FIDELIS UNDERWRITING LIMITED

Solvency and Financial Condition Report

For the year 1 January 2019 to 31 December 2019

CONTENTS

I. EXECUTIVE SUMMARY

Fidelis Underwriting Limited ("FUL" or "the Company") presents its Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2019. The SFCR covers the Company's Business and Performance, System of Governance, Risk Profile, Valuation for Solvency Purposes, and Capital Management. The report details FUL's risk profile and its solvency and capital needs and examines how the Company's governance framework and risk management processes support it in identifying, monitoring, and assessing these needs.

A copy of this report is available on the Company's website: http://www.fidelisinsurance.com/investors.

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

BUSINESS AND PERFORMANCE

FUL is a 100% directly owned subsidiary of Fidelis Insurance Holdings Limited ("FIHL"), is part of the Fidelis Group (the "Group") and is regulated by the Prudential Regulatory Authority ("PRA") and the Financial Conduct Authority ("FCA").

The business written by the Company across eight Solvency II lines of business is a mix of property, bespoke and specialty classes of general insurance and reinsurance business written directly or through Managing General Agents ("MGAs").

As part of the Group's strategy to sponsor bespoke underwriting products, FIHL has established four MGAs all managed by FIHL's MGA incubator, Pine Walk Capital Limited ("Pine Walk"):

MGA	Coverage
Radius Specialty Limited	Provides bespoke coverage in specialist reinsurance lines
Oakside Surety Limited	Focuses on small and medium-sized enterprises within the surety market
Kersey Specialty Limited	Focuses on upstream energy physical damage coverage
Perigon Product Recall Limited	Focuses on product recall and product contamination coverage

The Company has an ongoing intra-group reinsurance agreement with the Group's Bermuda carrier, Fidelis Insurance Bermuda Limited ("FIBL"), to maintain its risk profile in line with FUL's approved risk appetite.

FUL's gross premiums written for the year ended 31 December 2019 were $311,326k (2018: $315,056k) with a combined ratio of 100.0% (2018: 99.2%) and a net loss ratio of 35.7% (2018: 29.7%). These results are testament to FUL's disciplined underwriting approach, coupled with its strong partnerships.

The Company typically writes business with longer tenors and under UK GAAP, premiums are earned over the duration of the contract, meaning that premiums written for such business will take longer to earn. As the combined ratio is calculated on earned premium rather than written premium, it is expected that the ratio will improve as earned premium increases to a steady state.

The net underwriting contribution for 2019 compared to 2018 is shown below:

$000's	2019	2018
Gross premiums written	311,326	315,056
Net premiums written	131,439	146,277
Net premiums earned	69,585	61,000
Net claims incurred	(24,816)	(18,091)
Net acquisition expenses	(15,297)	(14,197)
Net underwriting contribution	**29,472**	**28,712**
Net loss ratio	35.7%	29.7%
Net acquisition cost ratio	22.0%	23.3%
Combined ratio	100.0%	99.2%

The directors consider that the principal activity of FUL will continue unchanged into the foreseeable future.

The Group established a regulated (re)insurer in Ireland in 2018, Fidelis Insurance Ireland Designated Activity Company ("FIID") to take advantage of opportunities in the non-UK EEA following Brexit. As part of this process, under Part VII of the Financial Services Markets Act 2000, FUL transferred certain non-UK EEA insurance policies to FIID with effect 29 March 2019. FIID commenced underwriting non-UK EEA business on 1/1/2019 and is regulated by the Central Bank of Ireland ("CBI").

SYSTEM OF GOVERNANCE

The Fidelis Group has implemented a simple yet effective system of corporate governance in a way which ensures that enterprise risk management is maintained at a high standard and that the business is operating in an efficient and effective manner. The FUL Board aligns its system of corporate governance with that of the Group where appropriate.

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

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

RISK PROFILE

The Company is exposed to risks from several sources. These include non-life underwriting risk, market risk, counterparty default risk, liquidity risk, operational risk, strategic risk and emerging risk. The primary risk to the Company is underwriting risk. There were no material changes to the Company's key risk areas in 2019. Each of these risk areas is described in more detail in section C.

The level of FUL's capital is adequate for its risk profile under both normal and stressed conditions and as evidenced by the stress and scenario testing under the Company's own risk and solvency assessment ("ORSA"), FUL has sufficient capital to withstand a 1-in-200-year aggregate loss event.

Following the outbreak of the COVID-19 pandemic the business continuity plan has been activated for both FUL and the Fidelis Group, as a result all of the Fidelis Group's staff are working remotely from home in line with the UK Government's advice at time of writing. There has been no disruption to our client or customer service capabilities, FUL continues to bind business and assess and settle claims.

FUL's SCR coverage ratio was 196.8% at 31 December 2019. At time of writing, due to FUL's limited exposure to the lines of business that are likely to be directly impacted by the pandemic and the high quality and short duration of its investment portfolio, it is not expected that the impacts of COVID-19 will lead to FUL breaching its SCR.

Due to the high quality and short duration of FUL's investment portfolio FUL does not expect COVID-19 to have a material impact on the liquidity of its assets.

The potential for losses arising from COVID-19 have been and will continue to be monitored and discussed at a number of internal governance committees.

Further details of the expected impact that the COVID-19 pandemic will have on FUL from an operational and a regulatory solvency perspective are detailed in Section C4.

VALUATION FOR SOLVENCY PURPOSES

The assets and liabilities in the Solvency II balance sheet have been valued using Solvency II valuation rules. Solvency II valuation rules are different, in some areas, than those used in the Company's UK GAAP financial statements, with the valuation of technical provisions being the major area of difference. See section D for more detail on the valuation methods, bases and assumptions of assets and liabilities in the Solvency II balance sheet as well as a comparison to UK GAAP.

CAPITAL MANAGEMENT

FUL's capital management objective is to ensure that the Company maintains an appropriate level of capital, in terms of both quantity and quality, at all times, in line with its risk appetite and capital requirements, and that it fulfils its obligations to measure, monitor, manage and report its capital position, both required and available, internally and externally as required, in accordance with relevant regulatory requirements.

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

	2019	**2018**
$000's		
Total UK GAAP equity	292,004	174,184
Valuation adjustments relating to technical provisions	30,763	15,954
Deferred tax effect	(5,229)	(2,712)
Total basic own funds	**317,538**	**187,426**

The table below shows the SCR, MCR and Solvency II Own Funds and Coverage Ratio of Solvency II Eligible Own Funds to SCR were as follows as at 31 December 2019:

$000's	**2019**	**2018**
SCR	161,340	144,775
MCR	40,335	36,194
Solvency II eligible Own Funds	317,538	187,426
Coverage ratio	196.8%	129.5%

FUL has an unconditional guarantee from FIHL for all of its financial obligations.

During 2019 the Company received two separate capital injections totalling $108,300k (2018: $10,000k) from its parent company, FIHL. Each of the contributions were in exchange for single ordinary shares.

II. DIRECTORS' STATEMENT

Approval by the Board of Directors of the Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2019.

1) We acknowledge our responsibility for preparing the SFCR in all material aspects in accordance with the PRA Rules and the Solvency II Regulations.

2) We are satisfied that:

   (a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the insurer; and

   (b) it is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued so to comply, and will continue so to comply in future.

Sharon Ingham

Director and UK Chief Financial Officer

Date: 22 April 2020

III. INDEPENDENT AUDITORS’ REPORT

Report of the external independent auditor to the Directors of Fidelis Underwriting Limited (‘the Company’) pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the Relevant Elements of the Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2019:

- The ‘Valuation for Solvency Purposes’ and ‘Capital Management’ sections of the SFCR and Financial Condition Report of Fidelis Underwriting Limited as at 31 December 2019, (‘the Narrative Disclosures subject to audit’); and
- Company templates S02.01.02, S17.01.02, S23.01.01, S25.01.21, S28.01.01 (‘the Templates subject to audit’).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the ‘Relevant Elements of the Solvency and Financial Condition Report’.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- The ‘Business and performance’, ‘System of governance’ and ‘Risk profile’ sections of the Solvency and Financial Condition Report;
- Company templates S05.01.02, S05.02.01, S19.01.21;
- information calculated in accordance with the previous regime used in the calculation of the transitional measure on technical provisions, and as a consequence all information relating to the transitional measures on technical provisions as set out in the Appendix to this report where disclosed;
- the written acknowledgement by the Directors of their responsibilities, including for the preparation of the Solvency and Financial Condition Report (‘the Responsibility Statement’).

To the extent the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report of the Company as at 31 December 2019 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Relevant Elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – special purpose basis of accounting

We draw attention to the 'Valuation for solvency purposes' and/or 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going concern

The Directors have prepared the Solvency and Financial Condition Report on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Solvency and Financial Condition Report ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the Solvency and Financial Condition Report. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other information

The Directors are responsible for the Other Information.

Our opinion on the Relevant Elements of the Solvency and Financial Condition Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Relevant Elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Relevant Elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Relevant Elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the Relevant Elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Our objectives are to obtain reasonable assurance about whether the Relevant Elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Relevant Elements of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

Report on Other Legal and Regulatory Requirements

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The purpose of our audit work and to whom we owe our responsibilities

This report of the external auditor is made solely to the Company's directors, as its governing body, in accordance with the requirement in Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms and the terms of our engagement. We acknowledge that the directors are required to submit the report to the PRA, to enable the PRA to verify that an auditor's report has been commissioned by the Company's directors and issued in accordance with the requirement set out in Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms and to facilitate the discharge by the PRA of its regulatory functions in respect of the Company, conferred on the PRA by or under the Financial Services and Markets Act 2000.

Our audit has been undertaken so that we might state to the Company's directors those matters we are required to state to them in an auditor's report issued pursuant to Rule 4.1 (2) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company through its governing body, for our audit, for this report, or for the opinions we have formed.

Ben Priestley for and on behalf of KPMG LLP

15 Canada Square, Canary Wharf

London

E14 5GL

22 April 2020

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

Solo standard formula

The Relevant Elements of the Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.12.01.02
  - — Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- The following elements of template S.17.01.02
  - — Rows R0290 to R0310 – Amount of transitional measure on technical provisions
- The following elements of template S.22.01.21
  - — Column C0030 – Impact of transitional measure on technical provisions
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

A. BUSINESS AND PERFORMANCE (UNAUDITED)

A1. BUSINESS

A1.1 Information regarding the business of the Company

As set out in the Executive Summary above, FUL is a 100% directly owned subsidiary of FIHL and is part of the Group, which also comprises FIBL, Fidelis European Holdings Limited ("FEHL"), Fidelis US Holdings Incorporated ("FUSH"), Fidelis Insurance Ireland Designated Activity Company ("FIID") and Fidelis Marketing Limited ("FML").

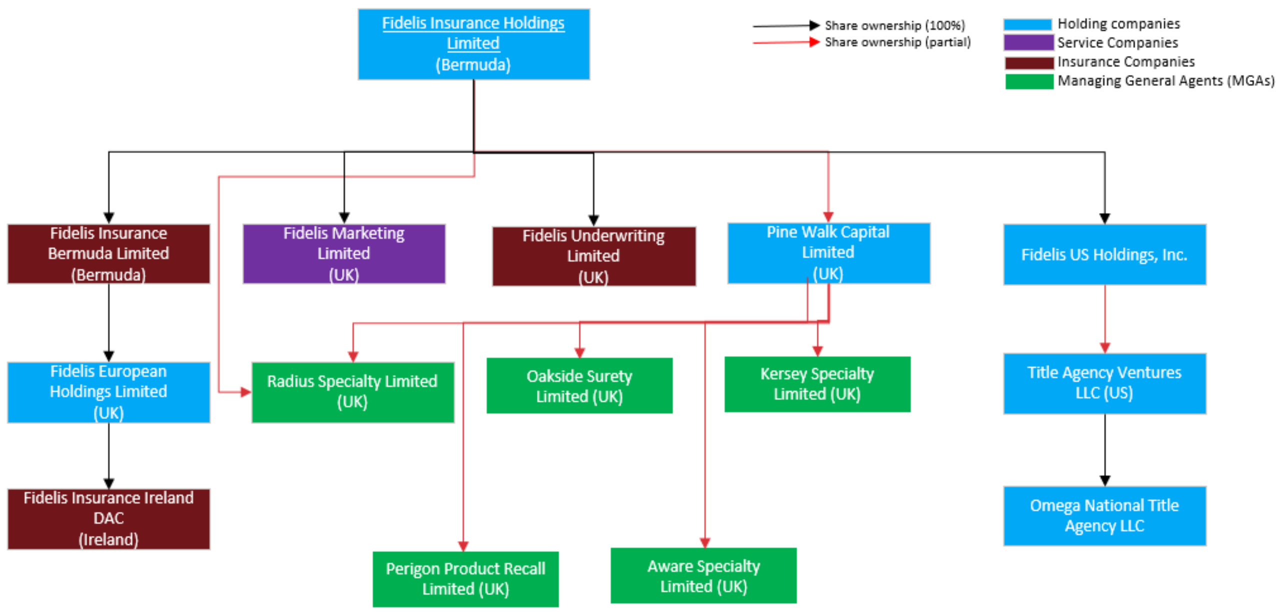
In 2019, Omega National Title Agency, LLC ("ONTA"), registered in the state of Florida, acquired the assets held in Omega Title, LLC through an asset purchase agreement. ONTA is wholly owned by Title Agency Ventures, LLC ("TAV"), registered in the state of Delaware. The Group holds a 50% share in TAV via its investment in FUSH incorporated in the state of Delaware.

The Group also comprises FIHL's MGA incubator, Pine Walk Capital Limited ("Pine Walk"), Radius Specialty Limited ("Radius"), Oakside Surety Limited ("Oakside"), Kersey Specialty Limited ("Kersey"), and Perigon Product Recall Limited ("Perigon"). Perigon was established in 2019 and focuses on product recall and product contamination. Radius, Oakside, Kersey and Perigon act as Managing General Agencies ("MGAs") for business which is written in FUL.

FUL is regulated by the Prudential Regulated Authority ("PRA") and the Financial Conduct Authority ("FCA"). The Company was licensed in the United Kingdom by the PRA on 4 December 2015 and commenced (re)insurance operations on 1 January 2016.

Registered office:	34th Floor The Leadenhall Building 122 Leadenhall Street London EC3V 4AB United Kingdom
Supervisory authorities:	Prudential Regulatory Authority 20 Moorgate London EC3R 6DA
	Financial Conduct Authority 25 The North Colonnade London E14 5HS
External Auditors:	KPMG LLP ("KPMG") 15 Canada Square London E14 5GL

The following diagram provides details of the Group structure as at 31 December 2019:



In preparation for Brexit, and the loss of the Company's European passporting rights, the Group incorporated an Irish insurer, FIID, that received full authorisation from the CBI to write bespoke and specialty insurance and reinsurance on 22 October 2018. Following the High Court hearing, which took place on 27 March 2019, FUL was sanctioned to transfer non-UK EEA ("European Economic Area") direct insurance policies to FIID via a Part VII transfer under the Financial Services and Markets Act 2000. The legally effective transfer date took place on 29 March 2019. FIID commenced underwriting non-UK EEA business on 1 January 2019.

A2. UNDERWRITING PERFORMANCE

A2.1 Overview of underwriting performance

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

A2.2 Underwriting performance by Solvency II line of business (UK GAAP) for the year ended 31 December 2019

$000's	Direct and accepted proportional business					Accepted non-proportional business			
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Casualty	Marine, aviation, and transport	Property	Total
Gross premiums written	61,001	10,541	38,786	22,355	76,989	126	5,189	96,339	311,326
Net premiums written	15,115	4,264	17,169	(163)	51,101	24	1,711	42,218	131,439
Net premiums earned	7,034	3,728	997	10,649	22,475	2,298	1,597	20,807	69,585
Net claims incurred	(6,846)	(394)	(454)	(1,386)	(5,710)	983	(5,067)	(5,942)	(24,816)
Net acquisition expenses	604	(540)	(286)	(938)	(8,394)	(805)	(135)	(4,803)	(15,297)
Net underwriting contribution	792	2,794	257	8,325	8,371	2,476	(3,605)	10,062	29,472
Net loss ratio	97.3%	10.6%	45.5%	13.0%	25.4%	(42.8%)	317.3%	28.6%	35.7%
Net acquisition cost ratio	(8.6%)	14.5%	(28.7%)	8.8%	37.3%	35.0%	8.5%	23.1%	22.0%

Gross premiums written were $311,326k in 2019 (2018: $315,056k). FUL continues to focus on direct bespoke and specialty insurance with a portfolio of US property catastrophe reinsurance. The Company generates fee income from ceding commission related to the intra-group reinsurance ("IGR") agreement as well as override commission from its external quota share treaties.

Net premiums earned for the year were $69,585k (2018: $61,000k). Earned premiums are lower than written premiums as certain classes, such as credit and suretyship insurance, have long tenors.

