") is the authority responsible for the financial supervision of the group. The contact details of FINMA are as follows:

The Swiss Financial Markets Supervisory Authority FINMA
Laupenstrasse 27
3003 Bern
Switzerland

A.1.3 External auditor

The external auditor of the Company is KPMG. The contact details of KPMG are as follows:

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland
D01 F6F5

A.1.4 Holders of qualifying holdings

The Company is wholly owned by Companjon Holding Limited, an Irish private company limited by shares. Detail of Companjon Holding Limited's group membership and ownership is included in section A.1.5 below.

A.1.5 Position within the Group legal structure

The Company's ultimate parent undertaking is the Swiss Mobiliar Cooperative Company, for which all operational activities are performed by Swiss Mobiliar Holding Limited. Both companies are incorporated in Switzerland.

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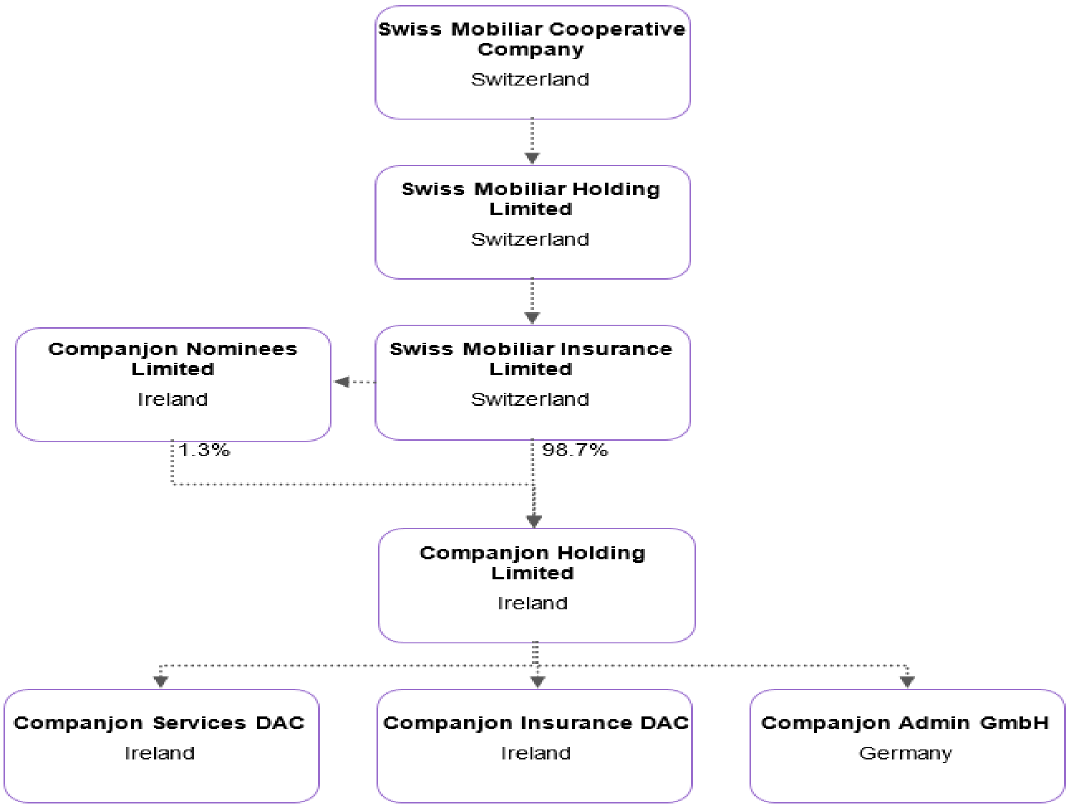
The Company's material related undertakings are detailed in the table below:

Name	Country	Function	Relationship
Companjon Services DAC	Ireland	Insurance distribution and services undertaking	Sister company
Companjon Admin GmbH	Germany	Insurance administration services undertaking	Sister company

In February 2022 Companjon Services DAC established a Branch entity in the UK which is detailed below.

Name	Country	Function	Relationship
Companjon Services UK Branch	UK	To act as an appointed representative of another firm that is authorised for insurance distribution activities in the UK, enabling Companjon Services DAC to distribute insurance products in the UK.	Branch of a sister company

A simplified group structure is included below. Relationships are of a wholly owned nature unless otherwise stated.



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Companjon Nominees Limited holds shares on trust for members of the Companjon Group executive management team.

A.1.6 Lines of business and geographical areas

The Company is authorised to underwrite insurance business categorised as Class 16 – Miscellaneous Financial Loss. The Company is underwriting insurance business within this class on a pan-European basis. The Company commenced underwriting insurance business in Quarter 4 of 2022 and all material underwriting amounts arose from business written in the EEA. An inward reinsurance agreement was also signed with a third-party risk carrier in the UK.

A.1.7 Significant business events

During 2022 the Company signed up three business partners and in Quarter 4 of 2022 commenced writing insurance with these business partners. As part of the operating model, an inward reinsurance agreement was signed with a third-party risk carrier in the UK to ensure that the Group can offer solutions in that market.

A.2 Underwriting performance

Underwriting performance is summarised as follows:

Underwriting Performance	**2022 €'000s**	**2021 €'000s**
Gross premiums written	7	-
Change in provision for unearned premium	(4)	-
Net earned premium	3	-
Claims incurred	(3)	-
Technical income	**0**	**-**

All material premiums earned in 2022 were for cancellation products and some limited extended warranty products written in the EEA.

The Company incurred expenditure during 2022 in support of its underwriting business. A summary of this expenditure is included below.

Description	**2022 €'000s**	**2021 €'000s**
Personnel costs	2,649	2,593
Professional fees	1,018	1,318
Outsourced service costs	1,722	1,243
Negative interest on operational cash	10	396
Marketing costs	34	50
Other administrative costs	170	93
Total	**5,603**	**5,693**

A.3 Investment performance

A.3.1 Income and expenses by asset class

The asset classes shown in this section follow the definitions used in the Company's financial statements. The Company's investment portfolio comprises cash, money market funds, government bonds and corporate bonds.

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Investment income and expenses and realised and unrealised gains and losses recognised for each asset class are detailed below.

Asset class – FY 2022	Interest income / (expense) 2022 €'000s	Realised gains / (losses) 2022 €'000s	Unrealised gains / (losses) 2022 €'000s	Total income / (expense) 2022 €'000s
Cash	(176)	-		(176)
UCITS – Money Market Funds	-	-	42	42
Government bonds	59	-	(2,147)	(2,088)
Corporate bonds	155	(403)	(2,182)	(2,430)
Total	**38**	**(403)**	**(4,287)**	**(4,652)**

Asset class – FY 2021	Interest income / (expense) 2021 €'000s	Realised gains / (losses) 2021 €'000s	Unrealised gains / (losses) 2021 €'000s	Total income / (expense) 2021 €'000s
Cash	(288)	-		(288)
UCITS – Money Market Funds	-	-	-	-
Government bonds	21	-	(334)	(313)
Corporate bonds	58	-	(470)	(412)
Total	**(209)**	**-**	**(804)**	**(1,013)**

The Company's cash holdings were subject to negative interest during the early part of the year. In respect of the Company's bond holdings, yields have risen since the Company purchased its holdings which has led to a reduction in the market value of the positions held, and subsequently unrealised losses at the year-end. In addition, losses were realised on the disposal of bonds during the year.

A.3.2 Gains and losses recognised in equity

No gains or losses were recognised directly in equity by the Company.

A.3.3 Investments in securitisations

The Company had no exposure to securitised investments during the financial year.

A.4 Performance of other activities

The Company did not engage in any additional activities other than those described above.

A.5 Any other information

There is no other material information to be disclosed.

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B. System of Governance

B.1 Governance structure

B.1.1 General information on the system of governance

B.1.1.1Board

The business of the Company is overseen by a single Board which, as at 31 December 2022, comprised six Directors, four of whom are non-executive and three of whom have been determined by the Board to be independent, non-executive directors. The composition of the Board is designed to ensure that the Directors have the skills, expertise and experience to appropriately consider and decide on the key opportunities and challenges which arise for the Company. The Board meets at least four times per calendar year and at least once in every six-month period.

The Board has approved the Board Terms of Reference which set out its role and responsibilities. These Terms of Reference are reviewed annually under standard governance arrangements. The key areas of Board responsibility include:

- Strategic leadership;
- Corporate governance;
- Delegation of authority;
- Material contracts;
- Adequacy of operations, resources and key functions;
- Appointment of Pre-Approved Control Function and external auditor;
- Financial reporting;
- Capital maintenance; and
- Remuneration framework.

