Aioi Nissay Dowa Insurance Europe

MS&AD INSURANCE GROUP

Aioi Nissay Dowa Insurance Company of Europe SE

Solvency and Financial Condition Report

Year ended 31 December 2021

Table of contents

Summary

1. Business and performance summary

Principal activity of the Company

The Company's principal activity is as an insurer and its main business is retail general insurance, with a focus on auto-centric products. The Company operates as a general insurer in Europe through branches in Belgium, France, Germany, Italy and Spain and through freedom of services in several other European countries. The Company also has a credit life insurer subsidiary in Germany, Aioi Nissay Dowa Life Insurance Company of Europe AG ("ANDLIE"). The Company is a subsidiary of Aioi Nissay Dowa Europe Limited ("ANDEL"), a company incorporated in the United Kingdom and part of the Aioi Nissay Dowa Europe Group ("the Group").

The Company's branch in the United Kingdom is now in run-off. The Group reorganised its corporate structure in order to be able to continue to trade in both the UK and the European Economic Area post-Brexit. As part of this reorganisation, the Group created a new insurance company in the UK, Aioi Nissay Dowa Insurance UK Limited ("ANDI UK"). This company started to underwrite elements of the Group's UK business from 1 January 2020 and by 1 December 2020 all of the Group's UK business, both new business and renewals, was written by it. ANDIE's existing UK policies are expected to be maintained within its UK branch until claims are paid or policies expire.

The Company is registered with the Trade and Companies Register of Luxembourg with the number B232302 and has its registered office at 4, rue Lou Hemmer, L-1748 Senningerberg, Grand-Duchy of Luxembourg. The Company is regulated by the Commissariat aux Assurances, 7, boulevard Joseph II, L-1840 Luxembourg, Grand Duchy de Luxembourg.

This is the Company's Solo (company-only) Solvency and Financial Condition Report ("SFCR"). The Group SFCR for ANDEL, which includes ANDIE, ANDLIE and ANDI UK, is prepared separately.

The Company's parent entity ANDEL is a wholly-owned subsidiary of Aioi Nissay Dowa Insurance Company Limited ("ADJ"), a company incorporated in Japan. MS&AD Insurance Group Holdings, Inc., a company incorporated in Japan, is the ultimate parent company and ultimate controlling party. The MS&AD Insurance Group is Japan's largest non-life insurer and one of the largest non-life insurance groups in the world.

The Company's key business is the provision of auto-centric insurance products either directly or on behalf of its strategic partners, with telematics or related offerings expected to be an increasingly important part of this strategy over time. The Company's strategic relationship with Toyota is key and the Company's fellow Group subsidiary TIM, which is part-owned by Toyota Financial Services (UK) plc ("Toyota Financial Services"), provides Toyota's insurance expertise and works in support of Toyota across Europe. The link with Toyota will be critical to the achievement of the Group's and the Company's ambitions with regards to its underwriting business and realising the potential of telematics, not only in Europe but more widely in support of Toyota and the Group's Japanese parent company ADJ.

Business performance

The Company's key financial performance indicators during the year were as follows:

	2021 €m	2020 €m
Gross premiums written	280.0	327.8
Net earned premiums	179.2	203.3
Net insurance claims	85.9	123.3
Investment income	8.3	9.7
Other technical income	1.8	2.0
Operating expenses	72.6	94.5
Loss ratio	47.9%	60.7%

The Company reported a profit after tax for the year of €27.5m (2020: loss of €42.2m). The Company provided €6.4m during the year (2020: €23.0m) for amounts due from Box Innovation Group Limited ("BIGL"), a related party through common shareholder ownership. Normalising for this provision, the Company's underlying profit after tax for the year is €33.9m (2020: loss of €19.2m).

In terms of its underlying operations, the Company wrote less business in 2021 than in prior years. This decrease was mainly due to the cessation of UK business underwriting, offset with some growth being seen across the remaining European lines. The European lines continued to see pressures in the Company's distribution approach through the Toyota dealerships, although this was more than offset through product and retention initiatives. Outside of premiums written, Covid-19 had a positive impact on the level of claims faced by the Company, as restrictions on mobility and reduced driving resulted in lower claims frequencies.

The Company's gross written premium ("GWP") for general insurance decreased from €327.8m in 2020 to €280.0m in 2021. General insurance premium income includes retail motor and related products, motor fleet and motor-related commercial Japanese Interests Abroad ("JIA"). The Company's European business (excluding the UK) increased by 18.4% from €236.3m to €280.0m on a like-for-like basis. This growth had been expected as the market recovers from restrictions due to Covid-19, combined with the German and Italian regions seeing premium increases from the introduction of new products (Full Hybrid insurance and Kinto mobility) and with both the French and German branches delivering improved customer retention.