A total of $24,816k (2018: $18,091k) of net claims were incurred during the year with $9,482k (2018: $14,449k) of the loss expense being held as incurred but not yet reported ("IBNR") reserves. The year to date net loss ratio was 35.7% (2018: 29.7%). The increase in the net loss ratio is due to FUL's losses in the aviation and title lines of business.

Net acquisition expenses were $15,297k (2018: $14,197k) and the ratio of net acquisition expenses to net premiums earned was 22.0% (2018: 23.3%).

The commentary below, by significant Solvency II line of business, incorporates values reported in the S.05.01 QRT (which is included in appendix B). The Company's underwriting performance by geographical area is detailed in the S.05.02.01 QRT (appendix B). All business is underwritten in the United Kingdom and risks covered are worldwide.

Marine, aviation, and transport

$000's	2019	2018
Gross premiums written	61,001	37,358
Net premiums written	15,115	11,290
Net premiums earned	7,034	7,050
Net claims incurred	(6,846)	(1,339)
Net acquisition expenses	604	(181)
Net underwriting contribution	**792**	**5,530**
Net loss ratio	97.3%	19.0%
Net acquisition cost ratio	(8.6%)	2.6%

This class of business includes the Company's marine, energy and aviation lines.

The increase in gross premiums written is driven by the volume of business generated by the Kersey MGA, which focuses on upstream energy subscription market insurance. There is also an increase in the amount of marine and aviation subscription market-based business written by FUL, to take advantage of rate increases seen in the fourth quarter of 2019.

The increase in loss ratio is driven by losses in the aviation products liability line of business.

The negative net acquisition cost ratio is driven by ceding commission income relating to the IGR and external quota share treaties.

Fire and other damage to property

$000's	2019	2018
Gross premiums written	10,541	17,792
Net premiums written	4,264	9,309
Net premiums earned	3,728	6,662
Net losses	(394)	440
Net acquisition expenses	(540)	(1,427)
Net underwriting contribution	**2,794**	**5,675**
Net loss ratio	10.6%	(6.6%)
Net acquisition cost ratio	14.5%	21.4%

This class of business largely comprises of the Company's nuclear property, and political violence war and terror books. Gross premiums written have decreased from prior year due to business written by an MGA partner now being classified under non-proportional property reinsurance.

The decrease in the net acquisition cost ratio is due to a lower proportion of business from MGA channels which typically incur higher commissions.

General liability

$000's	2019	2018
Gross premiums written	38,786	15,841
Net premiums written	17,169	7,718
Net premiums earned	997	4,610
Net claims incurred	(454)	(809)
Net acquisition expenses	(286)	(610)
Net underwriting contribution	**257**	**3,191**
Net loss ratio	45.5%	17.5%
Net acquisition cost ratio	28.7%	13.2%

This class predominantly consists of cyber insurance and reinsurance business. The increase in premium is due to additional income from a new binder. The binder incepted during the fourth quarter of 2019 resulting in the relatively low net premiums earned at year-end.

The net acquisition cost ratio of 28.7% in 2019 is higher than the prior year ratio of 13.2% due to business mix. The Company entered into a new binder agreement in 2019 which incurred high brokerage costs.

Credit and suretyship

$000's	2019	2018
Gross premiums written	22,355	108,361
Net premiums written	(163)	57,679
Net premiums earned	10,649	17,396
Net claims incurred	(1,386)	(5,474)
Net acquisition expenses	(938)	(2,241)
Net underwriting contribution	**8,325**	**9,681**
Net loss ratio	13.0%	31.5%
Net acquisition cost ratio	8.8%	12.9%

This class of business primarily consists of credit and suretyship, and political risk business.

The decrease in gross premiums written is driven by lower premiums on the aircraft financing facility for Boeing aircrafts and 2018 multi-year business not up for renewal. The grounding of the Boeing 737 Max aircrafts and subsequent non-delivery of aircrafts has impacted the premium bound under this lineslip.

The decrease in net loss ratio is due to a low level of claims activity and positive reserve development in the current year, compared with the prior accident year which had one notable loss event.

Miscellaneous financial loss

$000's	2019	2018
Gross premiums written	76,989	99,231
Net premiums written	51,101	49,616
Net premiums earned	22,475	19,862
Net claims incurred	(5,710)	(4,377)
Net acquisition expenses	(8,394)	(8,781)
Net underwriting contribution	**8,371**	**6,704**
Net loss ratio	25.4%	22.0%
Net acquisition cost ratio	37.3%	44.2%

This class consists primarily of transaction liability and title business. The decrease in premium volume is driven by business written by an MGA being allocated to non-proportional reinsurance in 2019.

Property Reinsurance

$000's	2019	2018
Gross premiums written	96,339	33,613
Net premiums written	42,218	10,148
Net premiums earned	20,807	4,110
Net claims incurred	(5,942)	(4,753)
Net acquisition expenses	(4,803)	(837)
Net underwriting contribution	**10,062**	**(1,480)**
Net loss ratio	28.6%	115.6%
Net acquisition cost ratio	23.1%	20.4%

This class consists of property reinsurance business and other non-proportional business.

Gross premiums written have increased significantly during the year as FUL increased the level of catastrophe reinsurance business that it underwrites. Furthermore, as mentioned above, business written by an MGA previously sitting in other classes, has now been allocated to Property Reinsurance.

The net loss ratio decrease is due to no notable cat events impacting FUL in 2019. In 2018, the net loss ratio was impacted by the California Wildfires, and Hurricanes Florence and Michael.

A3. INVESTMENT PERFORMANCE

A3.1 Income and expenses from investments by asset class – UK GAAP

The following table presents the components of investment return by asset class during the year-ended 31 December 2019:

$000's	Investment income	Net realised gains / (losses)	Change in net unrealised gains	Investment return
Government bonds	1,457	280	1,091	**2,828**
Corporate bonds	5,757	(290)	4,340	**9,807**
Collateralised securities	224	(96)	109	**237**
Derivatives	-	(366)	381	**15**
Cash and other	616	-	-	**616**
Investment return	**8,054**	**(472)**	**5,921**	**13,503**

The following table presents the components of investment return by asset class during the year-ended 31 December 2018:

$000's	Investment income	Net realised (losses)	Change in net unrealised gains / (losses)	Investment return
Government bonds	802	(422)	874	**1,254**
Corporate bonds	3,962	(246)	(1,222)	**2,494**
Collateralised securities	176	(32)	(57)	**87**
Derivatives	-	(136)	(271)	**(407)**
Cash and other	315	-	-	**315**
Investment return	**5,255**	**(836)**	**(676)**	**3,743**

A3.2 Gains and losses recognised directly in equity

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

A3.3 Collateralised securities

The following table presents the components of collateralised securities' investment return by asset type during the year-ended 31 December 2019:

$000's	Investment Income	Net realised losses	Change in net unrealised gains	Total
Asset-backed securities	6	(5)	3	**4**
Mortgage-backed securities	205	(87)	91	**209**
Collateralised mortgage obligations	13	(4)	15	**24**
Investment return	**224**	**(96)**	**109**	**237**

The unrealised gains on the fixed income portfolio was as a result of both the US Government yield curve falling, and from credit spreads tightening over the course of the year. During 2019 the Federal Reserve cut rates three times resulting in lower yields, the rate cuts also drove the market to feel more positive about the future of the economy and credit spreads tightened as a result.

The following table presents the components of collateralised securities' investment return by asset type during the year-ended 31 December 2018:

$000's	Investment Income	Net realised losses	Change in net unrealised gains / (losses)	Total
Asset-backed securities	38	(19)	6	**25**
Mortgage-backed securities	121	(8)	(68)	**45**
Collateralised mortgage obligations	17	(5)	5	**17**
Investment return	**176**	**(32)**	**(57)**	**87**

FUL holds a low percentage of collateralised securities (asset-backed securities, mortgage-backed securities, and collateralised mortgage obligations) to improve the diversification of the portfolio. Investment limits have been placed on these assets through an advisory agreement with its portfolio manager and FUL maintains a strict review of securities held to ensure the guidelines agreed between the portfolio manager and FUL are followed and that any securities held comply with Solvency II requirements.

A4. PERFORMANCE OF OTHER ACTIVITIES

Other material expenses comprise the following:

$000's	2019	2018
Employment costs	19,017	16,355
Non-employment costs	6,461	6,371
IT costs	2,686	2,788
Professional and consulting fees	1,311	2,534
Investment expenses	460	400
Total investment and administrative expenses	**29,935**	**28,448**

The Company does not have any direct employees. All of the UK based staff are employed by Fidelis Marketing Limited (“FML”). Administrative expenses for FUL are predominantly a result of a recharge from other Group companies for providing physical infrastructure, staff and associated support services.

A5. OTHER INFORMATION REGARDING THE BUSINESS

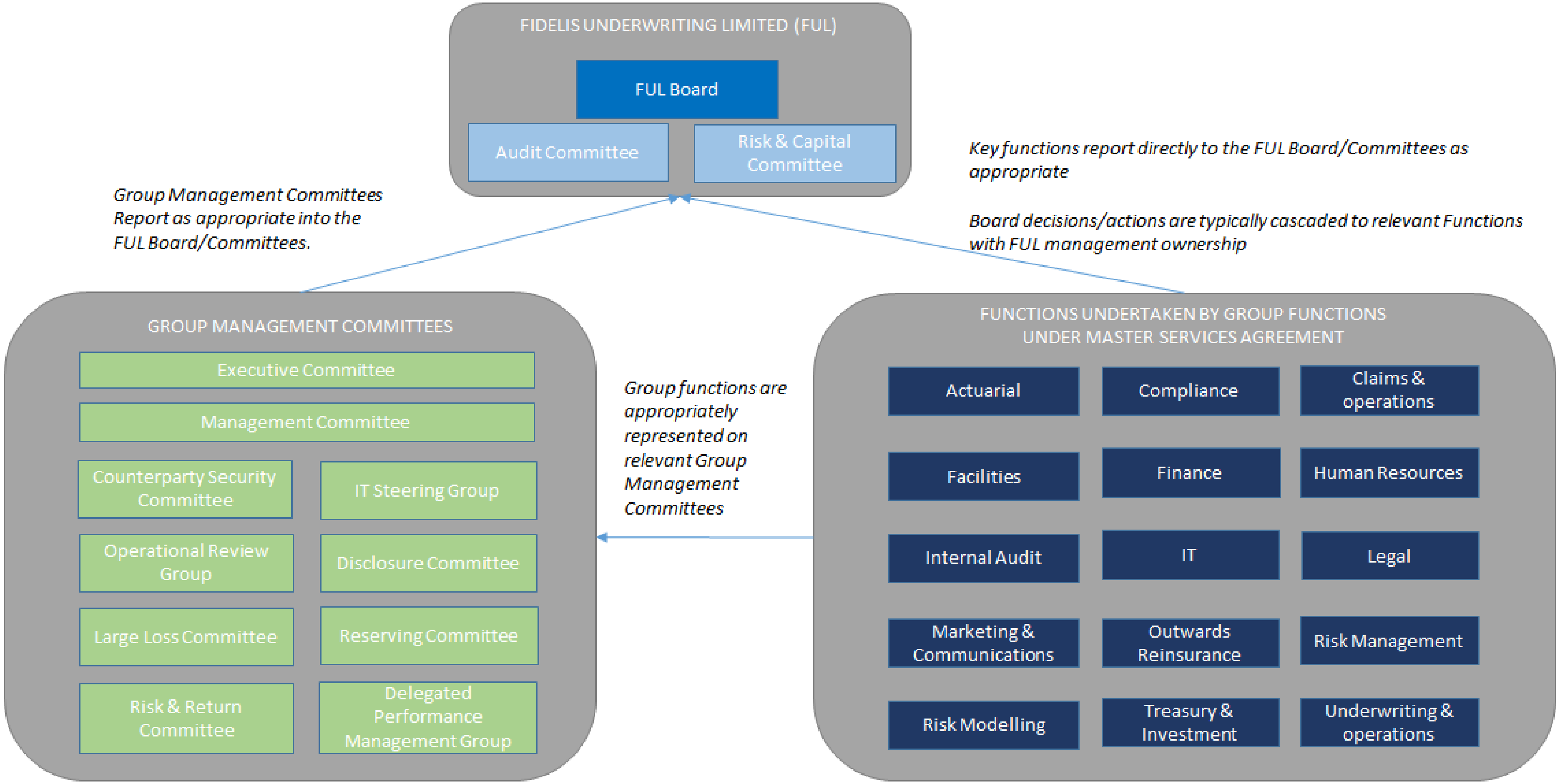
FUL has a commitment to its communities, which it recognises includes environmental responsibilities. The goal is to minimise its environmental impact whilst adhering to other company principles. In line with the Group’s Carbon Positivity Policy, the Group measures its carbon emissions and purchased 125% in equivalent carbon credits. Through the development of best practices in the business, the Company aims to use no more consumables than are necessary and recycle the maximum of those it does use. The Company also believes that embedding environmental awareness throughout the organisation will be best achieved through a continuous programme of employee engagement.

B. SYSTEM OF GOVERNANCE (UNAUDITED)

B1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

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

The diagram below presents an overview of FUL's governance structures:



The table below summarises the role of each of the Boards and entity committees that make up FUL's System of Governance as at 31 December 2019:

Board / Committee	INEDS	Exec	Role	Links into boards
Board	4	3	Considering and deciding on FUL's strategy and matters affecting FUL, including matters referred for approval by FIHL committees, FUL committees or Group management committees	Considers, challenges and is the sole point of FUL approval. Matters cascaded from the FIHL Board may be approved, approved with subjectivities, amended or rejected by the FUL Board or referred back to the FIHL Board
Audit Committee	4	-	Independent review and challenge of financial and regulatory reporting and the internal control environment, oversight of the internal audit function and external auditors	The Committee Chair reports into the FUL Board on the outcome of the audit committee. The Group General Counsel ensures any matters referred by the FIHL Board are so referred
Risk & Capital Committee	4	2	To advise the FUL Board in respect of risk and capital management and oversight of risk management and tolerances	The Committee Chair reports into the FUL Board. The Group CRO ensures any matters referred by the FIHL Board are also reported to the FUL Board

In addition, the table below summarises the role of the Group management committees, their role and how they interact with other parts of the system of governance as at 31 December 2019:

Management Committee	Role	Links into Boards/Entity Committees
Executive Committee	Review the Group's strategy, operations and business plan, assess and action any opportunities that are in the best interest of the Fidelis Group and make proposals to the FIHL Board and FIHL Committees relating to the strategy, operations and conduct of the business of the Fidelis Group and ensure the operations of the Group are within the strategy and business plans approved by the FIHL Board	Matters requiring Board consideration or approval are referred to the FUL Board by the FUL CEO
Management Committee	Co-ordinate and execute the implementation of the strategy and business plan as decided by Group and subsidiary Boards and the Executive Committee; report on and refer to the Executive Committee all items requiring strategic oversight or opinion	Matters requiring Board consideration or approval are referred to the FUL Board by the FUL CEO
Risk & Return Committee	Oversight of risk appetite, tolerances and preferences, risk methodology, capital and solvency appetite, capital methodology, risk return optimisation and risk and capital monitoring	Matters requiring FUL Board consideration or approval are referred by the FUL CRO to the FUL Risk & Capital Committee in quarterly Board reporting
Counterparty Security Committee	Oversee development and adherence to outwards reinsurer and broker counterparty exposure tolerances	Matters requiring FUL Board consideration or approval are referred by the FUL CUO or FUL CEO to the FUL Board in quarterly Board reporting
IT Steering Group	A forum to consider the Technology Strategy of the Group and to approve and track the progress and performance of IT projects and change requests	Matters requiring FUL Board consideration or approval are referred by the FUL CEO to the FUL Board
Operational Review Group	Challenges, approves or declines New Business Initiatives and Delegated Underwriting/Claims Authorities from an operational viewpoint, after in principle underwriting approval has been received	Matters requiring FUL Board consideration or approval are referred by the Group Head of Claims to the FUL Board
Delegated Performance Management Committee	Ongoing monitoring of performance and management of conduct risk concerning delegated authorities, as per the Group Delegated Authority Procedure and the Group Conduct Risk Framework	Matters requiring FUL Board consideration or approval are referred by the FUL CUO to the FUL Board
Disclosure Committee	Review disclosures around Fidelis' financial condition and results of operations, ad hoc disclosures such as press releases and conference presentations and oversee the design and effectiveness of the Group's disclosure controls	While the Disclosure Committee will not review all regulatory filings, it will review material regulatory filings which will be made available in the public domain. The Disclosure Committee will review such disclosures and recommend their inclusion in the FUL Board materials for consideration and approval. The FUL CFO will bring the filing to the FUL Board in the relevant Board papers for review and approval.
Large Loss Committee	Monitors the developments in relation to large or complex insurance/ reinsurance claims and sets case specific loss reserves exceeding the authorities of the Group Head of Claims	Matters requiring FUL Board consideration or approval are referred by the Group Chief Actuary (as appropriate) to the FUL Board
Reserving Committee	Considers and opines on portfolio level reserves and IBNR for recommendation to the relevant Boards	Matters requiring FUL Board consideration or approval are referred by the Group Chief Actuary to the FUL Board in quarterly Board reporting

The Company shares key control functions with the Group, namely the Group Head of Compliance, the Group Head of Internal Audit ("HIA") and the Group Chief Actuary, who each report into the FUL Board and/or Committees as appropriate. The internal outsource to the Group-wide functions ensures appropriate seniority of the holders of the key control functions. When engaged on behalf of FUL, these individuals report to FUL's Board. The independence of the key control function holders is assured through independence in reporting lines. All key control function holders report into either Group level senior management or, in the case of the Group HIA, to the Chair of the Audit Committee who is an INED.