Certain responsibilities of the Board are delegated to Board appointed committees. Details of these committees are included below.

B.1.1.2 Audit Committee

The objective of the committee is to assist the Board in fulfilling its oversight responsibilities for the matters detailed below. At 31 December 2022 the committee comprises two Directors, both of whom have been determined by the Board to be independent, non-executive directors. The composition of the committee is designed to ensure that the Directors have the skills, expertise and experience to appropriately consider and decide on the matters within in its remit. The committee meets at least four times per calendar year and seeks to align these meeting dates with important financial reporting dates.

The Board has approved the Audit Committee Terms of Reference which set out its role and responsibilities. These Terms of Reference are reviewed annually under standard governance arrangements. The key areas of committee responsibility include:

- Financial reporting;
- Internal controls and risk management systems;
- Internal audit;
- External audit;
- Compliance oversight; and
- Whistleblowing arrangements.

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B.1.1.3 Risk Committee

The objective of the committee is to assist the Board in fulfilling its oversight responsibilities for the matters detailed below. The committee comprises three Directors, two of whom have been determined by the Board to be independent, non-executive directors. The composition of the committee is designed to ensure that the Directors have the skills, expertise and experience to appropriately consider and decide on the matters within in its remit. The committee meets at least four times per calendar year and seeks to align these meeting dates with the presentation of the quarterly risk matters to the Board.

The Board has approved the Risk Committee Terms of Reference which set out its role and responsibilities. These Terms of Reference are reviewed annually under standard governance arrangements. The key areas of committee responsibility include:

- Risk appetite;
- Risk management;
- Capital maintenance;
- Claims, underwriting and reinsurance; and
- Risk aspects and implications of strategic proposals.

B.1.1.4 Key control functions

The key control functions of the Company are defined as the Risk function, the Compliance function, the Internal Audit function and the Actuarial function. These control functions report regularly to the Board inclusive of detail to support an assessment on the effectiveness of the internal control system. The authority and independence of these functions is maintained through implementation of appropriate policies, procedures and reporting lines in line with regulatory requirements.

(i) Risk function

The Board has established a Risk function, headed by an appointed Chief Risk Officer. The Risk function has independent oversight of risk management activities with specific responsibilities for ensuring that the risk management framework is documented and implemented and that risk management procedures are carried out effectively. The Risk function acts in the second line of defence within the Company's risk management system (see section B.3). The Risk function has full, unrestricted access to all information, records and personnel necessary for the purpose of the identification, assessment, monitoring and reporting of risk to the Board Risk Committee and Board.

(ii) Compliance function

The Board has established a Compliance function, headed by an appointed Chief Compliance Officer. The Compliance function acts in an advisory, oversight and assurance role to ensure that the Company has the necessary systems and controls in place to ensure adherence, on an on-going basis, to its legal and regulatory requirements. The Compliance function acts in the second line of defence within the Company's risk management system (see section B.3). The Compliance function policy sets out the processes and procedures for how regulatory risk is managed and details the structures for identification, assessment, monitoring, management and reporting of regulatory risk to senior management, the Audit Committee, the Board and the supervisory authority. Further detail in respect of the Compliance function is included in section B.4.

(iii) Internal Audit function

The Board has established an Internal Audit function, headed by an appointed Head of Internal Audit through an outsourcing arrangement with Deloitte Ireland. Internal

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Audit is an independent function reporting to the Board through the Audit Committee. Internal Audit acts as the third line of defence within the Company's three lines of defence model (see section B.3). The Internal Audit examines and evaluates the functioning of the internal controls and all other elements of the system of governance, as well as the compliance of activities with internal strategies, policies, processes and reporting procedures. Further detail in respect of the Internal Audit function is included in section B.5.

(iv) Actuarial function

The Board has established an Actuarial function, headed by an appointed Head of Actuarial Function through an outsourcing arrangement with Milliman Ireland. The Actuarial function co-ordinates the calculation of Technical Provisions and provides an Opinion and accompanying report on the Technical Provisions to the Board and the supervisory authority. In addition, the Actuarial function prepares opinions on the underwriting policy, reinsurance arrangements (where applicable) and the ORSA. The Actuarial function regularly attends and reports directly to the Audit Committee and Board. Further detail in respect of the Actuarial function is included in section B.6.

B.1.1.5 Material changes in the governance structure

On-going development of the system of governance was undertaken throughout the year, including formal approval certain policies and procedures. During the year, two non-executive directors resigned from the Board, effective from August 2022, and a new non-executive director was appointed to the Board and the Risk Committee as at the same date. One additional non-executive director was appointed to the Board and the Audit Committee in February 2023.

B.1.2 Information on remuneration policies and practices

B.1.2.1 Principles of remuneration policy

Remuneration practices are designed to align with the Company's business and risk management strategy, its risk profile, objectives, risk management practices and the long-term interests and performance of the Company as a whole and to incorporate measures aimed at avoiding conflicts of interest.

Remuneration components include fixed remuneration and can also include variable remuneration (short-term or long-term incentive plans), Company contributions to pension schemes and other benefits (e.g., benefits awarded on the basis of individual employment contracts and local market practice). Variable remuneration incentive plans can be settled in either shares of Companjon Holding Limited or cash.

Where remuneration of staff includes both fixed and variable components, the Company seeks to ensure that such components are balanced so that fixed or guaranteed components represent a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on the variable components and to allow the Company to operate a fully flexible bonus policy, including the possibility of paying no variable component. The appropriate balance of fixed and variable components depends on the prevailing circumstances and, for example, the exceptional nature of the start-up phase of the Company may justify higher levels of variable remuneration during this phase.

The Company implements procedures, where necessary, to ensure that staff commit to not using any personal hedging strategies or remuneration and liability-related insurance which would undermine the risk alignment effects embedded in their remuneration arrangements.

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The Company also implements procedures to ensure that any termination payments are related to performance over the whole period of activity and do not reward failure.

B.1.2.2 Variable remuneration performance criteria

The total amount of variable remuneration paid by the Company is based on a combination of the assessment of the performance of the individual and of the Company. All performance related remuneration is discretionary in nature.

The overall weighting between Company goals and individual goals for the purposes of short-term incentive plan ("STIP") awards is decided from time to time by the Board. Company goals receive different weights based on their importance as determined by the CEO.

STIP Company goals achievement levels are determined by the Board. The achievement of Company goals defines the size of the overall STIP pool. When determining the achievement levels during the year-end review process, the Board and management have the discretion to adjust the achievement levels of the respective goals or the overall percentage achievement levels.

STIP individual goals and the respective achievement levels are agreed every year between eligible employees and their line manager. The achievement of individual goals is measured based on performance as per the year end performance appraisal process.

Participation decisions in respect of in long-term incentive plans ("LTIP") are made by the Board. The purpose of LTIPs is to enable certain employees to participate in the long-term value creation of the Company, increase entrepreneurial spirit, encourage a growth-oriented firm culture and to foster retention. LTIPs may cover groups of employees or individual employees. All awards under LTIP arrangements are subject to restriction periods in order to align with long term value creation.

Variable remuneration received by employees, including remuneration under the LTIP, may be subject to malus or claw-back arrangements. These arrangements aim to align shareholder interests and the remuneration outcomes of employees and assist the Company in ensuring that remuneration restrictions are complied with. These allow the Company to reduce or recoup such variable remuneration in specified circumstances.

B.1.2.3 Supplementary pension or early retirement schemes

The Company operates defined contribution pension arrangements for its employees and executive directors, where both the individual and the Company contribute to the retirement fund. There are no supplementary arrangements with either members of the Board or other key function holders.

B.1.3 Material transactions with shareholders and members of the management body

There were no material transactions with shareholders or member of the management body. Members of the management body are compensated for their services in line with the remuneration policies described in B.1.2 above.

B.1.4 Assessment of the adequacy of the system of governance

The system of governance is considered to be appropriate and adequate for the Company, taking in to account the nature, scale complexity of the risk inherent in the business to date and envisaged within the planning period.

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B.2 Fit and proper requirements

The Company implements policies and procedures to ensure that the individuals responsible for the running of the Company meet all fitness and probity requirements. These matters are governed by a Fitness and Probity Standard and Fitness and Probity Procedural Standards which are supplementary documents to the Board approved Compliance Function Policy.

Before appointment and on a recurring annual basis, an assessment is carried out to determine that directors and senior management meet the specific requirements for their role. These assessments align to the CBI's Guidance on Fitness and Probity Standards 2018. Certain individuals holding roles of significant influence are required to have received prior approval from the CBI before they can perform their role.