The Company's Toyota-branded business in the UK began to be underwritten by ANDI UK from 1 April 2020. ITB underwriting, which comprises the brands Insure The Box, Tesco Bank Box and Drive Like A Girl, transferred to ANDI UK for all policies incepting from 1 December 2020 onwards. The

Company's GWP in the UK is not, therefore, comparable with the prior year. The UK contributed €91.5m GWP for the Company during 2020, reducing to nil in 2021.

The net underwriting result for retail motor and JIA (excluding UK) in 2021 itself was better than expected, albeit the fall in sales presents a challenge future years as the Company's insurance portfolios are smaller than expected in most markets. The fall in sales caused by Covid-19 was offset by a reduction in customer journeys, with a resulting fall in claims frequency. However, the Company experienced some increase in claims severity, as disruption to motor supply chains and repair shops fed through to claims costs. There were also several large claims in France and Germany. The Company suffered significant losses from European hailstorms in 2021, with Italy once again badly affected. The impact on the Company's net result was mitigated by its natural catastrophe reinsurance cover.

The Company has seen favourable results from the UK market as it reduces and runs off through a combination of factors. The Company had a positive run-off on the prior year reserves with no new business reserves now being required combined with the UK Covid-19 lockdowns, similar to the European regions, creating a reduction in claims frequency.

Business interruption cover

The Company has some exposure to business interruption claims in the UK. The Company wrote a small number of motor trade policies for Toyota dealerships in the UK. These policies are part of the Company's JIA business and are 100% reinsured by the Group's parent company, ADJ.

On 15 January 2021, the Supreme Court in the UK delivered its judgement relating to the FCA "test case" on business interruption coverage wordings in the UK. This judgement is relevant to the Company's motor trade policies and the customers covered by these.

We have worked proactively with our policyholders and with specialist loss adjustors to analyse the effect of Covid-19 on our customers' business and to determine the amounts to be indemnified by the business interruption cover. We expect to pay out on nine business interruption claims and these financial statements include the reserves for these claims, with a total impact of €1.9m (2020: €nil). As the policies are fully reinsured by ADJ there has been no net effect on the Company's results.

The ultimate gross liabilities for the business interruption claims could be materially different from the current estimate, particularly as legal opinion develops regarding the extent to which government furlough payments can be taken into account when calculating business interruption losses. The Company's financial position and net results, however, are not expect to be affected, as the reinsurance provided for the JIA business by ADJ will cover all claims.

Provisions against amounts due from Group companies

The Company was the original acquiring entity of the BIGL group of companies in April 2015. In order to provide financial support to the BIGL group after its acquisition, the Company provided several non-secured loans to the Group and also invested in redeemable preference shares issued by BIGL. When the Company migrated to Luxembourg from the UK it distributed its holdings in subsidiaries to its parent company ANDEL, now the Group's holding company.

The Group has now put the activities of the BIGL Group's main subsidiary, Insure The Box Limited ("ITB"), into run-off. ITB was the BIGL Group's main cash-generating subsidiary and now that it is in run-off the directors have concluded that there is no reasonable prospect that the full amounts due by the BIGL Group to the Company will be repaid.

At the Board meeting on 16 March 2021, the directors agreed, following discussion, to provide for the majority of the outstanding balance from loans and preference shares of €30.8m and the amount provided was €25.3m in the annual accounts for the year ended 31 December 2020. At that time the directors considered that some further repayment was likely, and an amount of €5.6m was held within the Company's balance sheet. During 2021, BIGL repaid €2.0m against the loan and accumulated interest. At the Board meeting on 28 March 2022 the directors reviewed the possibility of further repayment and concluded that it was unlikely within the next 12 months. As a result, a further €6.4m has been provided at the end of 2021, with all amounts due from BIGL now provided for in full.

For the purposes of the Company's regulatory solvency under both local Luxembourg requirements and Solvency II, the directors have previously disregarded the amounts due from BIGL and these have not been treated as assets. The additional provision at the end of 2021 has not therefore had any effect on the Company's regulatory solvency.

Post-balance sheet events – Russian invasion of Ukraine

On 24 February 2022, Russian troops began an invasion of Ukraine. In response, many countries and organisations have imposed economic sanctions on Russia and on Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities in both Russia and Belarus.