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

There have been no material changes to the system of governance over the reporting period. There have, however, been a number of personel changes which are documented in the table below in B2.

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

B1.3.1 Principles of the remuneration policy

The Compensation Framework is recommended for approval by the Group Compensation Committee to the FIHL Board. After approval by the FIHL Board the relevant details are reported to the subsidiary boards including FUL's Board.

The Company's remuneration approach reflects the intent to align shareholder and employee interests by attracting and retaining employees of the highest calibre and motivating them to drive the Company's business plan and build shareholder value. Fixed compensation is based on market norms for the position, and total compensation aims to provide above market level compensation for superior performance. Variable compensation programs are provided to all employees and include a companywide bonus plan and a Restricted Share Unit ("RSU") plan.

Independent non-executive directors ("INEDs") receive a quarterly directors' fee. They are not eligible for additional non-cash benefits or variable compensation.

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

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

The bonus plan performance criteria are comprised of both personal performance and company performance and the bonus is paid annually. Personal performance is evaluated based on achievement of specific objectives and demonstration of cultural values and management responsibilities (where applicable). Company performance is measured against a pre-established target for the annual return on equity ("ROE") for the Group. The RSUs contain both service and performance conditions. Generally, half of the RSU grants vest based on service after a three-year period and half of the RSUs vest based on certain performance conditions based on achievement of pre-established targets for the three-year average ROE for the Group.

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

The Company's remuneration policy does not include any supplementary pension or early retirement schemes for members of the Board or other key function holders. The Company offers all staff the choice of making contributions into a defined contribution pension scheme, subject to applicable pension rules. Where employer pension contribution may exceed the annual allowance cap, the company offers all employees the option of an equivalent salary supplement (payable less employer NI).

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

During 2019 the Company received two separate capital injections totalling $108,300k (2018: $10,000k) from its parent company, FIHL. Each of the contributions were in exchange for single ordinary shares.

B2. FIT AND PROPER REQUIREMENTS

FUL operates within a Group Regulated Personnel Procedure which governs the recruitment, approvals, induction, training and ongoing assessment of the Fitness and Propriety of those who effectively run FUL.

Identification

As part of the recruitment process the HR function with the assistance of the compliance function identify whether a role is in the scope of the SMCR

Registration/Approvals

Competency assessments, training needs analyses and background and reference checks ensure FUL can demonstrate that the candidate:

1. Is of good repute and integrity

2. Possesses the required level of knowledge, experience and competence for the role

3. Has the necessary qualifications/training or is undergoing training required to perform the role effectively

Ongoing assurance

The compliance and CoSec functions operate appropriate processes for ongoing assurance of fitness and propriety including but not limited to:

1. Annual Fitness & Propriety declarations

2. Reviews of Board/Committee composition

3. Internal/external Board effectiveness reviews

4. Annual competency certification of all individuals under SMCR

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

B3.1 Risk management system

FUL operates the Group Risk, Capital and Solvency Management Framework ("the Framework") leveraging Group capabilities and governance structures whilst maintaining full local accountability with the FUL Board.

The approved risk management framework is designed to identify, measure, manage and report on the exposures that FUL faces.

1) Identification – the risk exposures that could materially impact FUL in achieving its objectives are identified through the quarterly risk review process with each of the risk owners and the emerging risk process.

2) Measurement – these risks are quantified and ranked in the operational risk register in terms of the impact that they would have on FUL if the risk were to materialise. With respect to the aggregation of the underwriting exposures, these are monitored on at least a quarterly basis to ensure that they remain within the FUL Board's approved risk appetite levels.

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

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

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

The classification of sub categories of risk into those "core" risks that are actively pursued to optimise FUL's risk adjusted return, and those "non-core" risks that are a necessary consequence of the business but have little or no potential to generate a reward, is reflected throughout the framework.

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

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

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

The significant quantifiable risks that FUL faces are set out below:

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

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

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

i. Governance and structure

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

The Board receives comprehensive risk and capital reporting on at least a quarterly basis and at such other times deemed required due to an actual or projected change in the Company's risk, capital or solvency profile. The Risk and

Capital Committee ("RCC"), a committee of the Board, supports the Board in ensuring the continued effectiveness and appropriateness of the framework - reviewing, challenging and making recommendations upon its outputs.

The RCC and Board are supported by management's Risk and Return Committee ("RRC") in the day-to-day maintenance of the framework and its underlying components. It meets approximately every three weeks, which affords an appropriate level of review and challenge. A summary of the RRC work in the period and any issues and recommendations for Board attention are reported through the Group CRO report to the RCC.

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

ii. Core processes

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

The core elements of the process include:

- **Strategic Planning**

The annual strategic planning process provides projections based on a range of potential economic and market scenarios.

The review revisits and restates the Company's strategic risk and return aims to evaluate the prospective performance of the business model.

The strategy is reviewed annually, typically in the Board meeting in the second quarter of each year.

- **Business Planning**

The business planning process incorporates a forward-looking projection of the risk, capital and solvency profile of the Company and associated strategies.

It includes the assessment of a range of potential business scenarios supported by the use of stress testing, to test forecast capital adequacy, volatility and viability and inform capital and liquidity management strategies and associated contingency plans.

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

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

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

iii. Quarterly risk, capital and solvency review

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

The review provides an analysis of the risk, capital and solvency profile of the Company against the Board approved risk appetites as well as considering a forward-looking view of the risks that it faces. It therefore addresses the core elements of the ORSA on a quarterly basis.

B3.2 Own risk and solvency assessment

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

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

Following the completion of each ORSA process, the results are documented and reported to the FUL Board for review and approval. In line with EIOPA guidance, a supervisory report of the results of this assessment is then provided to the PRA within two weeks of the Board approval.

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

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

The latest formal ORSA process was conducted as part of FUL's annual business planning process in the first quarter of 2020. It was approved by the FUL Board during Q1 2020 and subsequently submitted to the PRA within two weeks of the Board approval.

B4. INTERNAL CONTROL SYSTEM

B4.1 Description of internal control system

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

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

B4.2 Implementation of the compliance function

The Group compliance function is led by the Group Head of Compliance who reports into the Group Chief Operating Officer & Group General Counsel. The Group Head of Compliance Officer is responsible for FUL's Compliance oversight and the Head of UK Compliance is the Money Laundering Reporting Officer.

A summary of the compliance risk management framework is below:

Compliance Strategy

- Group compliance policy sets the cultural tone of Fidelis' approach to regulatory compliance
- Compliance operating model defines the purpose of the compliance function
- Three lines of defence map shows the split of responsibilities for second line matters between control functions
- Compliance universe from which annual monitoring plan is derived

Compliance Plans

- Compliance Risk Assessment
- Annual Group Compliance Plan including FUL
- Annual Compliance Monitoring Plan
- Annual Compliance Training Plan for FUL staff and FUL Board training plan

Internal Controls

- Group Head of Compliance is the risk owner for FUL's key regulatory risks within the operational risk register
- FUL is subject to Compliance Policies and Procedures
- Radar process for tracking future regulatory developments that impact FUL

Monitoring

- Monitoring FUL's compliance in accordance with the Annual Monitoring Plan
- Mixture of recurring and annual monitoring activities including file reviews, MI/report reviews, staff meetings/interviews, governance reviews, non-voting attendance at committee meetings, etc.

Reporting

- Quarterly reporting to the FUL Board
- Monthly monitoring of events triggering notification to the PRA/FCA
- Periodic meetings with the PRA

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

B5. INTERNAL AUDIT FUNCTION

B5.1 Implementation of the internal audit function

The internal audit department is resourced both internally by the Group HIA and one staff internal auditor and through a panel of co-source service providers. The Group HIA has drafted and the FUL Audit Committee has approved and recommended to the FUL Board:

- An audit charter;
- An audit universe;
- A budget for co-source resource;
- A rolling plan for testing of financial reporting controls; and
- An annual audit plan.

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

The internal audit department aims to comply with industry best practice wherever possible. This includes the principles set out by the Institute of Internal Auditors ("IIA"). In 2013 the IIA issued guidance for Effective Internal Audit in the financial services sector. A gap analysis is maintained to identify any areas of non-compliance.

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

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

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

B5.2 Independence and objectivity of internal audit

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

- Primary reporting line – The Group HIA has a direct reporting line to the Chair of the FUL Audit Committee;
- Secondary reporting line – The Group HIA's secondary reporting line on a day-to-day basis is to the Group CRO;
- Group HIA compensation – All compensation arrangements for the Group HIA are subject to Group Compensation Committee review and approval, removing any management influence over the Group HIA compensation;
- Audit Committee private session – the FUL Audit Committee, as per its quarterly standing agenda item, may request a closed session with the Group HIA at its regularly held meetings. Furthermore, it is compulsory at least annually for the Group HIA to have a closed session with the FUL Audit Committee. This ensures that the Group HIA can relay any serious concerns without management present;
- The HIA and Chair of the Audit Committee have a private meeting pre-Audit Committee every quarter to discuss all Audit Committee materials provided by the HIA. At this meeting the HIA has the opportunity to raise any concerns he may have.
- Agreement of audit reports – the Group HIA is responsible for agreeing and issuing all internal audit reports and being satisfied that any raised actions have been appropriately addressed and closed; and
- Internal audit policy – the approved policy provides for the audit team to have unfettered access to all staff, records and information of the Company as they see fit while conducting audits.

B6. ACTUARIAL FUNCTION

The actuarial function, led by the Group (and FUL) Chief Actuary, consists of seven qualified actuaries, in addition to three catastrophe modellers. The function is also supported by an external consultancy, Dynamo Analytics, who provide actuarial support and peer review.

Key responsibilities include the valuation of the technical provisions, opining on the underwriting policy and reinsurance arrangements and calculating the standard formula Solvency Capital Requirements (SCR) as well as assessing the appropriateness of the standard formula being used to calculate the SCR. The function is integral to building and maintaining pricing models, as well as carrying out case pricing and catastrophe and exposure modelling.

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

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

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

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

B7. OUTSOURCING

FUL operates an Outsourcing Policy and Outsourcing Procedure ("Outsourcing Controls"). This applies to any form of agreement between FUL and an external third party, where the latter performs a (re)insurance activity or undertakes a key function on behalf of FUL, which FUL would otherwise perform itself. An outsourced service is regarded as critical or important if a defect or failure in its performance would have a material, negative impact on:

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

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

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

<u>Prior to executing the arrangement</u>

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

<u>After executing the agreement</u>

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

FUL currently outsources the following critical functions listed below, noting the jurisdiction of the service providers:

Function	Location of outsourced service provider	Rationale for outsourcing	Function responsible for oversight
Investment Custodian/ Administrator Services	United States of America	Administration of a portfolio of fixed-income securities is a technical job that requires significant investment in people and technology. At current size of assets, it would be not economical to do this in-house. Outsourcing enables FUL to have its portfolio independently priced.	Finance
Data Storage	United Kingdom	The Fidelis IT strategy is to seek best-of-breed capability providers across as few external providers as possible. Outsourcing allows scalable Data Storage capabilities.	Finance
Solvency II Technical Provisions and other Actuarial Support	United Kingdom	FUL would not currently be able to economically perform the level of Actuarial and Technical work required for calculating, evaluating and monitoring Solvency II Technical Provisions.	Actuarial
Underwriting Systems Support	United Kingdom	The Fidelis IT strategy is to seek “best-of-breed” capability providers across as few external providers as possible. The outsourcer’s expertise is utilised for design and maintenance of underwriting system and a new claims and policy administration system.	Finance

In addition to the above, there is a master intra-group services agreement and a number of non-material outsourcing agreements in place.

B8. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE

The system of governance and its effectiveness is subject to annual review by the compliance function, which reports to the Board. Additionally, during the year an external Board effectiveness review was performed. The outcome of the above reviews is that the Board considers FUL's system of governance to be effective and appropriate for the nature, complexity and scale of the risks inherent in the firm and its business.

B9. OTHER INFORMATION

The Group Head of Compliance performs annual reviews of compliance with the requirements in relation to the system of governance sections of this report. Appropriate action is taken to deal with any findings, changes or updates required.

C. RISK PROFILE (UNAUDITED)

C1. RISK CATEGORIES

C1.1 Non-life underwriting risk

i. Overview of assessment of non-life underwriting risk

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

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

ii. Risk mitigation techniques for non-life underwriting risk

Premium risk

Building on the foundation of strict underwriting and individual underwriter authorities, the Company operates a system of peer review to a high level of sophistication, depth and scope of application.

All new risks and renewals are required to be presented to the daily Underwriting and Marketing Conference Call ("UMCC" or "the call(s)"), normally prior to terms being offered and in the event of a material change in terms, exposure or pricing from that agreed previously. The call is designed to ensure the cooperative and collegiate management of insurance risk, ensure that individual underwriters draw upon the expertise of their peers, and avoid silos of underwriting. Where delegated authorities, binders or lineslips are accepted, the master contract will be reviewed at the UMCC as well as by the Operational Review Group although declarations or risks attaching to such covers may not be.

In addition to underwriters, the calls are frequently attended by representatives from actuarial, exposure modelling, capital modelling, risk, claims, legal and compliance functions to provide appropriate expertise and challenge. Regular attendance of the Group CRO provides an additional layer of defence and supports him in keeping abreast of actual, projected and potential emerging risk issues in real time.

Product design and pricing aims to minimise adverse selection of risks and use appropriate rating factors to differentiate between levels of risk.

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

The FUL Board primarily approves the purchase of outwards reinsurance as a part of the approval of the business plan. The main reinsurance treaty for FUL is an IGR quota share treaty with FIBL. FUL also purchases additional facultative and treaty reinsurance protection as the FUL CEO and FUL CUO deem necessary, on behalf of the Board. The Group also purchases proportional and non-proportional treaty placements, with the knowledge of the FUL CEO and FUL CUO.

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

Reserving risk

As the majority of the Company's portfolio is expected to benefit from a short period of discovery of loss, the reserves will relate to claims notified against which the Company will hold individually evaluated case reserves and incurred but not reported ("IBNR") reserves. These reserves are expected to be less material from a risk perspective than peers with longer tail business.

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

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

iii. Risk assessment of non-life underwriting risk

Premium risk

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

For elemental exposures, modelling leverages the use of external stochastic catastrophe modelling tools operated in-house by the dedicated Fidelis modelling team. The results of the modelling are reviewed by the RRC and reported to senior management and the Board at least quarterly providing modelled occurrence exceedance probability ("OEP") curves estimating the probable maximum loss ("PML") both gross and net of reinsurance for each significant peril / geographical zone at a range of return periods.

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

Reserving risk

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

iv. Risk concentration of non-life underwriting risk

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

C1.2 Market risk

i. Overview of assessment of market risk

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

Market risk is divided into three subcategories: investment risk, currency risk, and asset and liability matching risk.

ii. Risk mitigation techniques for market risk

Investment risk

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

The investment portfolio performance and risk are managed at an aggregate portfolio level. The investment strategy and investment types have been chosen specifically to construct an investment portfolio that ensures the credit quality, duration, and value at risk remain within the risk tolerances set out in the risk appetite. The investment portfolio's key metrics are included in the quarterly CRO report to the FUL Board.

FUL contracts with its portfolio manager for the provision of investment management services. The Company's investment guidelines and risk, capital and solvency appetite formalise FUL's appetite for investment risk at the portfolio level.

Extensive due diligence of investments is undertaken prior to finalising these investment guidelines. This due diligence considers many aspects of the investment decision including the potential for adverse aggregations and correlations with other elements of the investment portfolio and the underwriting portfolio.

A strategic asset allocation exercise is undertaken regularly in conjunction with the investment manager which takes into account the Company's risk tolerance levels and investment objectives. All strategic investment decisions are considered by the RRC and then presented to the Group Investment Committee prior to being submitted to the FUL Board for approval. Investment decisions are made in line with the Company's investment guidelines and the prudent person principle.

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

Currency risk

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

The Group's risk appetite limits currency mismatches to $5,000k equivalent within 14 days of completion of quarterly management accounts, recognising that doing so at individual operating entity may be disproportionate and in theory potentially trigger inefficient risk management action.