An individual's fitness to perform their role refers to their competence and capability including skills, knowledge and expertise applicable. Assessments of fitness are tailored to the individual's particular role, including the individual's knowledge and understanding of:

- the markets in which they operate;
- business strategy and business model;
- system of governance;
- financial and, where relevant, actuarial analysis; and
- regulatory framework and requirements.

Individuals are required to maintain their fit and proper status, which would include arranging for further professional training as necessary, so that the individual is also able to meet changing or increasing requirements of their particular responsibilities.

Appointments are subject to background screening checks, which include verification of ID, previous employment including references and relevant qualifications; directorship searches; screening against publicly available information such as the global watch list; disclosure and barring service check; credit checks; and adverse media searches.

Individuals are regularly monitored to ensure that they remain fit and proper for their role. This includes performance management and annual screening checks.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

The Company has a risk management framework in place which is designed to identify, measure, monitor, manage, mitigate and report on the key risks that the Company faces. The risk management framework consists of all the methods, goals and measures in place to achieve systematic risk management with an effective internal control system. This ensures that risks are consistently identified, assessed, managed, monitored and reported in a timely fashion and that measures are taken to mitigate or hedge critical risks and risk concentrations.
The risk management framework is implemented and integrated into the Company's organisational structure through adoption of the "Three lines of defence" approach.

- Risk owner (first line of defence): The business units/support functions are responsible for managing risks and controls in their area of responsibility.

  Within business units and support functions, process owners are responsible for identifying, assessing, managing, monitoring and reporting on risks, controls and events arising in their

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areas of responsibility. This system of accountability always applies in the relevant business areas and is continuously adapted to changes in the environment.

- Risk control (second line of defence): Risk management function manages the enterprise-wide processes in the second line of defence.

- The Compliance function provides coordination in a guidance and monitoring role with respect to compliance risks. Alongside risk identification, the Compliance function is first and foremost responsible for setting out measures for monitoring and for reporting on compliance risks. Compliance risks are evaluated in the risk and control assessment.

- Independent assurance (third line of defence): Internal Audit function verifies the design and implementation of risk controls independently of the operational business.

  As third line of defence, the Internal Audit function (inter alia) assesses the appropriateness of the risk management framework as a whole and especially the effectiveness of the internal control system.

The Company has specified risk limits and tolerances in its Risk Appetite Statement ("RAS"). The RAS covers all material risks, allows for breakdown of risk appetite to separate areas, and accounts for solvency requirements, as well as the protection of end customer obligations and shareholder net asset value. The risk limits are intended to ensure suitable management of risk exposures and, where appropriate, assist with capital allocation. Risk limits are based on relevant risk measures and are regularly reviewed by the Risk Committee and senior management against the background of the defined risk strategy. The RAS considers risks at an individual level and at an aggregate level.

The Company's risk appetite is integrated into management of the Company's activities by area (i.e. pricing, investments, operations, etc.). Governance structures, policies, guidelines, and processes, as well as the internal control system, seek to ensure adherence to the risk limits. The risk limits are monitored on an on-going basis.

Risk reporting is in place to keep the management team and the Board informed of the Company's risk situation in a prompt and comprehensible manner. This ensures that developments in the risk situation are tracked and risk mitigation measures can be taken on a timely basis.

B.3.2 Own Risk and Solvency Assessment ("ORSA") process

The Company prepares an ORSA on an annual basis and should circumstances materially change, on an ad hoc basis. The objective of the ORSA process is to enable the Board to assess its capital adequacy in light of the assessments of its risks and the potential impacts of its risk environment, and to enable the Company to make appropriate strategic decisions. The ORSA process is a rolling project plan of how the ORSA is completed, the interaction and contributions from different stakeholders, the process timetable, the audit trail and the monitoring and reporting cycle. The Company has established processes to ensure that the ORSA process appropriately captures:

- A forward-looking assessment of all material risks, both quantitative and qualitative including emerging risks and material future changes to the Company's risk profile.
- An assessment of overall solvency needs that focuses on the Company's own risk profile and risk appetite and that the appropriateness of the Company's capital buffer will be assessed as part of this process.

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- A sufficient level of stress testing, considering key risk exposures in terms of likelihood and severity, and including reverse stress testing.
- An assessment of standard formula appropriateness considering the Company's own risk profile relative to the assumptions underlying the standard formula.

Papers are presented to the Board and Risk Committee throughout the year dealing with individual elements of the ORSA. The ORSA report is presented for approval annually to management, the Risk Committee and the Board each year.

The Company determines its solvency capital requirement and assesses overall solvency needs using the Solvency II standard formula. A five-year base case projection of the Solvency II Balance Sheet and Solvency Capital Requirement position is produced using the standard formula, as well as actuarial assumptions. The results are subjected to a range of scenario testing that is reviewed by management and challenged by the Board and, where appropriate, potential management actions are noted and conclusions drawn.

The Company has sufficient capital to meet its base case SCR for its current and projected business activities over the mid-term business planning horizon. The results of the ORSA show that the Company has sufficient eligible capital own funds to:

- Maintain an appropriate margin over its overall solvency needs for its current and projected business activities over the business planning horizon.
- Continue to meet internal and regulatory solvency targets for capital management.
- Continue its business on a going concern basis over the business planning horizon.

B.4 Internal control system

B.4.1 Internal control system

The Company's internal control system ("ICS") consists of internal processes, methods and measures put in place to provide the Board and management with appropriate assurances concerning the reliability of financial reporting, compliance with laws and regulations and effectiveness of business processes. The ICS also covers the outsourcing arrangements of the Company.

The ICS is overseen by the Risk function which provides the relevant methods, coordinates the processes and reports on any findings or matters to the management team, the Risk Committee and the Audit Committee as applicable.

The foundation of the ICS is the Company's risk assessment process which is formally performed on annual basis however practically is continuous in nature. Under this process, senior management are surveyed and interviewed to identify and assess emerging operational risks and to confirm and update assessments of existing risks. Where material risks are identified, risk owners are appointed who hold responsibility for the management / operation of internal controls to reduce residual risk (post-control risk) to an acceptable level.

The ICS of the Company is continually developing as the Company grows.

B.4.2 Compliance function

The Compliance function is a mandatory control function in the Solvency II system of governance.

The responsibilities of the Compliance function include the following:

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- Establishing a compliance policy and a compliance plan and presenting the compliance policy and compliance plan to the Board on an annual basis.
- Advising the Board and management on compliance with the laws, regulations, and administrative provisions.
- Assessing the possible impact of any changes in the legal environment on the operations of the undertaking concerned.
- Assessing the adequacy of the measures adopted to prevent non-compliance.
- Handling the implementation of statutory rules, recognised standards, and internal rules.
- Identifying, measuring, and assessing compliance risks within the operational risk management process.
- Providing enterprise-wide coordination with a centralised management, guidance, and monitoring role with respect to compliance risks.
- Implementing and overseeing the processes to avoid conflicts of interest.
- Regularly reporting on compliance risks as part of the risk management reporting to the Board and management.
- Ensuring that the Directors' statements are prepared and submitted to the CBI annually.

B.5 Internal audit function

The Internal Audit Function ("IAF") is outsourced to Deloitte, 1 Hatch Street Upper, Dublin 2, Ireland, D02 PY28.

The responsibilities of the IAF include the following:

- Establishing, implementing, and maintaining an audit plan setting out the audit work to be undertaken, taking into consideration all activities and the complete system of governance of the Company. Where necessary, the IAF may carry out audits which are not included in the audit plan.
- Reporting the audit plan to the Board and the Audit Committee; the audit plan must be approved by the Board.
- Reviewing adequacy and effectiveness of the Internal Control System ("ICS") and compliance with the statutory and regulatory rules, including appropriateness, suitability and effectiveness of the ICS and operation of the key processes ensuring compliance with the law and regulatory rules, Articles of Association, regulations, directives etc. The IAF may seek external expert advice for the audit activities.
- Issuing recommendations based on the results of work carried out and submitting a written report on its findings and recommendations to the Board on at least an annual basis.
- Verifying compliance with the decisions taken by the Board based on those recommendations.
- Reporting to the Audit Committee on a regular basis.

The IAF has full operational independence to carry out its tasks and to report to, and advise, the Board through the Audit Committee. If for any reason the independence or objectivity of the IAF is impaired, the details of that impairment must be disclosed to the Chairperson of the Audit Committee.

B.6 Actuarial function

The Head of Actuarial Function ("HoAF") role has been outsourced to Milliman, 7 Grand Canal, Grand Canal Street Lower, Dublin 2, Ireland, D02 KW81.

The appointment of an outsourced HoAF allows this role to remain independent from the day-to-day front-line activities within the Company.