The directors have assessed the impact of the invasion and the subsequent imposition of sanctions on its business operations and finances, including in particular the exposure of the Company's fixed income investment portfolio. At the date of this report, there has been no significant direct impact on the Company as a result of the invasion or the sanctions imposed and this is not expected to change within the course of 2022. Nonetheless, the directors are continuing to monitor the situation in Ukraine and Russia and the wider economic ramifications of the invasion closely.

2. System of governance summary

The system of governance is considered to be appropriate for the Company taking into account the nature, scale and complexity of the risks inherent in the business. The system of governance has not changed materially from that in place in previous periods.

The Board is ultimately responsible and accountable for the performance and strategy of the Company and for ensuring that the Company complies with all legal, statutory, regulatory and administrative requirements. To support the efficient management of the Company, the Board has delegated certain functions to committees, though by doing this the Board does not absolve itself of its ultimate responsibility for the Company.

The Board has delegated responsibilities to the Corporate Governance Committees and the Business Committees. The Corporate Governance Committees are: the Audit, Risk and Compliance Committee and the Investment Committee. The Business Committees are the ANDIE SE Management Committee, the Reserving Committee and the Underwriting and Pricing Committee.

The Group maintains a risk management system with which the Company is aligned. The Group operates an enterprise-wide risk management framework that is designed to identify, evaluate, manage and monitor exposure to risk. The process is subject to continuous review and development. The risk management system must comply with regulatory standards at all times.

The Company operates a Three Lines of Defence Model as part of its overall control environment and its risk management system. The main elements of the Three Lines of Defence Model as it pertains to the Company may be summarised as follows:

- First line: the first level of the control environment is the business operations which perform the day-to-day risk management activity.
- Second line: these are the oversight functions of the Company, such as Risk and Compliance, and also include financial controls. These functions set direction, define policy and provide assurance.

- Third line: Internal Audit is the third line of defence. Internal Audit offers independent challenge to the levels of assurance provided by business operations and oversight functions.

The Company considers outsourcing arrangements for an activity when it is not cost-effective or possible to carry out the activity internally. The Company recognises that it remains responsible for discharging all legal and regulatory responsibilities relating to the outsourced activity. In order to reduce the risks associated with outsourcing, the Company has an established outsourcing policy.

3. Risk profile summary

Overall responsibility for the management of the Company's exposure to risk lies with the Board. To support it in its role, the Board has established an enterprise risk management framework comprising risk identification, risk assessment, control and reporting processes. The Board is assisted in its oversight of the risk management framework by the Corporate Governance and Business committees.

The following table sets out the standard formula risk capital components as at 31 December 2021:

Component	2021 €m	2020 €m
Non-life underwriting risk	61.4	66.7
Health underwriting risk	(0.0)	0.0
Market risk	20.7	22.8
Counterparty default risk	24.0	19.0
Diversification credit	(21.7)	(21.5)
Operational risk	10.7	12.9
SCR	**95.2**	**99.9**
MCR	**29.5**	**36.2**

The largest component of the SCR is non-life underwriting risk. This is the risk that arises from the inherent uncertainty as to the occurrence, amount and timing of insurance liabilities. It manifests itself in variability in the contribution towards expenses and profits.

Market risk is the risk of external market influences affecting the Company's net asset value, for example changes in interest rates affecting the value of assets, changes in the levels of investment return, changes in exchange rates, etc.

Counterparty default risk is the risk that counterparties will be unable to pay amounts in full when due. Key areas where the Company is exposed to counterparty (or credit) risk are:

- exposure to corporate bonds;
- exposure to the failure of bank counterparties;
- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

Operational risk is the risk that errors caused by people, processes or systems lead to losses to the Company, or the risk that arises from unanticipated or poorly anticipated external events.

Other important risks managed by the Company are strategic risk and reputational risk. Strategic risk is the current or prospective risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions and the lack of responsiveness to changes in the business environment. Reputational risk is a form of strategic risk within the Company's risk taxonomy. Reputational risk is defined as the risk of losses as a result of damage to the reputation and brands of the Company or of other companies on which the Company's fortunes depend.