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

An increase or decrease of 10 basis points in the US dollar compared to the currencies to which the Company is exposed, would result in additional loss or gain for the year of $3,288k (2018: $3,293k) with an equal impact on net assets, assuming all other assumptions remain unchanged.

Asset and liability matching risk

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

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

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

iii. Risk assessment of non-life market risk

Investment Risk

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

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

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

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

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

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

A parallel shift upwards or downwards of 25 basis points in interest rates across the yield curve would result in additional loss or gain for the year of $1,700k (2018: $900k) with an equal impact on net assets, assuming all other assumptions remain unchanged.

Currency risk

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

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

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

Asset and liability matching risk

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

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

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

iv. Risk concentration of market risk

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

C1.3 Counterparty default risk

i. Overview of counterparty default risk

Counterparty default risk exposures relate to the potential failure of a third-party to meet their financial obligations to the Company. Key areas where the Company is exposed to counterparty default risk are:

(i) Reinsurers' share of insurance liabilities;
(ii) Amounts due from reinsurers in respect of claims already paid;
(iii) Amounts due from insurance contract holders; and
(iv) Amounts due from insurance intermediaries.

ii. Risk mitigation techniques for counterparty default risk

Reinsurer counterparties

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

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

The Counterparty Security Committee meets at least half yearly and ad hoc as new partners are proposed and monitors the Group's aggregations which are reported to the FUL Board on a quarterly basis in the CRO report.

In certain circumstances, deposits from reinsurers are also held as collateral.

Intragroup reinsurer counterparty

The counterparty risk presented by the IGR arrangement is mitigated through the use of collateralisation in the form of a trust account with BNY Mellon as trustee, FIBL as grantor and FUL as beneficiary. FIBL has deposited assets in the trust account, to secure its obligations to FUL, under the IGR arrangement.

The FUL Board has set a minimum level of collateralisation based on the greater of the reinsurer's share of unearned premium and the reinsurer's share of claims reserves. Confirmation that the level of actual and required collateral has been met is monitored and reported quarterly to the FUL Board in the CRO report.

Intermediary counterparty risk

Whilst in theory FUL has significant exposure to counterparty risk in respect of its dealings with insurance intermediaries, in practice these are limited through the use, for the most part, of non-risk transfer terms of business.

As such, FUL is prepared to tolerate significant outstanding broker balances reflecting the concentration of business in the markets in which it operates subject to regular monitoring and the reporting of material exposures to management and the Board. Credit control policies and procedures are in place to ensure all money owed to FUL is collected and to ensure that cash received is allocated appropriately. Documented credit control meetings, where delinquent accounts are reviewed, are held monthly and include a representative from underwriting, finance, operations and claims. Underwriters assist with the collection of premiums when required and if no response is forthcoming, a notice of cancellation may be issued.

iii. Risk assessment of counterparty default risk

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

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

Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency.

No credit limits were exceeded during the year. No financial assets are impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

iv. Risk concentration of counterparty default risk

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

C1.4 Liquidity risk

i. Overview of liquidity risk

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

ii. Risk mitigation techniques for liquidity risk

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

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

The target minimum level of Group liquidity is designed to ensure that the Company can satisfy policyholder liabilities in a stressed environment requiring sufficient cash liquidity at 5 days, 30 days and 180 days to cover a variety of pre-defined gross man-made and natural catastrophe loss events. FUL's portfolio consists of a highly liquid fixed income portfolio and cash. The Company's investment guidelines and risk, capital and solvency appetite formalise FUL's appetite for liquidity at the portfolio level. This level of required liquidity across the overall portfolio is one of the drivers for the construction and maintenance of the investment portfolio. This results in maintaining liquidity significantly in excess of that which would otherwise be required to support projected outflows related to insurance obligations even in stressed scenarios.

Furthermore, FUL has the right to request immediate settlement of material recoveries (those in excess of $10.0 million on a gross basis) under the IGR agreement with FIBL.

iii. Risk assessment of liquidity risk

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

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

iv. Risk concentration of liquidity risk

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

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

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

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

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

The EPIFP as at 31 December 2019 is $21,217k (2018: $19,190k). The calculation of the EPIFP has been performed to understand the level of expected profit within premiums that are expected to be received in the future. This calculation has inherent uncertainty as it is on a planning basis and actual outcome may differ materially.

C1.5 Operational risk

i. Overview of assessment of operational risk

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

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

Sources of risk are considered under the following broad categories:

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

ii. Risk mitigation techniques used for operational risk

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

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

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

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

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

iii. Risk assessment of operational risk

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

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

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

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

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

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

iv. Risk concentration of operational risk

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

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

C1.6 Other material risks

Emerging risk

i. Overview of emerging risk

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

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

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

- CRO attendance at underwriting and investment committees; and
- CRO review and other members of the risk management function's review of relevant external inputs, publications and periodic surveys.

ii. Risk mitigation techniques used for emerging risks

An Emerging Risk Register is maintained by the Risk Management Function and emerging or crystallizing risks are reported to the RCC and the Board in aggregate through the regular CRO reporting process.

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

iii. Risk assessment of emerging risks

FUL assesses its exposure to emerging risks through the regular review and updating of the emerging risk register.

On an annual basis the emerging risk register is presented to the FUL Board.

iv. Risk concentration of emerging risks

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

Reinsurance availability risk

i. Overview of reinsurance availability risk

Reinsurance availability risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost. The inability may emanate from a variety of reasons such as unfavourable market conditions.

This risk does not include reinsurer default risk which is covered under C1.3 above.

ii. Risk mitigation techniques used for reinsurance availability risk

All reinsurance purchases must be authorised appropriately to ensure alignment to strategy and risk appetite and in accordance with operating guidelines.

The reinsurance purchase forms include statements regarding matching the period of underwriting the risk and expected availability in 12 months, which must all be explicit at time of purchase of any reinsurance.

The majority of FUL's and the Group's reinsurance program renews at 1st January, however exposures are not all written at the 1st January, therefore, if there is a mismatch FUL and the Group are aware of before the inward exposure is written. Throughout the year, FUL also enters into facultative reinsurance arrangements to manage its exposures in Bespoke and Specialty lines.

iii. Risk assessment of reinsurance availability risk

Reinsurance availability risk is assessed as part of each reinsurance placement through the completion of reinsurance purchase forms.

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

iv. Risk concentration of reinsurance availability risk

Reinsurance availability risk concentrations may occur in relation to reinsurance contracts placed relating to a particular class of business, a particular counterparty or at a specific period of time.

Group and strategic risk

i. Overview of Group and strategic risk

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

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

ii. Risk mitigation techniques used for Group and strategic risk

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

iii. Risk assessment of Group and strategic risk

Strategic risk is assessed at least annually, as a part of the CRO's review of the strategy.

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

iv. Risk concentration of Group and strategic risk

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

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

C2. RISK EXPOSURES

C2.1 Material risks and risk measures

The figures in the table below detail the current material risks for FUL as part of the SCR as at 31 December 2019 compared to 2018:

	2019	2018
$000's		
Non-life underwriting risk	146,735	131,798
Market risk	16,465	13,511
Counterparty default risk	7,502	5,835
Diversification	(15,045)	(12,269)
BSCR	**155,657**	**138,875**
Operational risk	5,683	5,900
SCR	**161,340**	**144,775**

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

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

During 2019, the most material movement has been an increase in the catastrophe risk charge, reflecting a change in risk appetite. There was an overall decrease in premium and reserve risk due to the transfer of non-UK EEA direct insurance business to FIID and updated EIOPA guidelines and the definition of premium exclusions, largely offset by growth in the portfolio. The increase in market risk reflects the increase in the sensitivity of net assets to the discount rate and growth in the bond portfolio. Counterparty default risk has increased due to an increase in exposure to ceded recoveries and higher level of overdue premiums.

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

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

FUL fulfils its obligations required by the Solvency II Directive to ensure that its assets are invested in line with the prudent person principle by investing in a portfolio of fixed income securities which is highly diversified across asset types, sectors, geographies and issuers. FUL's portfolio is in line with its risk appetite and includes only investment-grade corporate bonds, investment-grade structured credit, investment-grade government bonds, cash or cash equivalents. These assets are all considered to be of a high quality and liquidity. The investment portfolio is monitored on a regular basis to ensure that it remains at an appropriate level of quality and liquidity whilst avoiding excessive concentrations.

C3. RISK SENSITIVITY

The following plausible but extreme scenario tests were undertaken as part of the ORSA process. These scenarios were developed by a subcommittee of the Board, comprising the Chair of the RCC, the FUL CEO, the UK CFO and the FUL CRO and were reviewed by the RRC. The aim of the scenarios is to provide a range of realistic challenges to the business plan covering the key risk categories that the Company is exposed to, and to test the potential range of responses to the outcomes.

1) A reinsurer default, combined with a correlating operational loss and a separate investment loss, this scenario resulted in a post event solvency ratio of 147%.
2) A loss event due to two aircraft colliding – this scenario resulted in a post event solvency ratio of 165%.
3) A 1-in-100-year credit loss combined with a 10% (on an absolute basis) rise in US interest rates - this scenario resulted in a post event solvency ratio of 128%.
4) An MGA breaching their delegated authority – this scenario resulted in a post event solvency ratio of 180%.
5) The largest PML loss occurs combined with an operational error in the placement of related external reinsurance – this scenario resulted in a post event solvency ratio of 103%.
6) A repeat of the 2017 US natural catastrophe events and the occurrence of the largest gross man-made PML – this scenario resulted in a post event solvency ratio of 141%.
7) The failure of a hard market to materialise – this scenario resulted in a post event solvency ratio of 233%.
8) The impact of climate change on windstorm events as per Scenario A detained in the PRA's General Insurance Stress Test 2019 – this scenario resulted in a post event solvency ratio of 139%.
9) The impact of a 1-in-50-year global economic downturn – this scenario resulted in a post event solvency ratio of 153%.

Under all of the above plausible but extreme scenarios the Company maintained its own funds above the MCR.

C4. ANY OTHER INFORMATION

C4.1 Climate change

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

C4.2 COVID-19

The following sections provide an overview of the expected impact that the COVID-19 pandemic will have on FUL from an operational and a regulatory solvency perspective.

Operational Impact

The business continuity plan has been activated for both FUL and the Fidelis Group, as a result all of the Fidelis Group's staff are working remotely from home in line with the UK Government's advice at time of writing. There has been no disruption to our client or customer service capabilities and FUL continues to bind business and assess and settle claims, and customers will continue to be treated fairly at all times. Further to this, to date there has been no material disruption relating to the services that FUL receives from its key outsourced services providers. All key outsourced service providers (including those within the Fidelis Group) have been contacted and no interruption of service is currently expected.

Underwriting Impact

All lines of business that FUL underwrites have been assessed for COVID-19 loss exposure. The potential for losses arising from COVID-19 has been and will continue to be monitored and discussed at a number of internal governance committees including the Large Loss Committee and Risk & Return Committee as well as potentially the Executive Committee.

It should be noted that FUL and the Fidelis Group does not have material exposures at this stage to the following classes that are expected to be directly impacted by the COVID-19 pandemic:

- Life assurance
- Personal Accident insurance
- Workers compensation insurance
- Directors & officers' insurance
- Travel insurance
- Trade credit insurance
- Event cancellation insurance

One issue of concern for the (re)insurance market is the losses flowing from the worldwide COVID-19 pandemic. It is expected that these losses will particularly impact classes such as medical, travel, contingency and business interruption. Following investigation and review, FUL is content that its exposure to COVID-19 losses is expected to be limited. This is a consequence of the underwriting approach of the business, which is either not active in the most at risk classes or has focused on a particular sub-class within such classes that is less exposed (e.g. FUL's property reinsurance portfolio predominantly covers residential risks to which business interruption losses do not usually arise). Furthermore, particular focus has been shown by FUL in implementing clear policy wordings.

FUL does write a specific catastrophic pandemic cover of $400 million xs $200 million (over 2 layers) for certain hospitals in the US. This covers additional medical expenses over and above historic norms - caused by insured individuals cashing in their healthcare coverage en masse for treatment for a World Health Organisation-designated pandemic illness with a maximum coverage of $1.0 million per person. FUL's gross line is $14.25 million across all layers and a net exposure after reinsurance of $2.85 million. This policy is expected to be impacted by COVID-19, however, to what degree is currently unclear.

Investments Impact

FUL's investment portfolio is constituted of government and quasi government securities (27%), corporate bonds (64%) and investment grade emerging market debt (9%). FUL does not hold any equity assets. FUL does not have direct corporate debt exposure to either the airline or oil and gas sectors which are currently undergoing stresses. FUL does have corporate debt exposure to the financial sector which has come under some strain as a result of the COVID-19 pandemic, however, the bonds held are investment grade, have a relatively short time to maturity and FUL's investment guidelines mean that a maximum of 3% can be held with a single counterparty (FUL's largest current exposure to a single issuer is 1.8% of invested assets). Given the conservative and highly diversified nature of FUL's portfolio it does not anticipate a material impact from the market conditions experienced as a result of the COVID-19 pandemic.

At time of writing, as bonds mature, the principal received by FUL is being held in cash due to the current level of volatility in investment markets.

Liquidity Impact

Due to the highly rated nature (i.e. investment grade) and short duration of FUL's investment portfolio FUL does not expect COVID-19 to have a material impact on the liquidity of its assets.

Solvency Impact

FUL's SCR coverage ratio was 196.8% at 31 December 2019. At time of writing, due to FUL's limited exposure to the lines of business that are likely to be directly impacted by the pandemic and the high quality and short duration of its investment portfolio, it is not expected that the impacts of COVID-19 will lead to FUL breaching its SCR.

An Own Risk and Solvency Assessment ('ORSA') report was presented to the FUL Board in February 2020. The report contained a number of stress and scenario tests, which whilst not specific to a pandemic event, include a number of potentially relevant tests such as a reinsurer default, fixed income investment bonds defaulting, and a 1-in-50 year economic downturn. In particular the following two risk sensitivities detailed in Section C3 of the SFCR are considered to be pertinent to the current COVID-19 pandemic and are deemed by FUL to still remain relevant in respect of the projected potential effect on FUL's solvency ratio in 2020.

- A 1-in-100-year credit loss combined with a 10% (on an absolute basis) rise in US interest rates - this scenario resulted in a post event solvency ratio of 128%.
- The impact of a 1-in-50-year global economic downturn – this scenario resulted in a post event solvency ratio of 153%.

An updated version of the ORSA report is planned to be presented to the Board in May 2020, this will include additional stress/scenario tests that are specific to the current COVID-19 pandemic.

It should also be noted that FUL has an unconditional guarantee from FIHL for all of its financial obligations.

Fidelis Group Impact

Group Operational Impact

Operationally, there has been no disruption to the Group's client or customer service capabilities, the Group continues to bind business and assess and settle claims, and customers will continue to be treated fairly at all times. Further to this, to date there has been no material disruption relating to the services that the Group receives from its key outsourced services providers. All key outsourced service providers have been contacted and no interruption of service is currently expected.

Group Underwriting Impact

All lines of business that the Group underwrites have been assessed for COVID-19 loss exposure. The potential for losses arising from COVID-19 have been and will continue to be monitored and discussed at a number of internal governance committees including the Large Loss Committee and Risk & Return Committee as well as potentially the Executive Committee.

It should be noted that the Fidelis Group does not have material exposures at this stage to the following classes that are expected to be directly impacted by the COVID-19 pandemic:

- Life assurance
- Personal Accident insurance
- Workers compensation insurance
- Directors & officers' insurance
- Travel insurance
- Trade credit insurance
- Event cancellation insurance

One issue of concern for the (re)insurance market is the losses flowing from the worldwide COVID-19 pandemic. It is expected that these losses will particularly impact classes such as medical, travel, contingency and business interruption. Following investigation and review, the Fidelis Group is content that its exposure to COVID-19 losses are expected to be limited. This is a consequence of the underwriting approach of the business, which is either not active in the most at risk classes or has focused on a particular sub-class within such classes that is less exposed (e.g. the Group's property reinsurance portfolio predominantly covers residential risks to which business interruption losses do not usually arise). Furthermore, particular focus has been shown by the Group in implementing clear policy wordings.

Group Investments Impact

Over 90% of the Group's investment portfolio is held in fixed income or cash. The fixed income investment portfolio is comprised of government and quasi government securities (30.4%), corporate bonds (54.2%), securitised assets (11.7%) and investment grade emerging market debt (3.7%). The Group does not have direct corporate debt exposure to either the airline or oil and gas sectors which are currently undergoing stresses. The Group does have corporate debt exposure to the financial sector which has come under some strain as a result of the COVID-19 pandemic, however, the bonds held are investment grade, have a relatively short time to maturity and the Group's fixed income investment guidelines mean that a maximum of 3% can be held a with a single counterparty (the Group's largest current exposure to a single corporate issuer in the fixed income portfolio is 1.4% of invested assets). Given the conservative and highly diversified nature of the Group's portfolio it does not anticipate a material impact from the market conditions experienced as a result of the COVID-19 pandemic.