The HoAF is accountable to the CFO for day to day activities, and the HoAF reports directly to the Audit Committee and Board of the Company. The HoAF is supported by an actuarial team within Milliman. The HoAF is an invited attendee at Board meetings (as appropriate) and is directly available to all Board members. The HoAF is also an invited attendee at Board Committee meetings (as appropriate).

The responsibilities of the Actuarial function include the following:

- Coordinating the calculation of technical provisions.
- Assessing whether the methodologies and assumptions used in the calculation of the technical provisions are appropriate for the specific lines of business of the undertaking and for the way the business is managed, having regard to the available data.
- Assessing whether the IT systems used in the calculation of technical provisions sufficiently support the actuarial and statistical procedures.
- Reviewing the quality of past best estimates and use the insights gained from this assessment to improve the quality of current calculations, when comparing best estimates against experience.
- Submitting information to the Board on the calculation of the technical provisions, which shall include at least a reasoned analysis on the reliability and adequacy of their calculation and on the sources and the degree of uncertainty of the estimate of the technical provisions.
- Providing the Board with sufficient information, at least on an annual basis, to facilitate an understanding of the key assumptions underpinning the calculation of the Solvency II technical provisions and highlighting any areas of material judgement.
- Producing a written report to be submitted to the Board, at least annually, being, the Actuarial Function Report (which includes the Actuarial Report on Solvency II technical provisions and the annual Actuarial Opinion on Solvency II technical provisions which must be provided to the CBI).
- Expressing its annual opinion regarding the underwriting policy.
- Expressing its annual opinion regarding the adequacy of reinsurance arrangements – where applicable.
- Providing an actuarial opinion to the Board in respect of each ORSA process.
- Providing an on-going contribution to the risk management system.
- Attending regular Board meetings and Board Committee meetings as appropriate.

The services outlined above effectively correspond to the key requirements for a HoAF in Ireland. In addition, the Actuarial Function discharges other responsibilities including the calculation of the SCR and MCR.

B.7 Outsourcing

The Company outsources certain processes and activities to service providers to assist in achieving its strategic objectives. An outsourcing policy is in place which details the governance requirements at all phases of the outsourcing lifecycle: identification of a need for services, implementation of an outsourcing arrangement, operation and control of outsourcing arrangements and exit of such arrangements. These requirements include:

- Criticality assessment;
- Suitability assessment;
- Due diligence;

- Written agreement;
- Monitoring;
- On-going risk assessment;
- Contingency planning; and
- Key approvals and sign offs.

Outsourcing arrangements are risk assessed and reviewed annually. Details of material outsourced services are included in the following table.

Material outsourced service	Jurisdiction
Legal & corporate secretarial, finance, human resources & personnel and IT platform & services	Ireland
Investment management	Ireland
Head of Actuarial Function	Ireland
Internal Audit	Ireland

B.8 Any other information

There is no other material information to be disclosed.

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C. Risk Profile

The Company risk profile is a key driver of the Solvency Capital Requirement ("SCR"). The distribution of the Company's quantifiable risks, as reflected in the SCR, is as follows:

Risk module	2022 €'000s	2021 €'000s
Market risk	3,014	2,761
Counterparty default risk	197	1,247
Non-life underwriting risk	5,924	2,768
Diversification benefit	(1,746)	(1,693)
Basic SCR	**7,389**	**5,083**
Operational Risk	53	-
Solvency Capital Requirement	**7,442**	**5,083**

Information on each of the risk categories is provided in sections C.1 to C.5 below. Information is also provided on liquidity risk in section C.4. Liquidity risk does not form part of the standard formula SCR and is therefore not included in the above table.

Information on the calculation of the SCR is provided in section E.2 Solvency Capital Requirement and Minimum Capital Requirement.

C.1 Underwriting risk

C.1.1 Risks Covered

Underwriting risk reflects the economic loss arising if an insured loss or benefit does not match occurrence, size or timing expectations. The Company commenced underwriting insurance business in Quarter 4 of 2022. The Company has underwriting risk exposure to frequency of claims (as severity of claim cost is fixed) and potentially to risk concentrations once it begins to write significant insurance business. It will also have exposure to claims fraud risk.

Underwriting risk is expected to be one of the Company's most significant risks and so the Company has clearly defined its risk appetite with respect to these risks. The Solvency II standard formula is used to measure and assess the Company's underwriting risk.

Underwriting risks are somewhat mitigated by the short-tailed nature of the Company's liabilities. The Company did not use external outward reinsurance in 2022.

While the Company only has small volumes of business inforce at end 2022, the non-life underwriting risk is material. The key driver of non-life underwriting risk is the projected earned premium in the next 12 months (i.e. 2023), which is expected to be materially larger than 2022.

Similarly, the non-life catastrophe risk module is defined as a function of future earned premiums, and so this has also increased at end 2022 compared to end 2021 in line with the increase in expected future earned premiums.

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Non-Life Underwriting Risk	2022 €'000s	2021 €'000s
Premium & Reserve Risk	3,699	1,728
Lapse Risk	-	-
Catastrophe Risk	3,793	1,773
Diversification	(1,568)	(733)
Non-Life Underwriting Risk	**5,924**	**2,768**

These risks are discussed in further detail in the following sections.

C.1.2 Risk Exposure

The Company's Risk Appetite Statement identifies the following sub-risks under underwriting risk:

(i) Premium Reserve Risk

The Company is exposed to the risk that future claims experience could be worse than anticipated, and that reserves held will be insufficient to meet end customer obligations. The Company will monitor the development of the technical provisions over time to ensure that the actual development is consistent with underwriting assumptions.

The SCR premium and reserve risk sub-module outlined above captures the capital requirement associated with this risk.

(ii) Catastrophe Risk

The Company may become exposed to catastrophe events. Product design and underwriting limits are designed to remove the risk of large single claims. The metrics will continue to be developed for the assessment of concentration of underwriting risk to provide insights into the potential exposures in respect of catastrophe events.

The Solvency II catastrophe risk sub-module outlined above captures the capital requirement associated with this risk.

(iii) Lapse Risk

Given the short-term nature of the business and product design, the Company expects to have very limited exposure to lapse risk.

(iv) Expense Risk

The Company's exposure to expense risk manifests through the potential for actual incurred expenses to be higher than anticipated expenses.

The Company has a long-term strategic goal to grow to sufficient scale to cover expenses and generate profits. The Company will monitor its operating profit relative to its business plan on an on-going basis to ensure that it is meeting its targets.

Over the short to medium term, the Company has a low solvency risk appetite for expense risk and expects to have sufficient capital funding to cover its "start-up" costs in the initial years. Expense risk is not fully captured in the Solvency II Standard Formula

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SCR calculation for non-life business in its start-up phase. The technical provisions include consideration of this issue and the expense risk inherent to the business plan is also monitored as part of the ORSA process.

C.1.3 Risk Concentration

The Company is expected to have exposure to risk concentration (by business partner or event, for example) and will monitor and manage this risk by managing overall business mix across business partners, products and events covered. Initially, risk concentration is expected to be high in terms of proportion of total risk but relatively low in monetary amounts as the Company builds scale.

Risk concentration and the risk of accumulation of losses is monitored through the underwriting risk management framework. This risk can manifest in a number of ways, for example:

- Geographic concentration;
- Concentration of the timing of insured events; or
- Concentration in the type of business sold.

Risk concentration and accumulation of losses are monitored using a bottom-up approach, in which the risk is assessed for each product and then aggregated to give an overall view of risk.

C.1.4 Risk Mitigation

To facilitate risk mitigation, the Company has developed an Underwriting and Reserving policy as part of its risk management framework. The development of the underwriting and reserving policy is supported by the development of clear processes to ensure that the business units and process owners, in particular those involved in product development and liaising with business partners in accepting insurance risk, are fully aware of their responsibilities in this area.

The Company has the capacity to monitor risk exposure on a daily basis through exposure data dashboards linked to its core policy administration digital platform. This will allow the Company to have up to date information on underwriting exposure under various relevant headings.

The Company does not currently intend to utilise outward reinsurance arrangements to mitigate its underwriting risk.

C.2 Market risk

C.2.1 Risks Covered

Market risk reflects the economic loss or gain that may arise from fluctuations in market prices (e.g. equities, currencies, credit spreads, commodities or real estate) or in interest rates. This includes investment risk as well as asset-liability management.

As at 31 December 2022, the market risk module of the SCR calculation consists of the following sub-module components calculated based on the company's investments in corporate and government bonds.