4. Valuation for solvency purposes summary

ANDIE's valuation for solvency purposes is derived from the Company's financial statements, which are then adjusted in accordance with Solvency II regulation. The most significant adjustments between the financial statement balance sheet and the valuation for solvency purposes are due to the revaluation of technical reserves to Solvency II technical provisions, the elimination of deferred acquisition costs (replaced by future cash flows in the Solvency II technical provisions) and the replacement of the Company's investments in subsidiaries balance with the net asset value (calculated in accordance with Solvency II valuation rules) of the Company's participation in ANDLIE. These differences can be summarised as follows:

	2021 €m	2020 €m	Reason
Net asset value per Luxembourg GAAP	**199.6**	**172.1**	Per accounts

Revaluation of net technical reserves	38.8	44.0	Differing reserving basis under Solvency II
Deferred acquisition costs	(30.2)	(39.3)	No deferred acquisition costs for Solvency II
Investment in subsidiaries	28.8	27.1	Replaced by participations
Dividend	(35.7)	-	Treated as reasonably foreseeable per Solvency II
Adjustments to other assets & liabilities (net)	(8.7)	(24.4)	Different valuation bases between Solvency II and Lux GAAP
Own funds under Solvency II	**192.5**	**179.5**	Solvency II own funds

5. Capital management summary

The SCR coverage ratio as at 31 December 2021 was 202.3% (2020: 179.8%), with eligible own funds of €192.5m (2020: €179.5m) and an SCR of €95.2m (2020: €99.9m). The MCR coverage ratio as at 31 December 2021 was 653.3% (2020: 495.9%), with eligible own funds of €192.5m (2020: €179.5m) and an MCR of €29.5m (2020: €36.2m). Annual and quarterly reporting throughout 2020 and 2021 has shown that the Company has complied continuously with both the MCR and the SCR throughout the current and prior reporting period.

The Company is funded only by share capital and retained reserves, which, together with a Solvency II reconciliation reserve, comprise Solvency II "own funds". The capital management objective of the Company is to maintain sufficient own funds to cover the SCR and the MCR with an appropriate buffer which takes account of the Company's growth ambitions as set out in its business plan. The Board and the Board Committees consider regularly the ratio of eligible own funds over the SCR and MCR. The Company prepares solvency projections over a five year period as part of the business planning process.

S&P Global Ratings have assessed the Company's long-term financial strength rating as "A+ / Stable".

As the Company has now transferred the underwriting of its new and renewal UK business to ANDI UK, the Company's SCR has continued to decrease. The directors are expecting to recommend a final dividend of €0.0853 per ordinary share, for a total distribution of €35.7m, on the basis of the Company's 2021 result and 31 December 2021 solvency position. This dividend has been treated as foreseeable as at the date of this report and has therefore been deducted from the Company's own funds.

A. Business and Performance

A1. Information regarding our business

As noted in the "Business and Performance Summary" the Company's principal activity is insurance and its main business is retail general insurance, with a focus on auto-centric products. The Company's main strategic relationship is with Toyota. The Company's fellow subsidiary Toyota Insurance Management (part-owned by Toyota Financial Services) provides Toyota's insurance expertise and works in support of Toyota across Europe. The Company's main line of business is the provision of Toyota-branded motor insurance and this is likely to remain the case for the foreseeable future. The geographical split of gross written premium by country of risk for 2021 is as follows:

Country	2021 gross written premium €m	2020 gross written premium €m	2021 % of total GWP (2020 %)
United Kingdom	-	91.5	-% (27.9%)
Germany	118.9	96.3	42.5% (29.4%)
Italy	75.7	51.5	27.1% (15.7%)
France	45.8	43.8	16.4% (13.4%)
Spain	28.6	24.9	10.2% (7.6%)
Nordics & others	11.1	19.8	4.0% (6.0%)
Total	**280.0**	**327.8**	

The Company's financial year end is 31 December each year. In 2020 the Company changed its reporting currency to euros. For the 2021 year, the Company's functional currency has continued to be pounds sterling. The directors are monitoring the overall balance between euros and pounds sterling, noting that the Company is likely to change its functional currency as the Company's UK business runs off.

Supervisory authorities

The Company is regulated by the Commissariat aux Assurances ("CAA"). Contact details for the CAA can be found on its website: www.caa.lu

Auditor

The Company's auditor is KPMG Luxembourg, Société coopérative, 39 Avenue John F. Kennedy, L-1855 Luxembourg.