Group Liquidity Impact

Due to the highly rated nature (i.e. investment grade) quality and short duration of the Group's fixed income investment portfolio the Group does not expect COVID-19 to have a material impact on the liquidity of the assets held.

Group Solvency Impact

At time of writing, the Group's solvency ratio for year end 2019 is still in the process of being finalised, however, the preliminary results indicate that the Group is expected to continue to hold capital significantly in excess of its regulatory capital requirements.

Therefore, at time of writing, due to the Group's limited exposure to the lines of business that are likely to be directly impacted by the pandemic and the high quality and short duration of its investment portfolio, it is not expected that the impacts of COVID-19 will lead to the Group breaching its regulatory capital.

It should also be noted that the Group has recently completed a significant equity capital raise exercise which has increased the Group's capital by circa $300 million.

D. VALUATION FOR SOLVENCY PURPOSES

The Company's financial statements are prepared under the historical cost convention, as modified by the inclusion of certain investments at fair value and in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” ("FRS 102") and FRS 103 "Insurance Contracts" ("FRS 103") issued by the Financial Reporting Council. The table below shows the differences in the valuation and classification of assets and liabilities per the Company’s financial statements to the valuation for solvency purposes as at 31 December 2019:

$000's	Valuation per UK GAAP	Valuation and re-classification adjustments	Valuation per Solvency II
Assets			
Investments	362,629	1,950	364,579
Cash and cash equivalents	52,872	-	52,872
Insurance and intermediaries receivables	266,907	(260,480)	6,427
Deferred acquisition costs	49,046	(49,046)	-
Reinsurance recoverables	310,288	(283,094)	27,194
Reinsurance receivables	11,138	-	11,138
Deferred tax assets	2,509	(2,509)	-
Any other assets, not elsewhere shown	3,855	(1,950)	1,905
Total assets	**1,059,244**	**(595,129)**	**464,115**
Liabilities			
Technical provisions	576,215	(457,629)	118,586
Reinsurance payables	165,752	(165,752)	-
Investments	23	-	23
Deferred tax liabilities	-	2,718	2,718
Any other liabilities, not elsewhere shown	25,250	-	25,250
Total liabilities	**767,240**	**(620,663)**	**146,577**

D1. ASSETS

D1.1 Investments

As at 31 December 2019, the Company had $364,556k of investments, which are carried at fair value under UK GAAP and Solvency II.

The table below shows the Company's financial assets at fair value by material class of investment under UK GAAP (which is a fair approximation of the Solvency II hierarchy) as at 31 December 2019:

$000's	Level 1	Level 2	Total
Debt securities and other fixed income securities			
Government bonds	108,459	36,455	144,915
Corporate bonds	-	196,921	196,921
Collateralised securities	-	22,691	22,691
Total debt securities and other fixed income securities	108,459	256,067	364,527
Derivative assets	52		52
Total assets	108,511	256,067	364,579
Derivative liabilities	23	-	23
Net assets at fair value	**108,488**	**256,067**	**364,556**

The Company's investment portfolio is valued using the following techniques for Solvency II purposes:

- Level 1 - investments are securities with quoted prices in active markets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide readily and regulatory available quoted prices.
- Level 2 - investments are securities with quoted market prices in active markets for similar assets with adjustments to reflect factors specific to the asset, including the condition or location of the asset, the extent to which inputs relate to items that are comparable to the asset and the volume or level of activity in the markets within which the inputs are observed.
- Level 3 – investments are securities where no active market or other transactions can be used as a good estimate of fair value. FUL did not have any level 3 assets as at 31 December 2019 (2018: $nil).

Using this levelling criteria, this equates to the fair value of the securities.

D1.2 Cash and cash equivalents

As at 31 December 2019, the Company held $52,872k as cash and cash equivalents. Cash and cash equivalents carrying amounts are considered to be as approximate fair values on the basis that these are short term assets, therefore there are no differences between the valuations under Solvency II and UK GAAP.

D1.3 Insurance and intermediaries receivables

Insurance and intermediaries receivables represent premiums owed from policyholders. As at 31 December 2019, the Company had a total of $266,907k of outstanding premiums per UK GAAP. For Solvency II purposes, an adjustment is made to remove non-overdue receivables leaving an insurance and intermediaries receivables balance of $6,427k. The non-overdue receivables balance is considered within the calculation of the technical provisions as they are used as the basis for the future premiums and claims reinsurance recoveries elements.

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

D1.4 Deferred acquisition costs

Deferred acquisition costs comprise brokerage and commission incurred on contracts written during the financial year, but expensed over the term of the insurance contract. As at 31 December 2019, deferred acquisition costs totalled $49,046k per UK GAAP. Deferred acquisition costs are removed under Solvency II principles, however future cashflows of unpaid acquisition costs are accounted for within the technical provisions (see D2.1).

D1.5 Reinsurance recoverables

As at 31 December 2019, reinsurance recoverables were $310,288k under UK GAAP and $27,194k under Solvency II. Reinsurance recoverables are held at amortised cost less any impairment, which approximates to fair value given the short-term nature of these assets. For Solvency II purposes, reinsurance recoverables are determined as part of the calculation for technical provisions (see D2.1).

D1.6 Deferred tax asset and liabilities

Deferred taxes are calculated based on the differences between the values ascribed to assets and liabilities on a Solvency II basis, as opposed to a UK GAAP basis, and the values ascribed to the same assets and liabilities for tax purposes. Deferred tax has been measured at 17% which is the UK tax rate substantially enacted at the balance sheet date.

The value of the deferred tax asset per UK GAAP is $2,509k as at 31 December 2019. On a Solvency II basis deferred tax is a liability and is reclassified to deferred tax liabilities.

D1.7 Any other assets, not elsewhere shown

As at 31 December 2019, other assets were $3,855k per UK GAAP and are valued at amortised cost less any impairment which approximates to fair value given the short-term nature of these assets. The adjustment to $1,905k on a Solvency II basis is due to the reclassification of accrued interest to investments.

D2. TECHNICAL PROVISIONS

D2.1 Value of technical provisions by line of business

The table below shows the technical provisions as at 31 December 2019 by line of business:

	Direct and accepted proportional business					Accepted non-proportional business			
$000's	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability	Credit and suretyship insurance	Miscellaneous financial loss	Casualty	Marine, aviation and transport	Property	Total
Premium provisions: Gross	(1,681)	(1,504)	1,484	9,133	11,771	(1,132)	519	(11,100)	7,490
Premium provisions: Ceded	(5,545)	(1,008)	4,530	13,819	(948)	(6,376)	586	(6,883)	(1,825)
Premium provisions: Net	**3,864**	**(496)**	**(3,046)**	**(4,686)**	**12,719**	**5,244**	**(67)**	**(4,217)**	**9,315**
Claims provisions: Gross	17,592	3,685	3,533	12,792	14,882	736	9,987	17,664	80,871
Claims provisions: Ceded	12,135	1,638	(318)	3,943	5,777	(294)	4,211	1,928	29,020
Claims provisions: Net	**5,457**	**2,047**	**3,851**	**8,849**	**9,105**	**1,030**	**5,776**	**15,736**	**51,851**
Risk margin	3,196	1,764	1,092	8,016	9,517	1,282	935	4,423	30,225
Technical provisions	**12,517**	**3,315**	**1,897**	**12,179**	**31,341**	**7,556**	**6,644**	**15,942**	**91,391**

I. Technical provisions methodology

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

The risk margin is calculated by assessing the cost of capital required to run-off FUL's existing book of business and allocated between Solvency II lines of business in line with its insurance premium volume measure within the Standard Formula calculation.

II. Technical provisions assumptions

The key assumptions underlying the technical provisions calculation are:

- **Expected claims**
  Expected claims on earned business are taken directly from the UK GAAP reserves, while unearned claims are determined using IELRs based on Fidelis data, industry data and expert judgement.

- **ENIDs**
  Under Solvency II, the mathematical mean of the distribution of all possible future outcomes should be captured. Therefore, a load is added to the future losses to allow for ENIDs which would not be captured in the best estimate calculated on a UK GAAP basis.

- **Expenses**
  The technical provisions make allowance for the expenses incurred in servicing the legal obligations of contracts and these include acquisition costs, reinsurance costs, ULAE, administrative and investment expenses.

- **Interest rates**
  The future cashflows are discounted using the standard risk-free rate term structure provided by EIOPA. The matching adjustment or the volatility adjustment has not been utilised.

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

D2.2 Level of uncertainty associated with the value of technical provisions

There is inherent uncertainty within the cash flows that relate to insurance contracts, which could arise due to volatility within the claims reserve, losses occurring within the unearned exposure, policy cancellations and other areas. Actual experience is expected to deviate from expectations. The Company's estimates are subject to additional uncertainty due to the high exposure to potential large losses due to the nature of the business written and the number of multi-year deals with large volumes of premium yet to be received.

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

D2.3 Solvency II and UK GAAP valuation differences of technical provisions by material line of business

The table below shows a build up from the UK GAAP valuation of insurance contract liabilities to the Solvency II technical provisions, split by line of business, as at 31 December 2019:

$000's	Direct and accepted proportional business					Accepted non-proportional business			
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability	Credit and suretyship insurance	Miscellaneous financial loss	Casualty	Marine, aviation and transport	Property	Total
Gross UK GAAP insurance contract liabilities	23,924	4,808	4,547	15,673	21,356	1,626	10,419	18,443	100,796
Solvency II adjustments	(8,013)	(2,627)	470	6,252	5,297	(2,022)	87	(11,879)	(12,435)
Gross BEL	**15,911**	**2,181**	**5,017**	**21,925**	**26,653**	**(396)**	**10,506**	**6,564**	**88,361**
Net UK GAAP insurance contract liabilities	4,336	386	1,216	6,929	8,550	634	4,000	3,409	29,460
Solvency II adjustments	4,985	1,165	(411)	(2,766)	13,274	5,640	1,709	8,110	31,706
Net BEL	**9,321**	**1,551**	**805**	**4,163**	**21,824**	**6,274**	**5,709**	**11,519**	**61,166**
Risk margin	3,196	1,764	1,092	8,016	9,517	1,282	935	4,423	30,225
Technical provisions	**12,517**	**3,315**	**1,897**	**12,179**	**31,341**	**7,556**	**6,644**	**15,942**	**91,391**

The main differences between the Solvency II and UK GAAP valuation bases are:

- The expected profit in the unearned premium, discounting and profit in the BBNI (all of which reduce the liabilities); and
- Additional allowances required under Solvency II such as ENIDs, expenses and the risk margin (all of which increase the liabilities).

D3. OTHER LIABILITIES

D3.1 Reinsurance payables

As at 31 December 2019, reinsurance payables were $165,752k per UK GAAP. Reinsurance payables are measured at amortised cost less any impairment. Given the short-term nature of reinsurance payables, this approximates to fair value under UK GAAP. There are no differences in principle between Solvency II and UK GAAP valuations of reinsurance payables. However, for Solvency II purposes, the non-overdue element of reinsurance payables is considered as part of the calculation for technical provisions. None of the reinsurance payables balance was overdue as at 31 December 2019.

D3.2 Investments

See section D1.1 above.

D3.3 Any other liabilities, not elsewhere shown

As at 31 December 2019, all other payables were $25,250k per UK GAAP. Other payables, which includes accruals, intercompany payables, and deferred income, are measured at amortised cost less any impairment which approximates to fair value under UK GAAP given the short-term nature of these liabilities.

D4. ALTERNATIVE METHODS FOR VALUATION

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

E. CAPITAL MANAGEMENT

E1. OWN FUNDS

The objective of own funds management is to maintain, at all times, sufficient capital for regulatory and rating agency purposes with an appropriate buffer (based on an underwriting shock). These funds should be of sufficient quality to meet the eligibility requirements in the Solvency II rules. The Company holds regular meetings of senior management, which are at least quarterly, in which the ratio of eligible own funds over the SCR and MCR are reviewed. The committees that review the Company's solvency are described in more detail in *B. System of Governance (Unaudited)*, and responsibility ultimately rests with FUL's Board. As part of own funds management, the Company prepares at least annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

The total structure and movement of the Company's own funds shown below:

	Tier 1	Tier 2	Tier 3	Total
$000's				
Called up share capital	7,500	-	-	7,500
Share premium account	152,500	-	-	152,500
Deferred tax asset	-	-	893	893
Reconciliation reserve	26,533	-	-	26,533
Balance as at 31 December 2018	**186,533**	**-**	**893**	**187,426**
Share issue	108,300	-	-	108,300
Change in deferred tax and reconciliation reserve	22,705	-	(893)	21,812
Movement in 2019 own funds	**131,005**	**-**	**(893)**	**130,112**
Called up share capital	7,500	-	-	7,500
Share premium account	260,800	-	-	260,800
Deferred tax asset	-	-	-	-
Reconciliation reserve	49,238	-	-	49,238
Balance as at 31 December 2019	**317,538**	**-**	**-**	**317,538**

The Company's ordinary share capital, share premium arising on ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds per Article 69 (a)(i) of the Delegated Regulation. The ordinary share capital and share premium arising is not subordinated and has no restricted duration. The reconciliation reserve represents the excess of assets over liabilities, less a deduction equal to the share capital and the share premium account. The increase in own funds is due to a capital contribution of $30.0 million in September 2019, and $78.3 million in December 2019 from FIHL for the issue of two shares.

Tier 1 own funds are eligible to meet both the SCR and the MCR and are permanently available to cover losses. The deferred tax asset is included in tier 3 capital and is $nil for 2019. This category of own funds can be used to cover the SCR (up to a maximum 15%) but is not eligible to cover the MCR.

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

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

As at 31 December 2019, no loss absorbing capacity of deferred tax has been recognised in the SCR.

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

$000's	2019	2018
Total UK GAAP equity	292,004	174,184
Valuation adjustments relating to technical provisions	30,763	15,954
Deferred tax effect	(5,229)	(2,712)
Total basic own funds	**317,538**	**187,426**

The valuation differences relating to technical provisions are detailed in section D2.3 above.

E2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E2.1 SCR and MCR as at 31 December 2019 and 31 December 2018:

$000's	2019	2018
SCR*	161,340	144,775
MCR	40,335	36,194

*The final amount of the SCR is still subject to supervisory assessment.

E2.2 SCR split by risk module

The capital requirement is currently being calculated exclusively by the Standard Formula. The risk charges per category as at 31 December 2019 compared to as at 31 December 2018 are outlined below:

$000's	2019	2018
Non-life underwriting risk	146,735	131,798
Market risk	16,465	13,511
Counterparty default risk	7,502	5,835
Diversification	(15,045)	(12,269)
BSCR	**155,655**	**138,875**
Operational risk	5,683	5,900
SCR	**161,340**	**144,775**

The increase in non-life underwriting risk is driven by an increase in catastrophe risk, reflecting a change in risk appetite. There was an overall decrease in premium and reserve risk due to the transfer of non-UK EEA insurance business to FIID, updated EIOPA guidelines and the definition of premium exclusions, largely offset by growth in the portfolio.

The increase in market risk reflects the increase in the sensitivity of net assets to the discount rate and growth in the bond portfolio. Counterparty default risk has increased due to an increase in exposure to ceded recoveries and higher level of overdue premiums.

Diversification has increased in line with premium growth.

E2.3 Simplified calculations for risk modules of the Standard Formula

The Standard Formula methodology follows the full calculation for premium and reserve risk, default risk and market risk.

E2.4 Inputs used to calculate the MCR

The MCR targets an 80% value at risk over a one-year time horizon. The MCR is based on proportions of net premiums written in the previous 12 months and the net best estimate of technical provisions at the valuation date. These are supplied by Solvency II class of business and the proportions vary by class.

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

	2019	2018
$000's		
Absolute floor	4,127	4,188
Linear MCR	26,583	20,285
SCR	161,340	144,775
Combined MCR	40,335	36,194
MCR	**40,335**	**36,194**

The change in the absolute floor reflects the movement in the exchange rate. The final MCR (currently equivalent to the 25% floor of the SCR) reflects an increase in the overall SCR.

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

The duration-based equity risk sub-module does not apply to FUL.

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

The Company does not have an approved internal model to calculate its SCR and therefore this section is not applicable.

E5. NON-COMPLIANCE WITH MCR AND SCR

There has not been any non-compliance with the SCR or MCR over the financial year. If the SCR or MCR were to be breached, plans would be put into place to raise additional capital as required.