Market Risk	2022 €'000s	2021 €'000s
Interest Rate Risk	2,443	1,990
Currency Risk	0	-
Spread Risk	1,764	1,915
Concentration Risk	-	-
Diversification	(1,193)	(1,144)
Market Risk	**3,014**	**2,761**

C.2.2 Risk Exposure

The Company's Risk Appetite Statement identifies the sub-risks below under market risk. Note, credit risk and liquidity risk are detailed separately in Sections C.3 and C.4 respectively.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to this risk through its holdings in government, corporate bonds, and Money Market Funds (though this is limited due to the very short duration of these funds).

There can be additional interest rate risk on insurance liabilities but, due to the short-tailed nature of the business, it is not expected that Companjon will be exposed to any material interest rate risk on its liabilities.

(ii) Spread Risk

Spread risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of movements in credit spreads. The Company is exposed to a certain amount of credit spread risk through investment in corporate bonds and Money Market Funds (as per the Solvency II standard formula for the SCR).

(iii) Currency Risk

Currency risk is defined as the risk of losses or gains resulting from movements in exchange rates to the extent the Company has assets and/or liabilities denominated in a currency other than Euro (Euro being the functional currency of the Company).

Currency risk may arise if the Company writes policies in currencies other than Euro and if claims are paid in a currency other than Euro. This may arise due to exposures to European countries that are not part of the Eurozone.

The Company's invested assets are generally expected to be denominated in the currency mix of the liabilities they support. Typically, premium provisions will be currency matched to the liabilities they represent. So, claims cashflows are unlikely to produce any material currency risk.

C.2.3 Risk Concentration

A concentration risk sub-module within market risk is considered as part of the SCR calculation, which assesses the Company's exposure in its investment holdings to individual counterparties. This risk is mitigated as the Company holds a well-diversified asset portfolio.

C.2.4 Risk Mitigation

The Company has developed an investment policy to ensure that its investment strategy is aligned with its risk appetite for market risk (low risk appetite) and with the requirements of the prudent person principle set out in the Solvency II Directive. The Investment Risk Management Policy places an emphasis on highly liquid, high credit quality, low issuer limits, and diversified asset classes. The Company has established processes to ensure the successful implementation of, and adherence to, the Investment Risk Management Policy through its risk reporting framework.

The type of business the Company expects to write will give rise to short tail claim liabilities. From the perspective of asset-liability management, the Company's strategy is to maintain suitable cash and cash equivalents and short-term investments to reflect the duration of these liabilities. Asset-liability management is focused primarily on ensuring sufficient liquidity.

The Company currently has no appetite for equity or property risk.

Currency risk is unlikely to be material. In respect of any business partners operating outside the Eurozone, currency risk is expected to be managed by matching assets and liabilities by currency.

C.3 Credit risk

C.3.1 Risks Covered

Credit risk reflects the economic loss that may arise if a counterparty to the Company, such as a bond issuer or another creditor (e.g. a business partner, or another Companjon Group company) is no longer able to honour its obligations as a result of its financial condition. This is also sometimes referred to as counterparty default risk.

The credit (counterparty default) risk module of the SCR calculation is designed to reflect the change in the value of assets and liabilities as a result of an unexpected default or deterioration in the credit standing of an individual counterparty.

C.3.2 Risk Exposure

The Company is exposed to credit risk through its investment and cash holdings at the year-end. It is also exposed to credit risk on other creditors, in particular business partners as the Company expects to cash settle outstanding premiums with certain business partners (via other Companjon Group companies) on a periodic basis however premiums will be collected more frequently by the business partner.

C.3.3 Risk Concentration

The SCR calculation for credit (counterparty default) risk allows for the concentration of cash holdings for each entity (for example, the amount of cash held with each bank at a corporate group level).

As part of the ORSA process, the Company has assessed its potential exposure to business partners. The Company does not expect to have a concentration of business with a single partner in the medium and long term, but intends instead to diversify its exposure across a number business partners. This will be assessed regularly through the risk management framework of the Company.

C.3.4 Risk Mitigation

The Company has a low tolerance for credit risk in respect of its cash holdings and financial investments. It has defined credit rating thresholds at an issuer level and a portfolio level within its investment policy and asset and liability management policy. Any investments used to cover the technical provisions, and the SCR, are required to be of investment grade quality under the relevant policies. Monitoring of compliance with the policies is performed on a regular on-going basis.

The Company also intends to continue to develop robust controls to monitor and manage this risk for each business partner as those business partners are onboarded.

C.4 Liquidity risk

C.4.1 Risks Covered

Liquidity risk refers to the risk of loss to the Company as a result of assets not being available in a form that can be immediately converted to cash or the securing of such assets requiring an excessive cost to the Company. Liquidity risk may lead to the consequence of the Company not being able to pay its obligations as they become due.

C.4.2 Risk Exposure

The Company currently considers that there are no material liquidity risks based on the level of liquid assets held in relation to its liability profile.

C.4.3 Risk Concentration

The Company currently considers that there are no material liquidity risk concentrations.

C.4.4 Risk Mitigation

The Company has a low tolerance for liquidity risk. Liquidity is managed in accordance with the liquidity and concentration risk policy. This policy outlines risk limits in terms of liquid asset holdings in the context of expected liquidity requirements and outlines the principles on on-going monitoring and reporting on the risk. This on-going monitoring and reporting is performed as part of the Company's management accounting and reporting processes.

C.5 Operational risk

C.5.1 Risks Covered

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.

The operational risk component of the SCR under the Solvency II standard formula is calculated based on premium and technical provisions metrics. The Company commenced writing business in December 2022 and operational risk is now included in the calculation of the SCR.

Operational risk is not fully captured in the Solvency II standard formula SCR calculation for a Company such as Companjon in its start-up phase. The operational risk inherent to the business plan is monitored as part of the ORSA process.

C.5.2 Risk Exposure

Operational risks are inherent in the industry in which the Company operates. Examples of operational risks are data breaches, IT system errors or failures, business interruption, security breaches, processing errors or any items of a similar nature arising at an outsourced service provider. If such events occur, they could lead to financial loss, non-compliance with laws or regulation and reputational damage.

The Company considers its most material areas of operational risk to include IT and cyber risk, and compliance risk.

C.5.3 Risk Mitigation

The Company has a low tolerance for operational risk. Operational risk is managed in accordance with an operational and reputational risk policy. This policy outlines the key controls in order to mitigate operational risk to an acceptable level. These include:

- Identifying and analysis risk through a disciplined risk assessment process;
- Implementing management actions to mitigate or avoid risk that do not align with the Company's objectives;
- Implementing a robust system of internal controls and procedures in order to reduce residual risks to an acceptable level;
- Appropriate management and oversight of outsourced service providers; and
- On-going monitoring and reporting on operational risk inclusive of regular reporting to the Risk Committee.

C.6 Other material risks

Other material risks are categorised as emerging risks. An emerging risk is a risk which may or may not develop, is difficult to quantify, may have a high loss potential and is characterised by a high degree of uncertainty. Emerging risks are identified through the ORSA process and are monitored regularly for significance and in order to identify any requirement for mitigating actions to be taken. The key emerging risks identified by the Company are:

- New COVID-19 strains or other pandemics impacting on the market for the Company's insurance products;
- The invasion of Ukraine by Russia and subsequent war (of which some elements have already "emerged" as a risk) together with growing flashpoints in other parts of the world;
- Increase in the level of cyber-attacks worldwide; and
- Climate change risk impacting the level of claims on certain of the Company's products and underlying consumer behaviour in certain of the Company's target markets, acknowledging that aspects of climate change risk have already started to manifest and emerge as risks.

C.7 Any other information

There is no other material information to be disclosed.

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D. Valuation for Solvency Purposes

D.1 Assets

The table below details the Company's material classes of assets under Solvency II valuation principals. Solvency II requires assets to be valued on an economic valuation basis ("market value").

Description	**2022 €'000s**	**2021 €'000s**
Investments in bonds	35,217	44,223
Unit holdings in collective investment schemes	34,543	-
Cash and cash equivalents	2,715	41,281
Total assets	**72,475**	**85,504**

The Company's financial statements are prepared under Irish GAAP including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("Irish GAAP"). Irish GAAP as it is applied to the material classes of assets held by the Company results in fair values consistent with Solvency II requirements. As such there are no differences in the valuation of assets between the financial statements of the Company and the Solvency II balance sheet. For further details on the accounting policies adopted for the purposes of the Company's financial statements, refer to the accounting polices note in those financial statements.

The bases, methods and main assumptions used in valuing the Company's assets under Solvency II are as follows.