Credit rating

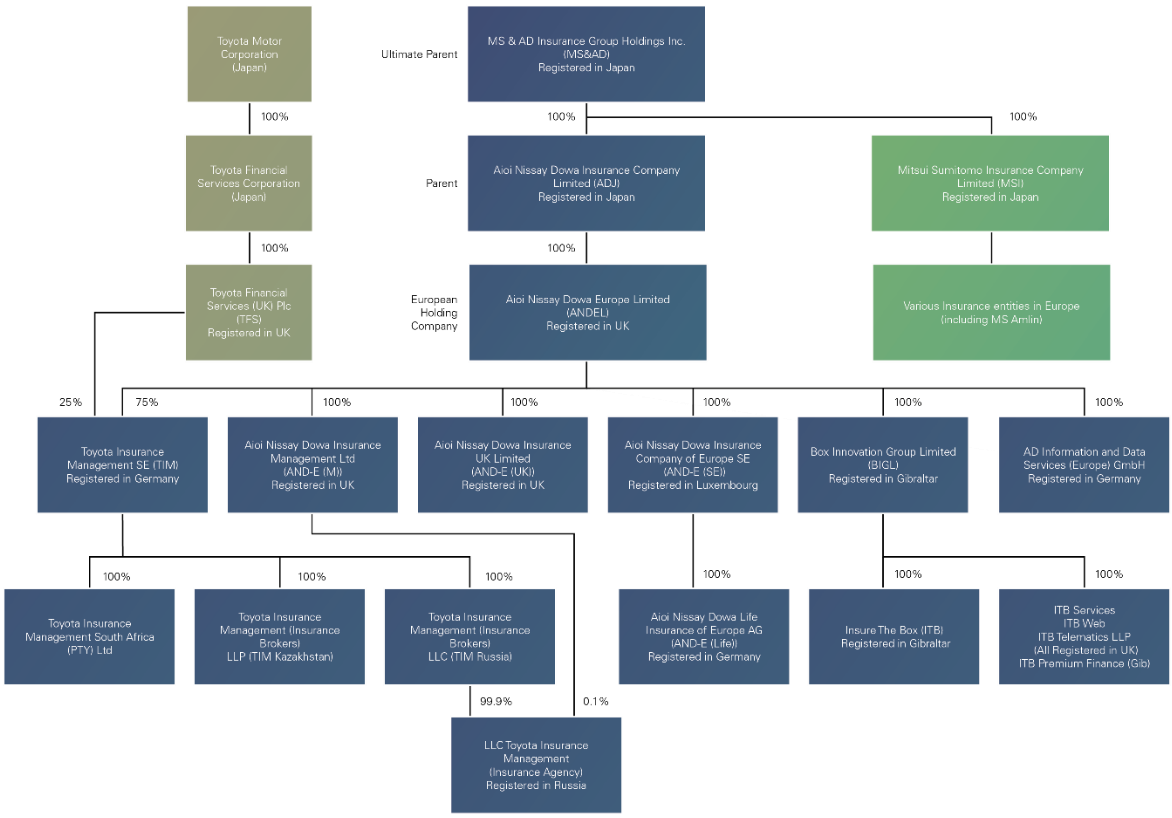
S&P Global ratings have assessed the Company's long-term financial strength rating as "A+ / Stable".

Group structure

ANDIE is a Luxembourg-domiciled company which operates as a general insurer in Europe and the UK. It is authorised and regulated by the CAA. The Company operates through branches in Belgium, France, Germany, Italy, Spain and the UK.

At the year-end, the Company had one wholly-owned subsidiary, ANDLIE, which is incorporated and regulated in Germany and is a credit life insurance company. ANDLIE is included in the Group's SFCR.

As at the year-end, the Group's structure was as follows:



Any significant business or other events that have occurred over the year that have had a material impact on the undertaking

No matters to report.

A2. Underwriting performance

The following table summarises the underwriting performance of the Company, as per the Company's financial statements:

	2021 €m	2020 €m
Gross written premiums	280.0	327.8
Net earned premiums	179.2	203.3
Net claims incurred	85.9	123.3
Loss ratio	47.9%	60.7%

The Company's gross written premium ("GWP") for general insurance decreased from €327.8m in 2020 to €280.0m in 2021. General insurance premium income includes retail motor and related products, motor fleet and motor-related commercial Japanese Interests Abroad ("JIA"). The Company's European business (excluding the UK) increased by 18.4% from €236.3m to €280.0m on a like-for-like basis. This growth had been expected as the market recovers from restrictions from Covid-19, combined with the German and Italian regions seeing premium increases from the introduction of new products (Full Hybrid insurance and Kinto mobility) and with both the French and German branches delivering improved customer retention.

The Company's Toyota-branded business in the UK began to be underwritten by ANDI UK from 1 April 2020. ITB underwriting, which comprises the brands Insure The Box, Tesco Bank Box and Drive Like A Girl, transferred to ANDI UK for all policies incepting from 1 December 2020 onwards. The Company's GWP in the UK is not, therefore, comparable with the prior year. The UK contributed €91.5m GWP for the Company during 2020, reducing to nil in 2021.