A. GLOSSARY

BBNI - Bound But Not Incepted

BSCR – Basic Solvency Capital Requirement

CEO – Chief Executive Officer

CFO – Chief Finance Officer

Combined ratio - The ratio of net losses, and net operating expenses (acquisition and administrative costs) to net premiums earned

CTO – Chief Technology Officer

CRESTA - Catastrophe Risk Evaluation and Standardizing Target Accumulations

CRO – Chief Risk Officer

CUO – Chief Underwriting Officer

EEA – European Economic Area

EIOPA – European Insurance and Occupational Pensions Authority

ENID – Events not in Data

ERM – Enterprise Risk Management

IELR – Initial Expected Loss Ratio

MCR – Minimum Capital Requirement

Net acquisition cost ratio – The ratio of net acquisition expenses to net premiums earned

Net loss ratio – The ratio of net losses to net premiums earned

Net underwriting contribution – Net premiums earned less net losses, less net acquisition expenses

Net operating expense – Net acquisition expenses and administrative expenses

Risk and Controls Register – Encompasses all material operational risks and the controls designed to prevent, mitigate or detect risks to the business achieving its strategic objectives

SCR – Solvency Capital Requirement

SMCR – Senior Managers and Certification Regime

SMF – Senior Insurance Management Function

UK GAAP – United Kingdom Generally Accepted Accounting Practice

ULAE – Unallocated Loss Adjustment Expenses

B. QUANTITATIVE REPORTING TEMPLATES ("QRTs")

The following QRTs are required for the SFCR:

QRT Ref	QRT Template name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.17.01.02	Non-Life technical provisions
S.19.01.21	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement

The templates are included at the end of this report.

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
	Assets	C0010	C0020
R0010	Goodwill		-
R0020	Deferred acquisition costs		49,045,867
R0030	Intangible assets		-
R0040	Deferred tax assets	-	2,509,173
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)	364,578,648	362,628,765
R0080	*Property (other than for own use)*	-	-
R0090	*Holdings in related undertakings, including participations*	-	-
R0100	*Equities*	-	-
R0110	*Equities - listed*	-	-
R0120	*Equities - unlisted*	-	-
R0130	*Bonds*	364,526,452	362,576,569
R0140	*Government Bonds*	144,914,585	144,640,818
R0150	*Corporate Bonds*	196,920,954	195,316,065
R0160	*Structured notes*	-	-
R0170	*Collateralised securities*	22,690,912	22,619,686
R0180	*Collective Investments Undertakings*	-	-
R0190	*Derivatives*	52,196	52,196
R0200	*Deposits other than cash equivalents*	-	-
R0210	*Other investments*	-	-
R0220	Assets held for index-linked and unit-linked contracts	-	-
R0230	Loans and mortgages	-	-
R0240	*Loans on policies*	-	-
R0250	*Loans and mortgages to individuals*	-	-
R0260	*Other loans and mortgages*	-	-
R0270	Reinsurance recoverables from:	27,194,345	321,426,230
R0280	*Non-life and health similar to non-life*	27,194,345	321,426,230
R0290	*Non-life excluding health*	27,194,345	321,426,230
R0300	*Health similar to non-life*	-	-
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	-	-
R0320	*Health similar to life*	-	-
R0330	*Life excluding health and index-linked and unit-linked*	-	-
R0340	*Life index-linked and unit-linked*	-	-
R0350	Deposits to cedants	-	-
R0360	Insurance and intermediaries receivables	6,427,049	188,720,329
R0370	Reinsurance receivables	11,137,839	78,186,671
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	-	-
R0410	Cash and cash equivalents	52,871,526	52,871,526
R0420	Any other assets, not elsewhere shown	1,904,860	3,855,115
R0500	**Total assets**	464,114,267	1,059,243,676

		Solvency II value	Statutory accounts value
	Liabilities	C0010	C0020
R0510	Technical provisions - non-life	118,585,959	576,215,558
R0520	*Technical provisions - non-life (excluding health)*	118,585,959	576,215,558
R0530	*TP calculated as a whole*	-	
R0540	*Best Estimate*	88,361,409	
R0550	*Risk margin*	30,224,550	
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	2,720,218	-
R0790	Derivatives	22,654	22,654
R0800	Debts owed to credit institutions	-	-
R0810	Financial liabilities other than debts owed to credit institutions	-	-
R0820	Insurance & intermediaries payables	-	-
R0830	Reinsurance payables		165,751,872
R0840	Payables (trade, not insurance)	-	-
R0850	Subordinated liabilities	-	-
R0860	*Subordinated liabilities not in BOF*	-	-
R0870	*Subordinated liabilities in BOF*	-	-
R0880	Any other liabilities, not elsewhere shown	25,247,935	25,249,935
R0900	**Total liabilities**	146,576,766	767,240,019
R1000	**Excess of assets over liabilities**	317,537,501	292,003,657

S.05.01.01
Premiums, claims and expenses by line of business

Non-life		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Line of business for: accepted non-proportional reinsurance			Total
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Casualty	Marine, aviation, transport	Property	
		C0060	C0070	C0080	C0090	C0120	C0140	C0150	C0160	C0200
	Premiums written									
R0110	*Gross - Direct Business*	61,341,084.00	7,275,727.07	8,785,969.48	22,361,646.60	61,476,329.30				161,240,756.45
R0120	*Gross - Proportional reinsurance accepted*	-339,843.20	3,264,842.46	30,000,000.00	-7,149.82	15,512,789.06				48,430,638.50
R0130	*Gross - Non-proportional reinsurance accepted*						126,258.11	5,188,779.24	96,339,249.99	101,654,287.34
R0140	*Reinsurers' share*	45,886,201.82	6,277,063.20	21,616,971.95	22,516,775.12	25,887,898.11	102,593.80	3,477,882.77	54,121,457.96	179,886,844.73
R0200	*Net*	15,115,038.98	4,263,506.33	17,168,997.53	-162,278.34	51,101,220.25	23,664.31	1,710,896.47	42,217,792.03	131,438,837.56
	Premiums earned									
R0210	*Gross - Direct Business*	28,950,311.98	4,091,879.37	2,071,739.20	15,690,479.71	39,301,380.12				90,105,790.38
R0220	*Gross - Proportional reinsurance accepted*	159,172.84	2,944,618.02	0.00	2,107,598.93	3,136,845.36				8,348,235.15
R0230	*Gross - Non-proportional reinsurance accepted*						7,160,300.20	4,509,445.48	65,277,162.77	76,946,908.45
R0240	*Reinsurers' share*	22,075,357.05	3,308,432.41	1,074,743.44	7,150,175.49	19,963,200.17	4,862,022.49	2,912,581.67	44,469,706.75	105,816,219.47
R0300	*Net*	7,034,127.77	3,728,064.98	996,995.76	10,647,903.15	22,475,025.31	2,298,277.71	1,596,863.81	20,807,456.02	69,584,714.51
	Claims incurred									
R0310	*Gross - Direct Business*	9,592,680.50	439,576.33	997,404.32	1,951,696.49	10,157,438.92				23,138,796.56
R0320	*Gross - Proportional reinsurance accepted*	11,663,627.41	579,322.61	0.00	411,296.26	706,296.15				13,360,542.43
R0330	*Gross - Non-proportional reinsurance accepted*						-1,600,071.74	10,101,063.17	11,388,603.72	19,889,595.15
R0340	*Reinsurers' share*	14,410,118.71	624,786.83	543,532.23	977,057.17	5,153,448.06	-617,458.63	5,034,485.50	5,447,191.02	31,573,160.88
R0400	*Net*	6,846,189.20	394,112.11	453,872.09	1,385,935.58	5,710,287.01	-982,613.11	5,066,577.67	5,941,412.70	24,815,773.26
	Changes in other technical provisions									
R0410	*Gross - Direct Business*	0.00	0.00	0.00	0.00	0.00				0.00
R0420	*Gross - Proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00				0.00
R0430	*Gross - Non-proportional reinsurance accepted*						0.00	0.00	0.00	0.00
R0440	*Reinsurers' share*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0500	*Net*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0550	**Expenses incurred**	2,838,444.67	1,511,381.71	4,196,239.55	900,629.68	20,032,147.77	810,562.31	524,556.76	14,417,975.79	45,231,938.24
	Administrative expenses									
R0610	*Gross - Direct Business*	8,090,588.32	959,632.74	1,158,826.31	2,949,391.58	8,108,426.51				21,266,865.46
R0620	*Gross - Proportional reinsurance accepted*	-44,823.65	430,616.72	3,956,852.96	-943.03	2,046,060.84				6,387,763.84
R0630	*Gross - Non-proportional reinsurance accepted*						16,652.83	684,374.55	12,706,674.87	13,407,702.25
R0640	*Reinsurers' share*	6,052,165.11	827,913.87	2,851,172.64	2,969,852.27	3,414,486.87	13,531.62	458,715.69	7,138,355.03	23,726,193.10
R0700	*Net*	1,993,599.56	562,335.59	2,264,506.63	-21,403.72	6,740,000.48	3,121.21	225,658.86	5,568,319.84	17,336,138.45
	Investment management expenses									
R0710	*Gross - Direct Business*	214,872.02	25,486.18	30,776.42	78,330.73	215,345.77				564,811.12
R0720	*Gross - Proportional reinsurance accepted*	-1,190.44	11,436.43	105,087.16	-25.05	54,339.83				169,647.93
R0730	*Gross - Non-proportional reinsurance accepted*						442.27	18,175.80	337,467.28	356,085.35
R0740	*Reinsurers' share*	160,735.03	21,987.96	75,722.21	78,874.13	90,682.86	359.38	12,182.69	189,582.35	630,126.61
R0800	*Net*	52,946.55	14,934.65	60,141.37	-568.45	179,002.74	82.89	5,993.11	147,884.93	460,417.79
	Claims management expenses									
R0810	*Gross - Direct Business*	0.00	0.00	0.00	0.00	0.00				0.00
R0820	*Gross - Proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00				0.00
R0830	*Gross - Non-proportional reinsurance accepted*						0.00	0.00	0.00	0.00
R0840	*Reinsurers' share*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0900	*Net*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Acquisition expenses									
R0910	*Gross - Direct Business*	5,863,103.77	870,868.95	2,367,326.77	3,755,372.17	17,239,528.32				30,096,199.98
R0920	*Gross - Proportional reinsurance accepted*	-6,756.20	617,227.04	0.90	550,485.41	731,586.28				1,892,543.43
R0930	*Gross - Non-proportional reinsurance accepted*						354,875.30	621,652.23	14,797,427.89	15,773,955.42
R0940	*Reinsurers' share*	6,460,350.61	947,727.16	2,081,324.57	3,368,269.02	9,577,261.57	-450,297.47	486,751.87	9,994,547.49	32,465,934.82
R1000	*Net*	-604,003.04	540,368.83	286,003.10	937,588.56	8,393,853.03	805,172.77	134,900.36	4,802,880.40	15,296,764.01
	Overhead expenses									
R1010	*Gross - Direct Business*	5,664,961.74	671,926.75	811,400.41	2,065,139.12	5,677,451.90				14,890,879.92
R1020	*Gross - Proportional reinsurance accepted*	-31,385.14	301,514.20	2,770,555.09	-660.30	1,432,634.55				4,472,658.40
R1030	*Gross - Non-proportional reinsurance accepted*						11,660.17	479,193.29	8,897,106.64	9,387,960.10
R1040	*Reinsurers' share*	4,237,675.00	579,698.31	1,996,367.05	2,079,465.53	2,390,794.93	9,474.73	321,188.86	4,998,216.02	16,612,880.43
R1100	*Net*	1,395,901.60	393,742.64	1,585,588.45	-14,986.71	4,719,291.52	2,185.44	158,004.43	3,898,890.62	12,138,617.99
R1200	**Other expenses**									0.00
R1300	**Total expenses**									45,231,938.24

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			**US**	**IT**	**JP**	**BG**	**FR**	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	*Gross - Direct Business*	83,529,277.21	41,283,363.44	2,615,311.54	10,940,260.17	74,641.01	6,198,643.92	144,641,497.29
R0120	*Gross - Proportional reinsurance accepted*	29,890,062.89	1,640,909.79	13,314,462.42	1,432,756.39	0.00	0.00	46,278,191.50
R0130	*Gross - Non-proportional reinsurance accepted*	38,962,005.37	43,873,637.89	35,274.98	1,570,040.34	8,258,590.28	1,115,070.08	93,814,618.94
R0140	*Reinsurers' share*	79,320,271.42	50,392,638.49	8,514,973.26	6,505,856.75	5,464,710.86	3,476,448.40	153,674,899.20
R0200	*Net*	73,061,074.06	36,405,272.63	7,450,075.68	7,437,200.15	2,868,520.43	3,837,265.59	131,059,408.53
	Premiums earned							
R0210	*Gross - Direct Business*	71,624,502.53	7,476,104.85	191,436.69	4,156,888.40	139,395.09	5,774,980.85	89,363,308.40
R0220	*Gross - Proportional reinsurance accepted*	283,269.98	867,917.39	559,457.54	543,633.74	0.00	0.00	2,254,278.64
R0230	*Gross - Non-proportional reinsurance accepted*	12,478,129.41	18,967,623.59	1,895,907.63	-12,294.43	1,228,128.34	165,821.18	34,723,315.71
R0240	*Reinsurers' share*	56,242,779.34	21,230,968.42	1,502,346.10	2,323,437.68	681,086.68	2,323,973.94	84,304,592.15
R0300	*Net*	28,143,122.57	6,080,677.40	1,144,455.76	2,364,790.03	686,436.75	3,616,828.09	42,036,310.60
	Claims incurred							
R0310	*Gross - Direct Business*	17,195,558.71	1,204,664.09	32,656.23	1,018,717.76	-6,150.63	1,973,534.20	21,418,980.38
R0320	*Gross - Proportional reinsurance accepted*	11,336,310.16	38,550.39	224,079.23	-954,949.67	0.00	0.00	10,643,990.11
R0330	*Gross - Non-proportional reinsurance accepted*	17,760,627.69	-2,352,866.23	1,874,120.63	1,688,749.52	462,939.26	62,505.79	19,496,076.66
R0340	*Reinsurers' share*	23,163,413.95	574,372.52	1,074,891.97	1,325,301.45	282,673.30	792,433.30	27,213,086.48
R0400	*Net*	23,129,082.61	-1,684,024.26	1,055,964.13	427,216.16	174,115.33	1,243,606.69	24,345,960.66
	Changes in other technical provisions							
R0410	*Gross - Direct Business*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0420	*Gross - Proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0430	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0440	*Reinsurers' share*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0500	*Net*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0550	**Expenses incurred**	25,142,446.83	12,528,116.28	2,563,788.37	2,559,357.52	987,141.56	1,320,515.03	45,101,365.58
R1200	**Other expenses**							0.00
R1300	**Total expenses**							45,101,365.58

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance			
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0070	C0080	C0090	C0100	C0130	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**									0.00
R0020	Direct business									0.00
R0030	Accepted proportional reinsurance business									0.00
R0040	Accepted non-proportional reinsurance									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**	-1,680,816.69	-1,503,684.33	1,484,087.43	9,133,483.55	11,770,545.31	-1,132,421.77	518,584.97	-11,099,861.38	7,489,917.10
R0070	Gross - direct business	-1,609,804.94	-1,255,809.24	614,105.40	-1,921,637.10	16,456,789.99				12,283,644.10
R0080	Gross - accepted proportional reinsurance business	-71,011.75	-247,875.08	869,982.03	11,055,120.65	-4,686,244.67				6,919,971.18
R0090	Gross - accepted non-proportional reinsurance business						-1,132,421.77	518,584.97	-11,099,861.38	-11,713,698.18
R0100	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	-5,544,607.66	-1,007,910.63	4,530,464.26	13,819,504.68	-948,533.65	-6,376,370.23	585,390.32	-6,805,587.57	-1,747,650.48
R0110	*Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses*	-5,544,607.66	-1,007,910.63	4,530,464.26	13,819,504.68	-948,533.65	-6,376,370.23	585,390.32	-6,805,587.57	-1,747,650.48
R0120	*Recoverables from SPV before adjustment for expected losses*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0130	*Recoverables from Finite Reinsurance before adjustment for expected losses*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-5,544,626.43	-1,007,910.63	4,530,464.26	13,819,504.68	-948,533.65	-6,376,370.23	585,390.32	-6,883,243.92	-1,825,325.60
R0150	**Net Best Estimate of Premium Provisions**	3,863,809.74	-495,773.70	-3,046,376.83	-4,686,021.12	12,719,078.96	5,243,948.46	-66,805.35	-4,216,617.46	9,315,242.70
	Claims provisions									
R0160	**Gross - Total**	17,592,874.62	3,684,701.61	3,532,757.85	12,792,439.75	14,881,816.71	735,657.21	9,987,096.01	17,664,147.71	80,871,491.47
R0170	Gross - direct business	13,154,814.54	3,575,717.95	912,612.04	5,399,668.27	13,381,070.56				36,423,883.36
R0180	Gross - accepted proportional reinsurance business	4,438,060.08	108,983.66	2,620,145.80	7,392,771.48	1,500,746.15				16,060,707.18
R0190	Gross - accepted non-proportional reinsurance business						735,657.21	9,987,096.01	17,664,147.71	28,386,900.93
R0200	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	12,147,806.31	1,638,967.96	-317,557.25	3,949,723.43	5,787,804.37	-293,816.92	4,214,679.77	1,936,241.42	29,063,849.08
R0210	*Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses*	12,147,806.31	1,638,967.96	-317,557.25	3,949,723.43	5,787,804.37	-293,816.92	4,214,679.77	1,936,241.42	29,063,849.08
R0220	*Recoverables from SPV before adjustment for expected losses*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0230	*Recoverables from Finite Reinsurance before adjustment for expected losses*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	12,135,393.35	1,638,069.36	-318,326.76	3,943,333.42	5,777,053.76	-294,642.26	4,210,864.93	1,927,925.09	29,019,670.89
R0250	**Net Best Estimate of Claims Provisions**	5,457,481.26	2,046,632.25	3,851,084.61	8,849,106.33	9,104,762.95	1,030,299.47	5,776,231.09	15,736,222.62	51,851,820.58