- Investments in bonds are valued at market value. These market values are based on quoted prices in active markets for the same assets which the Company holds. Under Solvency II accrued interest at the reporting date is added to the fair value of the relevant bond whereas these amounts are recognised in a separate line item in the financial statements.

- Unit holdings in collective investment schemes are valued at market value. These market values are based on prices determined from independent external sources.

- Cash and cash equivalents consist of cash held at bank, cash in hand and deposits held at call with banks. The financial statements valuation of cash and cash equivalents is considered to approximate fair value.

The Company has not recognised a deferred taxation asset in respect of losses carried forward to 31 December 2022 of €24,356k (2021: €14,101k). The deferred taxation asset not recognised amounted to €3,044k (2021: €1,763k).

D.2 Technical provisions

Technical provisions ("TPs") for solvency purposes are an estimate of the cost at which insurance contracts could be transferred to another knowledgeable insurer in an arm's length transaction. The Company's technical provisions at 31 December 2022 are €1.759 million. As no business was inforce at 31 December 2021, the TPs were nil.

The value of the technical provisions equals the sum of the best estimate liability ("BEL") of €1.756 million and the risk margin of €0.003 million. This is outlined in the following table.

Technical Provisions - Miscellaneous Financial Loss	2022 €'000s	2021 €'000s
Premium Provision	1,756	-
Claims Provision	0	-
Best Estimate Liability	**1,756**	**-**
Risk margin	3	-
Technical Provisions	**1,759**	-

Technical provisions are calculated gross of amounts recoverable from any reinsurance contracts and special purpose vehicles. The Company does not have any such reinsurance arrangements in place.

D.2.1 Value of Best Estimate Liability

The BEL comprises a claims provision and a premium provision to represent the present value of all possible future cash flows (positive and negative) generated by the insurance contracts at the valuation date.

The claims provisions are intended to reflect the present value of future claims relating to premiums which have been earned up to the valuation date. This is not expected to be significant for the Company as Companjon is a digital insurer with strong claims automation processes so claims are settled within a short expected timeframe on short duration insurance policies.

The premium provisions comprise the present value of future claims and expenses less the present value of future premiums relating to premiums on in-force business which have not yet been earned at the valuation date. The premium provisions are made up of:

- a reserve for expected claims on unearned inforce business
- a reserve for bound but not incepted ("BBNI") business. BBNI business is business for which a commitment has been given and the insurer could therefore be liable to honour in full; and
- a reserve for future administration expenses associated with the in-force and BBNI business.

An additional Events Not in Data reserve "(ENID") has been included in the premium provision to reflect the limited historical data available at 31 December 2022 to the Company to derive best estimate assumptions.

D.2.2 Value of Risk Margin

The risk margin is the cost of holding the Solvency Capital Requirement over the lifetime of the obligations. The cost of capital rate is set in the Solvency II Delegated Regulation to be 6%. The Solvency II Directive states:

"The risk margin shall be such as to ensure that the value of the technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations."

D.2.3 Uncertainty

There is uncertainty in the assumptions used to calculate the TPs, primarily through the following risks:

- Underwriting risk: the technical provisions are calculated based on assumptions regarding loss ratios. The Company is exposed to the risk that future claims experience could be worse than anticipated. Underwriting risk uncertainty is somewhat mitigated as the maximum claim amount is known for each policy, and so the uncertainty is predominantly in respect to claims frequency only; and

- Expense risk: the technical provisions make an allowance for expenses. There is a risk that expenses are significantly different from those assumed in the calculation.

D.2.4 Significant Simplifications

There are no significant simplifications in the calculation of technical provisions.

D.2.5 Valuation Differences between Solvency II and Financial Statements

The following table summarises the differences in the valuation of TPs between Solvency II and the financial statements:

Technical Provisions 31 December 2022	**Financial Statements €000's**	**Solvency II €'000s**	**Difference €'000s**
Technical Provisions	4	1,756	1,752
Risk margin	-	3	3
Total	**4**	**1,759**	**1,755**

The financial statements technical provisions include an Unearned Premium Reserve ("**UPR**") and immaterial claims provision. Solvency II technical provisions include an additional reserve for future administration expenses relating to the inforce business. A risk margin is not included in the TPs presented on the financial statements.

The technical provisions at 31 December 2021 were nil for both the financial statements and Solvency II.

D.2.6 Recoverables from Reinsurance Contracts and SPVs

The Company has no recoverables from reinsurance contracts and SPVs as at 31 December 2022 (2021: nil).

D.2.7 Material changes in assumptions

As this is the first year in which business was written, a comparison to the previous year is not applicable.

D.2.8 Long-Term Guarantee Measures

The Company does not use any Long-Term Guarantee Measures in the valuation of the Solvency II Balance Sheet.

D.3 Other liabilities

Other liabilities comprise trade payables and accrued expenses. Irish GAAP as it is applied to other liabilities of the Company results in approximations of fair values consistent with Solvency II requirements. As such there are no differences in the valuation of other liabilities between the financial statements of the Company and the Solvency II balance sheet.

Other liabilities include the following accruals relating to employee benefits:

	2022 €'000s	2021 €'000s
Bonus provision	755	550
Provision for untaken annual leave	47	24
Total	**801**	**574**

D.4 Alternative methods for valuation

No alternative methods for valuation are used by the Company.

D.5 Any other information

There is no other material information to be disclosed.

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E. Capital Management

E.1 Own funds

The Company's Own Funds represent net assets valued on a Solvency II basis, together with any foreseeable dividends and capital tiering restrictions. Information on the valuation of assets and liabilities is provided in section 'D. Valuation for Solvency Purposes'. No foreseeable dividend has been recognised as at 31 December 2022 (2021: nil).

E.1.1 Objectives, policies and processes for managing own funds

The primary objective of the Company's management of own funds is to ensure that it has sufficient capital to meet its obligations. This is achieved by striving to always optimise the balance between return and risk while maintaining regulatory capital in accordance with regulatory requirements and the Company's risk appetite.

The Company has implemented an asset and liability management policy, an investment policy and a liquidity and concentration risk policy in order to govern, monitor and oversee capital resources. These policies seek to ensure that key capital risk metrics are within appetite.

The Company manages capital and solvency through a governance framework in support of the Company's Own Risk and Solvency Assessment ("ORSA"). This framework is defined in the ORSA policy. The ORSA process incorporates calculation, estimation and forecasting of capital resources and capital requirements inclusive of Solvency II eligible own funds, SCR and MCR under various risk scenarios.

The Company operates a five-year projection period for business planning. The five-year plan is reviewed annually by the Board.

E.1.2 Structure, amount and quality of own funds

The Company's own funds are classified under Solvency II as follows:

Solvency II Tier	**Capital item**
Tier 1 unrestricted	• Ordinary share capital • Share premium related to ordinary share capital • Reconciliation reserve
Tier 1 restricted	Not applicable
Tier 2	Not applicable
Tier 3	Not applicable

The make-up of the Company's Tier 1 unrestricted own funds is as follows:

Own funds item	**2022 €'000s**	**2021 €'000s**
Ordinary share capital	95	95
Share premium related to ordinary share capital	94,905	94,905
Reconciliation reserve	(26,007)	(14,044)
Own funds from the financial statements that do not meet the criteria to be classified as Solvency II own funds	(104)	(56)
Total basic own funds after deductions	**68,890**	**80,900**

The Company's ordinary share capital and related share premium are fully paid up and rank behind all other liabilities in the case of wind up. The amounts satisfy the requirements to be classified as Tier 1 unrestricted own funds.

The reconciliation reserve is equal to the total excess of assets over liabilities. This amount is fully available to absorb losses.

E.1.3 Eligible own funds to cover the SCR

The amount of eligible own funds available to cover the SCR is €68.9m (2021 : €80.9m). This is comprised of the Company's Tier 1 unrestricted capital items.

E.1.4 Eligible own funds to cover the MCR

The amount of eligible own funds available to cover the MCR is €68.9m (2021 : €80.9m). This is comprised of the Company's Tier 1 unrestricted capital items.

E.1.5 Differences between the Solvency II excess of assets over liabilities and equity in the Company's financial statements

Equity in the Company's financial statements is €1,859k (2021: €56k) higher than Solvency II excess of assets over liabilities.

There are currently no material differences between the valuation of the Company's assets on a market value basis, as required under Solvency II, and the valuation included in the Company's statutory financial statements.

There are some differences in the valuation of the liabilities, reflecting the specific requirements of Solvency II for solvency purposes.