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance			
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0070	C0080	C0090	C0100	C0130	C0150	C0160	C0170	C0180
R0260	**Total best estimate - gross**	15,912,057.93	2,181,017.28	5,016,845.28	21,925,923.30	26,652,362.02	-396,764.56	10,505,680.98	6,564,286.33	88,361,408.57
R0270	**Total best estimate - net**	9,321,291.00	1,550,858.56	804,707.78	4,163,085.21	21,823,841.91	6,274,247.93	5,709,425.74	11,519,605.16	61,167,063.28
R0280	**Risk margin**	3,196,272.27	1,763,829.04	1,092,004.23	8,015,804.83	9,517,017.01	1,281,813.56	934,523.74	4,423,285.58	30,224,550.27
	Amount of the transitional on Technical Provisions									
R0290	TP as a whole									0.00
R0300	Best estimate									0.00
R0310	Risk margin									0.00
R0320	**Technical provisions - total**	19,108,330.20	3,944,846.33	6,108,849.51	29,941,728.13	36,169,379.03	885,049.00	11,440,204.73	10,987,571.91	118,585,958.84
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	6,590,766.92	630,158.73	4,212,137.50	17,762,838.10	4,828,520.11	-6,671,012.49	4,796,255.25	-4,955,318.83	27,194,345.28
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total**	12,517,563.28	3,314,687.60	1,896,712.01	12,178,890.04	31,340,858.92	7,556,061.49	6,643,949.48	15,942,890.74	91,391,613.55
	Line of Business (LoB): further segmentation (Homogeneous Risk Groups)									
R0350	*Premium provisions - Total number of homogeneous risk group*									
R0360	*Claims provisions - Total number of homogeneous risk groups*									

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance			
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0070	C0080	C0090	C0100	C0130	C0150	C0160	C0170	C0180
	Cash-flows of the Best estimate of Premium Provisions (Gross)									
	Cash out-flows									
R0370	*Future benefits and claims*	18,790,195.05	3,996,602.01	14,957,336.84	43,596,968.18	28,260,309.91	3,185,399.86	4,718,921.47	21,299,837.98	138,805,571.32
R0380	*Future expenses and other cash out-flows*	5,189,716.85	2,276,011.18	15,814,389.19	14,089,386.18	12,187,505.67	1,843,550.24	1,094,071.66	8,527,615.57	61,022,246.53
	Cash in-flows									
R0390	*Future premiums*	25,660,728.59	7,776,297.52	29,287,638.60	48,552,870.81	28,677,270.26	6,161,371.88	5,294,408.16	40,927,314.93	192,337,900.75
R0400	*Other cash in-flows (incl. Recoverables from salvages and subrogations)*									0.00
	Cash-flows of the Best estimate of Claims Provisions (Gross)									
	Cash out-flows									
R0410	*Future benefits and claims*	22,910,224.71	4,603,875.73	4,354,514.33	15,009,037.32	20,450,539.31	1,557,375.15	9,977,243.81	17,661,168.28	96,523,978.63
R0420	*Future expenses and other cash out-flows*	4,313,300.61	947,161.56	1,772,425.58	1,623,789.36	4,442,737.89	527,109.10	1,025,504.20	1,195,596.81	15,847,625.12
	Cash in-flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
R0430	*Future premiums*	9,630,650.78	1,866,335.68	2,594,182.05	3,840,386.93	10,011,460.49	1,348,827.04	1,015,652.00	1,192,617.38	31,500,112.35
R0440	*Other cash in-flows (incl. Recoverables from salvages and subrogations)*									0.00
R0450	Percentage of gross Best Estimate calculated using approximations									
R0460	Best estimate subject to transitional of the interest rate									0.00
R0470	Technical provisions without transitional on interest rate	12,517,563.21	3,314,687.60	1,896,712.01	12,178,890.04	31,340,858.92	7,556,061.49	6,643,949.48	15,942,890.74	91,391,613.48
R0480	Best estimate subject to volatility adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0490	Technical provisions without volatility adjustment and without others transitional measures	12,517,563.21	3,314,687.60	1,896,712.01	12,178,890.04	31,340,858.92	7,556,061.49	6,643,949.48	15,942,890.74	91,391,613.48

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**Marine, aviation and transport insurance**
Z0020	Accident year / underwriting year	**Underwriting year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

		C0010	C0020	C0030	C0040	C0050		C0170	C0180
	Year			**Development year**				**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4			
R0100	Prior								0.00
R0210	N-4								0.00
R0220	N-3	1,318.38	70,090.10	4,722,732.26	58,128.47			58,128.47	4,852,269.21
R0230	N-2	0.00	16,745.85	2,464.00				2,464.00	19,209.85
R0240	N-1	89.61	7,762,027.08					7,762,027.08	7,762,116.69
R0250	N	4,977.37						4,977.37	4,977.37
R0260							**Total**	7,827,596.92	12,638,573.12

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240		C0360
	Year			**Development year**				**Year end (discounted data)**
		0	1	2	3	4		
R0100	Prior							
R0210	N-4							
R0220	N-3	2,557,800.69	2,200,337.38	2,200,978.31	1,443,754.52			3,553,272.64
R0230	N-2	-277,500.47	-28,654.17	7,642.74				-39,374.06
R0240	N-1	246,827.00	16,341,230.14					15,723,956.13
R0250	N	786,618.66						612,480.17
R0260							**Total**	19,850,334.88

Gross Reported but not Settled Claims (RBNS)
(absolute amount)

		C0400	C0410	C0420	C0430	C0440		C0560
	Year			**Development year**				**Year end (discounted data)**
		0	1	2	3	4		
R0100	Prior							
R0210	N-4							
R0220	N-3	52,878.33	328,134.85	-238,575.48	-124,510.62			-124,510.62
R0230	N-2	0.00	47.99	20,825.00				20,825.00
R0240	N-1	167,195.93	9,645,867.89					9,645,867.89
R0250	N	455,390.76						455,390.76
R0260							**Total**	9,997,573.03

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

		C0600	C0610	C0620	C0630	C0640		C0760	C0770
	Year			**Development year**				**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4			
R0300	Prior								0.00
R0410	N-4								0.00
R0420	N-3	1,162.58	36,038.05	4,625,229.35	50,930.39			50,930.39	4,713,360.37
R0430	N-2	0.00	8,372.92	1,232.00				1,232.00	9,604.92
R0440	N-1	44.81	4,232,749.74					4,232,749.74	4,232,794.55
R0450	N	2,488.69						2,488.69	2,488.69
R0460							**Total**	4,287,400.82	8,958,248.53

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable
(absolute amount)

		C0800	C0810	C0820	C0830	C0840		C0960
	Year			**Development year**				**Year end (discounted data)**
		0	1	2	3	4		
R0300	Prior							
R0410	N-4							
R0420	N-3	1,050,160.14	573,932.89	1,264,603.03	1,093,325.04			2,298,680.09
R0430	N-2	-819,652.87	-1,686,846.22	-966,071.64				-2,640,296.21
R0440	N-1	-1,182,465.69	8,840,846.44					7,241,718.11
R0450	N	3,735,522.62						3,582,842.73
R0460							**Total**	10,482,944.72

Reinsurance RBNS Claims
(absolute amount)

		C1000	C1010	C1020	C1030	C1040		C1160
	Year			**Development year**				**Year end (discounted data)**
		0	1	2	3	4		
R0300	Prior							
R0410	N-4							
R0420	N-3	28,416.72	226,525.10	-148,201.25	-97,499.69			-97,499.69
R0430	N-2	0.00	38.39	16,660.00				16,660.00
R0440	N-1	83,597.96	6,625,775.78					6,625,775.78
R0450	N	227,695.38						227,695.38
R0460							**Total**	6,772,631.47

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

		C1200	C1210	C1220	C1230	C1240		C1360	C1370
	Year			**Development year**				**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4			
R0500	Prior							0.00	0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00	0.00
R0620	N-3	155.80	34,052.05	97,502.91	7,198.08			7,198.08	138,908.84
R0630	N-2	0.00	8,372.93	1,232.00				1,232.00	9,604.93
R0640	N-1	44.80	3,529,277.34					3,529,277.34	3,529,322.14
R0650	N	2,488.68						2,488.68	2,488.68
R0660							**Total**	3,540,196.10	3,680,324.59

Net Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C1400	C1410	C1420	C1430	C1440		C1560
	Year			**Development year**				**Year end (discounted data)**
		0	1	2	3	4		
R0500	Prior							0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00
R0620	N-3	1,507,640.55	1,626,404.48	936,375.28	350,429.48			1,254,592.55
R0630	N-2	542,152.40	1,658,192.05	973,714.38				2,600,922.15
R0640	N-1	1,429,292.69	7,500,383.70					8,482,238.03
R0650	N	-2,948,903.96						-2,970,362.57
R0660							**Total**	9,367,390.16

Net RBNS Claims
(absolute amount)

		C1600	C1610	C1620	C1630	C1640		C1760
	Year			**Development year**				**Year end (discounted data)**
		0	1	2	3	4		
R0500	Prior							0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00
R0620	N-3	24,461.61	101,609.75	-90,374.23	-27,010.93			-27,010.93
R0630	N-2	0.00	9.60	4,165.00				4,165.00
R0640	N-1	83,597.97	3,020,092.11					3,020,092.11
R0650	N	227,695.38						227,695.38
R0660							**Total**	3,224,941.56

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**Fire and other damage to property insurance**
Z0020	Accident year / underwriting year	**Underwriting year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

	Year	C0010 Development year 0	C0020 Development year 1	C0030 Development year 2	C0040 Development year 3	C0050 Development year 4		C0170 In Current year	C0180 Sum of years (cumulative)
R0100	Prior								0.00
R0210	N-4								0.00
R0220	N-3	0.00	1,261,769.61	1,046,941.85	152,973.83			152,973.83	2,461,685.29
R0230	N-2	0.00	0.00	1,406,183.76				1,406,183.76	1,406,183.76
R0240	N-1	0.00	245,155.11					245,155.11	245,155.11
R0250	N	0.00						0.00	0.00
R0260							**Total**	1,804,312.70	4,113,024.16

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200 Development year 0	C0210 Development year 1	C0220 Development year 2	C0230 Development year 3	C0240 Development year 4		C0360 Year end (discounted data)
R0100	Prior							
R0210	N-4							
R0220	N-3	1,054,359.88	1,540,798.11	36,257.67	-28,012.64			7,865.68
R0230	N-2	684,220.96	2,177,545.10	3,468,366.90				5,472,395.91
R0240	N-1	320,213.81	-34,410.33					253,878.73
R0250	N	374,171.82						361,956.43
R0260							**Total**	6,096,096.75

Gross Reported but not Settled Claims (RBNS)
(absolute amount)

	Year	C0400 Development year 0	C0410 Development year 1	C0420 Development year 2	C0430 Development year 3	C0440 Development year 4		C0560 Year end (discounted data)
R0100	Prior							
R0210	N-4							
R0220	N-3	443,251.80	1,472,540.49	-1,762,268.69	-165,628.94			-165,628.94
R0230	N-2	0.00	12,196.72	37,647.26				37,647.26
R0240	N-1	12.61	319,948.95					319,948.95
R0250	N	0.00						0.00
R0260							**Total**	191,967.27

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

	Year	C0600 Development year 0	C0610 Development year 1	C0620 Development year 2	C0630 Development year 3	C0640 Development year 4		C0760 In Current year	C0770 Sum of years (cumulative)
R0300	Prior								0.00
R0410	N-4								0.00
R0420	N-3	0.00	630,884.40	544,486.17	76,486.93			76,486.93	1,251,857.50
R0430	N-2	0.00	0.00	703,091.93				703,091.93	703,091.93
R0440	N-1	0.00	122,578.12					122,578.12	122,578.12
R0450	N	0.00						0.00	0.00
R0460							**Total**	902,156.98	2,077,527.55

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable
(absolute amount)

	Year	C0800 Development year 0	C0810 Development year 1	C0820 Development year 2	C0830 Development year 3	C0840 Development year 4		C0960 Year end (discounted data)
R0300	Prior							
R0410	N-4							
R0420	N-3	-1,028,538.58	291,333.15	-119,836.71	-260,110.28			-318,301.93
R0430	N-2	394,504.88	-406,698.05	3,055,533.74				2,574,596.05
R0440	N-1	246,031.49	-993,198.79					-750,056.95
R0450	N	-170,836.26						-175,064.94
R0460							**Total**	1,331,172.24

Reinsurance RBNS Claims
(absolute amount)

	Year	C1000 Development year 0	C1010 Development year 1	C1020 Development year 2	C1030 Development year 3	C1040 Development year 4		C1160 Year end (discounted data)
R0300	Prior							
R0410	N-4							
R0420	N-3	221,625.90	1,065,216.75	-1,210,080.11	-82,814.47			-82,814.47
R0430	N-2	0.00	6,120.10	18,823.63				18,823.63
R0440	N-1	6.31	159,974.99					159,974.99
R0450	N	0.00						0.00
R0460							**Total**	95,984.15

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

	Year	C1200 Development year 0	C1210 Development year 1	C1220 Development year 2	C1230 Development year 3	C1240 Development year 4		C1360 In Current year	C1370 Sum of years (cumulative)
R0500	Prior							0.00	0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00	0.00
R0620	N-3	0.00	630,885.21	502,455.68	76,486.90			76,486.90	1,209,827.79
R0630	N-2	0.00	0.00	703,091.83				703,091.83	703,091.83
R0640	N-1	0.00	122,576.99					122,576.99	122,576.99
R0650	N	0.00						0.00	0.00
R0660							**Total**	902,155.72	2,035,496.61

Net Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C1400 Development year 0	C1410 Development year 1	C1420 Development year 2	C1430 Development year 3	C1440 Development year 4		C1560 Year end (discounted data)
R0500	Prior							0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00
R0620	N-3	2,082,898.46	1,249,464.96	156,094.38	232,097.64			326,167.61
R0630	N-2	289,716.07	2,584,243.15	412,833.16				2,897,799.86
R0640	N-1	74,182.32	958,788.46					1,003,935.67
R0650	N	545,008.08						537,021.38
R0660							**Total**	4,764,924.51

Net RBNS Claims
(absolute amount)

	Year	C1600 Development year 0	C1610 Development year 1	C1620 Development year 2	C1630 Development year 3	C1640 Development year 4		C1760 Year end (discounted data)
R0500	Prior							0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00
R0620	N-3	221,625.90	407,323.74	-552,188.58	-82,814.47			-82,814.47
R0630	N-2	0.00	6,076.62	18,823.63				18,823.63
R0640	N-1	6.30	159,973.96					159,973.96
R0650	N	0.00						0.00
R0660							**Total**	95,983.12

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**General liability insurance**
Z0020	Accident year / underwriting year	**Underwriting year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

		C0010	C0020	C0030	C0040	C0050		C0170	C0180
	Year	**Development year** 0	1	2	3	4		**In Current year**	**Sum of years (cumulative)**
R0100	Prior								0.00
R0210	N-4								0.00
R0220	N-3	0.00	0.00	0.00	0.00			0.00	0.00
R0230	N-2	247.10	481,975.06	190,773.15				190,773.15	672,995.31
R0240	N-1	0.00	0.00					0.00	0.00
R0250	N	0.00						0.00	0.00
R0260							**Total**	190,773.15	672,995.31

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	C0200	C0210	C0220	C0230	C0240		C0360
Year	**Development year** 0	1	2	3	4		**Year end (discounted data)**
Prior							
N-4							
N-3	0.00	0.00	0.00	0.00			0.00
N-2	798,203.47	3,503,277.20	2,112,494.17				5,462,020.77
N-1	-8,718.42	1,813,444.75					1,767,732.85
N	-312,409.40						-318,812.48
						Total	6,910,941.13