This arises in part by capital contributions of €104k (2021: €56k) as this amount included in the Company financial statements is disallowed for Solvency II own funds purposes. Those capital contributions included in the Company's financial statements arise from a Group long term incentive plan under which members of the Company's management team receive shares in the Company's parent as part of their remuneration for services provided to the Company. No consideration is payable by the Company to its parent in respect of these shares which results in the amount being recognised as a capital contribution in the financial statements. This item is not on the list of Solvency II own fund items, has not been approved by the supervisory authority and does not appear on the balance sheet as liabilities.

The balance of the difference, i.e. €1,755k (2021: nil), is between technical provisions per the financial statements and per Solvency II.

E.1.6 Basic own funds items recognised under Solvency II transitional provisions

The are no basic own funds items recognised under Solvency II transitional provisions.

E.1.7 Significant restrictions affecting the availability and transferability of own funds

The are no significant restrictions affecting the availability and transferability of own funds.

E.2 Solvency capital requirement split by risk module

E.2.1 SCR and MCR

The Company's SCR has been calculated using the standard formula specified in the Solvency II legislation. The Company's SCR and MCR are detailed in the table below.

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Capital metric	2022 €'000s	2021 €'000s
SCR	7,442	5,083
MCR	2,700	2,500

E.2.2 SCR by risk module

The Company's SCR split by risk module, as prescribed by the standard formula, is included in the table below.

Risk module	2022 €'000s	2021 €'000s
Market risk	3,014	2,761
Counterparty default risk	197	1,247
Non-life underwriting risk	5,924	2,768
Diversification benefit	(1,746)	(1,693)
Basic SCR	**7,389**	**5,083**
Operational Risk	53	-
SCR	**7,442**	**5,083**

E.2.3 Undertaking specific parameters

The Company does not use any undertaking specific parameters.

E.2.4 Simplifications

The Company does not apply any simplification calculations, as permitted under the Solvency II legislation, in determining the standard formula SCR.

E.2.5 Capital add-ons

The Company is not required to hold any capital add-ons.

E.2.6 Inputs used to calculate the MCR

The inputs used to calculate the MCR are included in the table below. The linear MCR is determined based on past premium and net best estimate technical provision metrics. The MCR must then fall within a corridor of a minimum of 25% of the SCR and a maximum of 45% of the SCR. This results in a combined MCR at the minimum of 25% of the SCR.

However, an absolute floor of €2,700k (2021: €2,500k) exists and is applied based on the combined MCR result.

MCR input	2022 €'000s	2021 €'000s
Linear MCR	327	-
SCR	7,442	5,083
MCR cap	3,349	2,287
MCR floor	1,860	1,271
MCR combined	1,860	1,271
MCR absolute floor	**2,700**	**2,500**

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The MCR absolute floor is set by legislation and has increased from €2,500k to €2,700k in 2022 to reflect EU inflation over the previous 5 years in line with Article 300 of the Solvency II Directive and in line with communication from EIOPA and the European Commission.

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

This section is not applicable to the Company. The Company does not use the duration-based equity risk sub-module in the calculation of the SCR.

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

This section is not applicable to the Company. The SCR has been calculated using the standard formula specified in the Solvency II legislation.

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

The Company has maintained sufficient capital to exceed both the MCR and the SCR throughout the year when applicable.

Under the Company's base case projections in the ORSA there is no non-compliance with the MCR or SCR.

Certain stressed scenarios result in SCR coverage below 100% in the years from 2025 to 2027. It is notable however that these are ORSA scenarios which include higher sales and conversion above the base case projection. These are expected to be profitable scenarios for the Company and should allow a range of management actions to be available in order to address the situation. The stress scenarios projected explicitly assume that no management actions are taken, which is not considered to be a fully accurate reflection of what would occur if such a situation arose.

A recovery plan has been prepared by the Company to outline management actions which would be taken in the case of a stressed scenario resulting in the Company being unable to cover its SCR or MCR.

E.6 Any other information

There is no other material information to be disclosed.

Appendix – Quantitative Reporting Templates

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S.02.01.02
Balance sheet

	Assets	**Solvency II value**
		C0010
R0010	Goodwill	
R0020	Deferred acquisition costs	
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	69,759,144.56
R0080	*Property (other than for own use)*	
R0090	*Holdings in related undertakings, including participations*	
R0100	*Equities*	0.00
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	35,216,623.03
R0140	*Government Bonds*	17,268,402.74
R0150	*Corporate Bonds*	17,948,220.29
R0160	*Structured notes*	
R0170	*Collateralised securities*	
R0180	*Collective Investments Undertakings*	34,542,521.53
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	
R0210	*Other investments*	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0.00
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	0.00
R0280	*Non-life and health similar to non-life*	0.00
R0290	*Non-life excluding health*	0.00
R0300	*Health similar to non-life*	0.00
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0.00
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	
R0360	Insurance and intermediaries receivables	8,461.47
R0370	Reinsurance receivables	57.30
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0.00
R0410	Cash and cash equivalents	2,715,400.96
R0420	Any other assets, not elsewhere shown	1,365.30
R0500	**Total assets**	72,484,429.59

	Liabilities	**Solvency II value**
		C0010
R0510	Technical provisions - non-life	1,758,778.14
R0520	*Technical provisions - non-life (excluding health)*	1,758,778.14
R0530	*TP calculated as a whole*	0.00
R0540	*Best Estimate*	1,755,470.42
R0550	*Risk margin*	3,307.71
R0560	*Technical provisions - health (similar to non-life)*	0.00
R0570	*TP calculated as a whole*	0.00
R0580	*Best Estimate*	0.00
R0590	*Risk margin*	0.00
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0.00
R0610	*Technical provisions - health (similar to life)*	0.00
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0.00
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0.00
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	0.00
ER0801	*Debts owed to credit institutions resident domestically*	
ER0802	*Debts owed to credit institutions resident in the euro area other than domestic*	
ER0803	*Debts owed to credit institutions resident in rest of the world*	
R0810	Financial liabilities other than debts owed to credit institutions	0.00
ER0811	*Debts owed to non-credit institutions*	0.00
ER0812	*Debts owed to non-credit institutions resident domestically*	
ER0813	*Debts owed to non-credit institutions resident in the euro area other than domestic*	
ER0814	*Debts owed to non-credit institutions resident in rest of the world*	
ER0815	*Other financial liabilities (debt securities issued)*	
R0820	Insurance & intermediaries payables	2,870.01
R0830	Reinsurance payables	118.99
R0840	Payables (trade, not insurance)	927,896.12
R0850	Subordinated liabilities	0.00
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0.00
R0880	Any other liabilities, not elsewhere shown	801,439.92
R0900	**Total liabilities**	3,491,103.18
R1000	**Excess of assets over liabilities**	68,993,326.41

S.05.01.02

Premiums, claims and expenses by line of business

	Non-life	Line of Business for: non-life insurance and reinsurance obligations (direct business and ...	
		Miscellaneous financial loss	**Total**
		C0120	C0200
	Premiums written		
R0110	*Gross - Direct Business*	7,111.68	7,111.68
R0120	*Gross - Proportional reinsurance accepted*	57.30	57.30
R0130	*Gross - Non-proportional reinsurance accepted*		0.00
R0140	*Reinsurers' share*		0.00
R0200	*Net*	7,168.98	7,168.98
	Premiums earned		
R0210	*Gross - Direct Business*	3,389.52	3,389.52
R0220	*Gross - Proportional reinsurance accepted*	57.30	57.30
R0230	*Gross - Non-proportional reinsurance accepted*		0.00
R0240	*Reinsurers' share*		0.00
R0300	*Net*	3,446.82	3,446.82
	Claims incurred		
R0310	*Gross - Direct Business*	2,775.34	2,775.34
R0320	*Gross - Proportional reinsurance accepted*	118.99	118.99
R0330	*Gross - Non-proportional reinsurance accepted*		0.00
R0340	*Reinsurers' share*		0.00
R0400	*Net*	2,894.33	2,894.33
	Changes in other technical provisions		
R0410	*Gross - Direct Business*	3,703.23	3,703.23
R0420	*Gross - Proportional reinsurance accepted*		0.00
R0430	*Gross - Non-proportional reinsurance accepted*		0.00
R0440	*Reinsurers' share*		0.00
R0500	*Net*	3,703.23	3,703.23
R0550	**Expenses incurred**	5,697,717.33	5,697,717.33
R1200	**Other expenses**		
R1300	**Total expenses**		5,697,717.33

S.05.02.01

Premiums, claims and expenses by country

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Non-life	**Home Country**	**Top 5 countries (by amount of gross premiums written) - non-life obligations**					**Total Top 5 and home country**
R0010			**DE**	**GB**				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	*Gross - Direct Business*		7,111.68					7,111.68
R0120	*Gross - Proportional reinsurance accepted*			57.30				57.30
R0130	*Gross - Non-proportional reinsurance accepted*							0.00
R0140	*Reinsurers' share*							0.00
R0200	*Net*	0.00	7,111.68	57.30				7,168.98
	Premiums earned							
R0210	*Gross - Direct Business*		3,389.52					3,389.52
R0220	*Gross - Proportional reinsurance accepted*			57.30				57.30
R0230	*Gross - Non-proportional reinsurance accepted*							0.00
R0240	*Reinsurers' share*							0.00
R0300	*Net*	0.00	3,389.52	57.30				3,446.82
	Claims incurred							
R0310	*Gross - Direct Business*		2,775.34					2,775.34
R0320	*Gross - Proportional reinsurance accepted*			118.99				118.99
R0330	*Gross - Non-proportional reinsurance accepted*							0.00
R0340	*Reinsurers' share*							0.00
R0400	*Net*	0.00	2,775.34	118.99				2,894.33
	Changes in other technical provisions							
R0410	*Gross - Direct Business*		3,703.23					3,703.23
R0420	*Gross - Proportional reinsurance accepted*							0.00
R0430	*Gross - Non-proportional reinsurance accepted*							0.00
R0440	*Reinsurers' share*							0.00
R0500	*Net*	0.00	3,703.23	0.00				3,703.23
R0550	**Expenses incurred**	4,816,312.16	881,405.17					5,697,717.33
R1200	**Other expenses**							
R1300	**Total expenses**							5,697,717.33

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance Miscellaneous financial loss	Total Non-Life obligation
		C0130	C0180
R0010	**Technical provisions calculated as a whole**	0.00	0.00
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		0.00
	Technical provisions calculated as a sum of BE and RM		
	Best estimate		
	Premium provisions		
R0060	**Gross - Total**	1,755,315.09	1,755,315.09
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0.00
R0150	**Net Best Estimate of Premium Provisions**	1,755,315.09	1,755,315.09

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance Miscellaneous financial loss	Total Non-Life obligation
		C0130	C0180
	Claims provisions		
R0160	**Gross - Total**	155.34	155.34
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		0.00
R0250	**Net Best Estimate of Claims Provisions**	155.34	155.34
R0260	**Total best estimate - gross**	1,755,470.42	1,755,470.42
R0270	**Total best estimate - net**	1,755,470.42	1,755,470.42
R0280	**Risk margin**	3,307.71	3,307.71
	Amount of the transitional on Technical Provisions		
R0290	TP as a whole		0.00
R0300	Best estimate		0.00

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance Miscellaneous financial loss	Total Non-Life obligation
		C0130	C0180
R0310	Risk margin		0.00
R0320	**Technical provisions - total**	1,758,778.14	1,758,778.14
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0.00	0.00
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total**	1,758,778.14	1,758,778.14

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident 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**	**Sum of years**
		0	1	2	3	4	5	6	7	8	9	10 & +		**year**	**(cumulative)**
R0100	Prior											0.00		0.00	0.00
R0160	N-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00
R0170	N-8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	0.00
R0180	N-7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00	0.00
R0190	N-6	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	0.00
R0200	N-5	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
R0210	N-4	0.00	0.00	0.00	0.00	0.00								0.00	0.00
R0220	N-3	0.00	0.00	0.00	0.00									0.00	0.00
R0230	N-2	0.00	0.00	0.00										0.00	0.00
R0240	N-1	0.00	0.00											0.00	0.00
R0250	N	0.00												0.00	0.00
R0260													**Total**	0.00	0.00

S.19.01.21
Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident Year

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											0.00		0.00
R0160	N-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
R0170	N-8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00
R0180	N-7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00
R0190	N-6	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
R0200	N-5	0.00	0.00	0.00	0.00	0.00	0.00							0.00
R0210	N-4	0.00	0.00	0.00	0.00	0.00								0.00
R0220	N-3	0.00	0.00	0.00	0.00									0.00
R0230	N-2	0.00	0.00	0.00										0.00
R0240	N-1	0.00	0.00											0.00
R0250	N	155.34												155.34
R0260													**Total**	155.34

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)	95,001.00	95,001.00		0.00	
R0030	Share premium account related to ordinary share capital	94,904,999.00	94,904,999.00		0.00	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0.00	0.00		0.00	
R0050	Subordinated mutual member accounts	0.00		0.00	0.00	0.00
R0070	Surplus funds	0.00	0.00			
R0090	Preference shares	0.00		0.00	0.00	0.00
R0110	Share premium account related to preference shares	0.00		0.00	0.00	0.00
R0130	Reconciliation reserve	-26,006,673.59	-26,006,673.59			
R0140	Subordinated liabilities	0.00		0.00	0.00	0.00
R0160	An amount equal to the value of net deferred tax assets	0.00				0.00
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0.00	0.00	0.00	0.00	0.00
	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	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	104,107.98				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0.00				
R0290	**Total basic own funds after deductions**	68,889,218.43	68,889,218.43	0.00	0.00	0.00
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0.00				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0.00				
R0320	Unpaid and uncalled preference shares callable on demand	0.00				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0.00				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0.00				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0.00				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0.00				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0.00				
R0390	Other ancillary own funds	0.00				
R0400	**Total ancillary own funds**	0.00			0.00	0.00
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	68,889,218.43	68,889,218.43	0.00	0.00	0.00
R0510	Total available own funds to meet the MCR	68,889,218.43	68,889,218.43	0.00	0.00	
R0540	Total eligible own funds to meet the SCR	68,889,218.43	68,889,218.43	0.00	0.00	0.00
R0550	Total eligible own funds to meet the MCR	68,889,218.43	68,889,218.43	0.00	0.00	
R0580	**SCR**	7,441,791.42				
R0600	**MCR**	2,700,000.00				
R0620	**Ratio of Eligible own funds to SCR**	925.71%				
R0640	**Ratio of Eligible own funds to MCR**	2551.45%				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	68,993,326.41
R0710	Own shares (held directly and indirectly)	0.00
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	95,000,000.00
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0.00
R0760	**Reconciliation reserve**	-26,006,673.59
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0.00

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	3,013,586.35		
R0020	Counterparty default risk	197,085.34		
R0030	Life underwriting risk	0.00		
R0040	Health underwriting risk	0.00		
R0050	Non-life underwriting risk	5,923,567.42		
R0060	Diversification	-1,745,111.80		
R0070	Intangible asset risk	0.00		
R0100	**Basic Solvency Capital Requirement**	7,389,127.31		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	52,664.11
R0140	Loss-absorbing capacity of technical provisions	0.00
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0.00
R0200	**Solvency Capital Requirement excluding capital add-on**	7,441,791.42
R0210	Capital add-ons already set	0.00
R0220	**Solvency capital requirement**	7,441,791.42
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0.00
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0.00
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0.00
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0.00
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0.00

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	3.00

		LAC DT
	Calculation of loss absorbing capacity of deferred taxes	C0130
R0640	**LAC DT**	
R0650	LAC DT justified by reversion of deferred tax liabilities	0.00
R0660	LAC DT justified by reference to probable future taxable economic profit	0.00
R0670	LAC DT justified by carry back, current year	0.00
R0680	LAC DT justified by carry back, future years	0.00
R0690	Maximum LAC DT	0.00

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	327,392.11

		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	0.00	
R0030	Income protection insurance and proportional reinsurance	0.00	
R0040	Workers' compensation insurance and proportional reinsurance	0.00	
R0050	Motor vehicle liability insurance and proportional reinsurance	0.00	
R0060	Other motor insurance and proportional reinsurance	0.00	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0.00	
R0080	Fire and other damage to property insurance and proportional reinsurance	0.00	
R0090	General liability insurance and proportional reinsurance	0.00	
R0100	Credit and suretyship insurance and proportional reinsurance	0.00	
R0110	Legal expenses insurance and proportional reinsurance	0.00	
R0120	Assistance and proportional reinsurance	0.00	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	1,755,470.42	7,168.98
R0140	Non-proportional health reinsurance	0.00	
R0150	Non-proportional casualty reinsurance	0.00	
R0160	Non-proportional marine, aviation and transport reinsurance	0.00	
R0170	Non-proportional property reinsurance	0.00	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0.00

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

	Overall MCR calculation	C0070
R0300	Linear MCR	327,392.11
R0310	SCR	7,441,791.42
R0320	MCR cap	3,348,806.14
R0330	MCR floor	1,860,447.86
R0340	Combined MCR	1,860,447.86
R0350	Absolute floor of the MCR	2,700,000.00
R0400	**Minimum Capital Requirement**	2,700,000.00