Gross Reported but not Settled Claims (RBNS)
(absolute amount)

	C0400	C0410	C0420	C0430	C0440		C0560
Year	**Development year** 0	1	2	3	4		**Year end (discounted data)**
Prior							
N-4							
N-3	0.00	0.00	0.00	0.00			0.00
N-2	1,503.00	382,286.24	0.00				0.00
N-1	0.00	0.00					0.00
N	22,453.33						22,453.33
						Total	22,453.33

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

		C0600	C0610	C0620	C0630	C0640		C0760	C0770
	Year	**Development year** 0	1	2	3	4		**In Current year**	**Sum of years (cumulative)**
R0300	Prior								0.00
R0410	N-4								0.00
R0420	N-3	0.00	0.00	0.00	0.00			0.00	0.00
R0430	N-2	123.55	240,987.54	81,925.70				81,925.70	323,036.79
R0440	N-1	0.00	0.00					0.00	0.00
R0450	N	0.00						0.00	0.00
R0460							**Total**	81,925.70	323,036.79

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable
(absolute amount)

	C0800	C0810	C0820	C0830	C0840		C0960
Year	**Development year** 0	1	2	3	4		**Year end (discounted data)**
Prior							
N-4							
N-3	0.00	0.00	0.00	0.00			0.00
N-2	177,077.74	-293,105.33	-794,722.53				-1,141,994.05
N-1	34,716.79	719,511.61					750,877.80
N	-252,936.33						-249,795.08
						Total	-640,911.33

Reinsurance RBNS Claims
(absolute amount)

	C1000	C1010	C1020	C1030	C1040		C1160
Year	**Development year** 0	1	2	3	4		**Year end (discounted data)**
Prior							
N-4							
N-3	0.00	0.00	0.00	0.00			0.00
N-2	751.50	191,143.12	0.00				0.00
N-1	0.00	0.00					0.00
N	11,226.67						11,226.67
						Total	11,226.67

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

		C1200	C1210	C1220	C1230	C1240		C1360	C1370
	Year	**Development year** 0	1	2	3	4		**In Current year**	**Sum of years (cumulative)**
R0500	Prior							0.00	0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00	0.00
R0620	N-3	0.00	0.00	0.00	0.00			0.00	0.00
R0630	N-2	123.55	240,987.52	108,847.45				108,847.45	349,958.52
R0640	N-1	0.00	0.00					0.00	0.00
R0650	N	0.00						0.00	0.00
R0660							**Total**	108,847.45	349,958.52

Net Undiscounted Best Estimate Claims Provisions
(absolute amount)

	C1400	C1410	C1420	C1430	C1440		C1560
Year	**Development year** 0	1	2	3	4		**Year end (discounted data)**
Prior							0.00
N-4	0.00	0.00	0.00	0.00	0.00		0.00
N-3	0.00	0.00	0.00	0.00			0.00
N-2	621,125.73	3,796,382.53	2,907,216.71				6,604,014.82
N-1	-43,435.22	1,093,933.14					1,016,855.05
N	-59,473.07						-69,017.40
						Total	7,551,852.47

Net RBNS Claims
(absolute amount)

	C1600	C1610	C1620	C1630	C1640		C1760
Year	**Development year** 0	1	2	3	4		**Year end (discounted data)**
Prior							0.00
N-4	0.00	0.00	0.00	0.00	0.00		0.00
N-3	0.00	0.00	0.00	0.00			0.00
N-2	751.50	191,143.12	0.00				0.00
N-1	0.00	0.00					0.00
N	11,226.66						11,226.66
						Total	11,226.66

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**Credit and suretyship insurance**
Z0020	Accident year / underwriting year	**Underwriting year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

	Year	C0010	C0020	C0030	C0040	C0050	C0170	C0180
		Development year 0	1	2	3	4	In Current year	Sum of years (cumulative)
R0100	Prior							0.00
R0210	N-4							0.00
R0220	N-3	0.00	0.00	21,587.40	1,056,743.88		1,056,743.88	1,078,331.28
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	1,056,743.88	1,078,331.28

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240	C0360
		Development year 0	1	2	3	4	Year end (discounted data)
R0100	Prior						
R0210	N-4						
R0220	N-3	1,578,098.96	5,061,893.95	7,900,752.77	4,128,184.57		11,271,849.14
R0230	N-2	434,861.04	3,228,736.97	4,876,603.23			7,509,223.07
R0240	N-1	-106,016.16	4,600,157.39				4,132,822.25
R0250	N	-305,175.19					-264,921.34
R0260						Total	22,648,973.12

Gross Reported but not Settled Claims (RBNS)
(absolute amount)

	Year	C0400	C0410	C0420	C0430	C0440	C0560
		Development year 0	1	2	3	4	Year end (discounted data)
R0100	Prior						
R0210	N-4						
R0220	N-3	0.00	0.00	1,056,460.57	-1,056,460.57		-1,056,460.57
R0230	N-2	0.00	14,843.15	0.00			0.00
R0240	N-1	0.00	0.00				0.00
R0250	N	0.00					0.00
R0260						Total	-1,056,460.57

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

	Year	C0600	C0610	C0620	C0630	C0640	C0760	C0770
		Development year 0	1	2	3	4	In Current year	Sum of years (cumulative)
R0300	Prior							0.00
R0410	N-4							0.00
R0420	N-3	0.00	0.00	10,793.72	528,371.95		528,371.95	539,165.67
R0430	N-2	0.00	0.00	0.00			0.00	0.00
R0440	N-1	0.00	0.00				0.00	0.00
R0450	N	0.00					0.00	0.00
R0460						Total	528,371.95	539,165.67

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable
(absolute amount)

	Year	C0800	C0810	C0820	C0830	C0840	C0960
		Development year 0	1	2	3	4	Year end (discounted data)
R0300	Prior						
R0410	N-4						
R0420	N-3	371,081.61	2,420,397.72	4,252,981.33	3,996,153.66		7,709,411.05
R0430	N-2	-292,558.84	211,406.05	-1,925,748.02			-1,880,751.43
R0440	N-1	908,730.53	2,196,189.84				2,915,972.95
R0450	N	-16,794.06					-28,444.43
R0460						Total	8,716,188.15

Reinsurance RBNS Claims
(absolute amount)

	Year	C1000	C1010	C1020	C1030	C1040	C1160
		Development year 0	1	2	3	4	Year end (discounted data)
R0300	Prior						
R0410	N-4						
R0420	N-3	0.00	0.00	528,230.29	-528,230.29		-528,230.29
R0430	N-2	0.00	7,421.58	0.00			0.00
R0440	N-1	0.00	0.00				0.00
R0450	N	0.00					0.00
R0460						Total	-528,230.29

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

	Year	C1200	C1210	C1220	C1230	C1240	C1360	C1370
		Development year 0	1	2	3	4	In Current year	Sum of years (cumulative)
R0500	Prior						0.00	0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0620	N-3	0.00	0.00	10,793.68	528,371.93		528,371.93	539,165.61
R0630	N-2	0.00	0.00	0.00			0.00	0.00
R0640	N-1	0.00	0.00				0.00	0.00
R0650	N	0.00					0.00	0.00
R0660						Total	528,371.93	539,165.61

Net Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C1400	C1410	C1420	C1430	C1440	C1560
		Development year 0	1	2	3	4	Year end (discounted data)
R0500	Prior						0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00	0.00
R0620	N-3	1,207,017.35	2,641,496.23	3,647,771.44	132,030.91		3,562,438.08
R0630	N-2	727,419.88	3,017,330.92	6,802,351.24			9,389,974.51
R0640	N-1	-1,014,746.69	2,403,967.55				1,216,849.30
R0650	N	-288,381.13					-236,476.92
R0660						Total	13,932,784.97

Net RBNS Claims
(absolute amount)

	Year	C1600	C1610	C1620	C1630	C1640	C1760
		Development year 0	1	2	3	4	Year end (discounted data)
R0500	Prior						0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00	0.00
R0620	N-3	0.00	0.00	528,230.28	-528,230.28		-528,230.28
R0630	N-2	0.00	7,421.57	0.00			0.00
R0640	N-1	0.00	0.00				0.00
R0650	N	0.00					0.00
R0660						Total	-528,230.28

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**Miscellaneous financial loss**
Z0020	Accident year / underwriting year	**Underwriting year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

	Year	C0010	C0020	C0030	C0040	C0050		C0170	C0180
		Development year 0	1	2	3	4		In Current year	Sum of years (cumulative)
R0100	Prior								0.00
R0210	N-4								0.00
R0220	N-3	12,913.26	2,377.69	254,061.24	214,186.62			214,186.62	483,538.81
R0230	N-2	0.00	16,542.50	1,090,060.57				1,090,060.57	1,106,603.07
R0240	N-1	0.00	18,697.87					18,697.87	18,697.87
R0250	N	514,460.17						514,460.17	514,460.17
R0260							Total	1,837,405.23	2,123,299.92

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200	C0210	C0220	C0230	C0240		C0360
		Development year 0	1	2	3	4		Year end (discounted data)
R0100	Prior							
R0210	N-4							
R0220	N-3	740,749.77	5,230,349.44	5,396,741.46	6,242,372.00			11,364,689.22
R0230	N-2	1,899,003.72	10,333,096.98	4,313,215.81				14,426,045.98
R0240	N-1	738,268.25	4,513,298.10					4,983,126.04
R0250	N	250,337.02						122,983.15
R0260							Total	30,896,844.40

Gross Reported but not Settled Claims (RBNS)
(absolute amount)

	Year	C0400	C0410	C0420	C0430	C0440		C0560
		Development year 0	1	2	3	4		Year end (discounted data)
R0100	Prior							
R0210	N-4							
R0220	N-3	194.20	183,574.99	-42,622.07	4,949,252.85			4,949,252.85
R0230	N-2	0.00	83,296.32	774,353.08				774,353.08
R0240	N-1	0.00	321.02					321.02
R0250	N	3,775.00						3,775.00
R0260							Total	5,727,701.95

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

	Year	C0600	C0610	C0620	C0630	C0640		C0760	C0770
		Development year 0	1	2	3	4		In Current year	Sum of years (cumulative)
R0300	Prior								0.00
R0410	N-4								0.00
R0420	N-3	6,456.63	1,200.88	127,052.20	107,093.35			107,093.35	241,803.06
R0430	N-2	0.00	8,271.29	765,784.30				765,784.30	774,055.59
R0440	N-1	0.00	9,348.94					9,348.94	9,348.94
R0450	N	15,000.00						15,000.00	15,000.00
R0460							Total	897,226.59	1,040,207.59

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable
(absolute amount)

	Year	C0800	C0810	C0820	C0830	C0840		C0960
		Development year 0	1	2	3	4		Year end (discounted data)
R0300	Prior							
R0410	N-4							
R0420	N-3	575,228.44	594,512.85	1,439,466.28	2,739,299.10			4,093,425.31
R0430	N-2	1,231,205.19	4,407,356.43	3,759,310.41				8,055,952.27
R0440	N-1	-3,587,268.63	-283,660.23					-3,948,082.05
R0450	N	-227,061.28						-290,704.52
R0460							Total	7,910,591.01

Reinsurance RBNS Claims
(absolute amount)

	Year	C1000	C1010	C1020	C1030	C1040		C1160
		Development year 0	1	2	3	4		Year end (discounted data)
R0300	Prior							
R0410	N-4							
R0420	N-3	97.10	91,921.49	-21,326.02	2,474,626.42			2,474,626.42
R0430	N-2	0.00	41,648.16	387,176.53				387,176.53
R0440	N-1	0.00	160.51					160.51
R0450	N	0.00						0.00
R0460							Total	2,861,963.46

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

	Year	C1200	C1210	C1220	C1230	C1240		C1360	C1370
		Development year 0	1	2	3	4		In Current year	Sum of years (cumulative)
R0500	Prior							0.00	0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00	0.00
R0620	N-3	6,456.63	1,176.81	127,009.04	107,093.27			107,093.27	241,735.75
R0630	N-2	0.00	8,271.21	324,276.27				324,276.27	332,547.48
R0640	N-1	0.00	9,348.93					9,348.93	9,348.93
R0650	N	499,460.17						499,460.17	499,460.17
R0660							Total	940,178.64	1,083,092.33

Net Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C1400	C1410	C1420	C1430	C1440		C1560
		Development year 0	1	2	3	4		Year end (discounted data)
R0500	Prior							0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00
R0620	N-3	165,521.33	4,635,836.59	3,957,275.18	3,503,072.90			7,271,263.91
R0630	N-2	667,798.52	5,925,740.56	553,905.39				6,370,093.71
R0640	N-1	4,325,536.87	4,796,958.33					8,931,208.09
R0650	N	477,398.30						413,687.67
R0660							Total	22,986,253.38

Net RBNS Claims
(absolute amount)

	Year	C1600	C1610	C1620	C1630	C1640		C1760
		Development year 0	1	2	3	4		Year end (discounted data)
R0500	Prior							0.00
R0610	N-4	0.00	0.00	0.00	0.00	0.00		0.00
R0620	N-3	97.10	91,653.50	-21,296.05	2,474,626.43			2,474,626.43
R0630	N-2	0.00	41,648.16	387,176.55				387,176.55
R0640	N-1	0.00	160.51					160.51
R0650	N	3,775.00						3,775.00
R0660							Total	2,865,738.49

S.23.01.01
Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	7,500,103.00	7,500,103.00		0.00	
R0030	Share premium account related to ordinary share capital	260,799,987.63	260,799,987.63		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	49,237,410.43	49,237,410.43			
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	0.00				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0.00				
R0290	**Total basic own funds after deductions**	317,537,501.06	317,537,501.06	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	317,537,501.06	317,537,501.06	0.00	0.00	0.00
R0510	Total available own funds to meet the MCR	317,537,501.06	317,537,501.06	0.00	0.00	
R0540	Total eligible own funds to meet the SCR	317,537,501.06	317,537,501.06	0.00	0.00	0.00
R0550	Total eligible own funds to meet the MCR	317,537,501.06	317,537,501.06	0.00	0.00	
R0580	**SCR**	161,340,411.73				
R0600	**MCR**	40,335,102.93				
R0620	**Ratio of Eligible own funds to SCR**	196.81%				
R0640	**Ratio of Eligible own funds to MCR**	787.25%				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	317,537,501.06
R0710	Own shares (held directly and indirectly)	0.00
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	268,300,090.63
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0.00
R0760	**Reconciliation reserve**	49,237,410.43
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	21,123,031.00
R0790	**Total Expected profits included in future premiums (EPIFP)**	21,123,031.00

S.25.01.01

Solvency Capital Requirement - for undertakings on Standard Formula

Z0010	Article 112	**Regular reporting**

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
R0010	Market risk	16,465,413.19	16,465,413.19	0.00
R0020	Counterparty default risk	7,502,326.36	7,502,326.36	0.00
R0030	Life underwriting risk			0.00
R0040	Health underwriting risk			0.00
R0050	Non-life underwriting risk	146,734,674.65	146,734,674.65	0.00
R0060	Diversification	-15,045,423.13	-15,045,423.13	
R0070	Intangible asset risk		0.00	
R0100	**Basic Solvency Capital Requirement**	155,656,991.07	155,656,991.07	

	Calculation of Solvency Capital Requirement	C0100
R0120	Adjustment due to RFF/MAP nSCR aggregation	
R0130	Operational risk	5,683,420.66
R0140	Loss-absorbing capacity of technical provisions	0.00
R0150	Loss-absorbing capacity of deferred taxes	0.00
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
R0200	**Solvency Capital Requirement excluding capital add-on**	161,340,411.73
R0210	Capital add-ons already set	
R0220	**Solvency capital requirement**	161,340,411.73
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	
R0450	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	
R0460	Net future discretionary benefits	0.00

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	3

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

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	26,583,190.35

		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	9,321,291.00	11,565,951.17
R0080	Fire and other damage to property insurance and proportional reinsurance	1,550,858.56	12,642,264.77
R0090	General liability insurance and proportional reinsurance	804,707.78	17,912,307.29
R0100	Credit and suretyship insurance and proportional reinsurance	4,163,085.21	38,710,934.64
R0110	Legal expenses insurance and proportional reinsurance	0.00	
R0120	Assistance and proportional reinsurance	0.00	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	21,823,841.91	20,446,126.09
R0140	Non-proportional health reinsurance	0.00	
R0150	Non-proportional casualty reinsurance	6,274,247.93	0.00
R0160	Non-proportional marine, aviation and transport reinsurance	5,709,425.74	1,564,307.69
R0170	Non-proportional property reinsurance	11,519,605.16	26,385,648.00

	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	26,583,190.35
R0310	SCR	161,340,411.73
R0320	MCR cap	72,603,185.28
R0330	MCR floor	40,335,102.93
R0340	Combined MCR	40,335,102.93
R0350	Absolute floor of the MCR	4,126,980.00
R0400	**Minimum Capital Requirement**	40,335,102.93