The net underwriting result for retail motor and JIA (excluding UK) in 2021 itself was better than expected, albeit the fall in sales will mean a likely deterioration in future years as the Company's insurance portfolios are smaller than expected in most markets. The fall in sales caused by Covid-19 was offset by a reduction in customer journeys, with a resulting fall in claims frequency. However, the Company experienced some increase in claims severity, as disruption to motor supply chains and repair shops fed through to claims costs. There were also several large claims in France and Germany. The Company suffered significant losses from European hailstorms in 2021, with Italy once again badly affected. The impact on the Company's net result was mitigated by its natural catastrophe reinsurance cover.

The Company's UK result has been positive in 2021. The UK business is in run-off as ANDI UK has taken on the underwriting of new and renewal business. The prior year reserves have had a positive run-off, with claims experience during 2021 being better than anticipated. The Covid-19 lockdowns in the UK, similar to those in Europe, meant a lower claims frequency than planned.

The performance by material line of business is summarised in the tables below:

	Motor vehicle liability	Other motor insurance	Miscellaneous financial loss	Other
	2021 €m	2021 €m	2021 €m	2021 €m
Gross written premiums	174.6	58.2	36.6	10.6
Net earned premiums	102.1	34.5	42.2	0.4
Net claims incurred	51.5	29.2	2.9	0.6
Net loss ratio	50.4%	84.8%	7.0%	158.2%

	Motor vehicle liability	Other motor insurance	Miscellaneous financial loss	Other
	2020 €m	2020 €m	2020 €m	2020 €m
Gross written premiums	228.8	55.6	38.0	5.4
Net earned premiums	132.5	29.0	42.5	0.4
Net claims incurred	77.5	21.7	6.5	0.0
Net loss ratio	58.5%	74.8%	15.3%	-

The performance by the main geographical regions (location of underwriter) is summarised in the tables below. The UK performance in 2021 is not comparable with that of previous years because the Company's UK business is in run-off. The negative gross written premiums reflects premium refunds and cancellations. The negative claims incurred reflects the positive prior year run-off.

	United Kingdom	Germany	Italy	France	Spain
	2021 €m	2021 €m	2021 €m	2021 €m	2021 €m
Gross written premiums	(3.7)	118.9	75.7	45.8	28.5
Net earned premiums	28.1	63.6	37.8	35.0	10.3
Net claims incurred	(2.6)	50.1	13.9	10.6	9.0
Net loss ratio	#N/A	78.8%	36.9%	30.2%	87.9%

	United Kingdom	Germany	Italy	France	Spain
	2020 €m	2020 €m	2020 €m	2020 €m	2020 €m
Gross written premiums	93.5	106.8	51.4	43.4	24.6
Net earned premiums	58.9	54.5	37.2	33.4	10.5
Net claims incurred	31.3	41.1	12.4	11.2	6.8
Net loss ratio	53.1%	75.4%	33.3%	33.5%	64.8%

Business interruption cover

The Company has some exposure to business interruption claims in the UK. The Company wrote a small number of motor trade policies for Toyota dealerships in the UK. These policies are part of the Company's JIA business and are 100% reinsured by the Group's parent company, ADJ.

On 15 January 2021, the Supreme Court in the UK delivered its judgement relating to the FCA "test case" on business interruption coverage wordings in the UK. This judgement is relevant to the Company's motor trade policies and the customers covered by these.

We have worked proactively with our policyholders and with specialist loss adjustors to analyse the effect of Covid-19 on our customers' business and to determine the amounts to be indemnified by the business interruption cover. We expect to pay out on nine business interruption claims and these financial statements include the reserves for these claims, with a total impact of €1.9m (2020:

€nil). As the policies are fully reinsured by ADJ there has been no net effect on the Company's results.

The ultimate gross liabilities for the business interruption claims could be materially different from the current estimate, particularly as legal opinion develops regarding the extent to which government furlough payments can be taken into account when calculating business interruption losses. The Company's financial position and net results, however, are not expect to be affected, as the reinsurance provided for the JIA business by ADJ will cover all claims.

A3. Investment performance

The Company invests principally in high quality corporate, agency and supra-national fixed income securities. The Company also has significant money market holdings with high quality investment managers. The overall portfolio is highly liquid. The Company has outsourced the management of its bond portfolio. The Company's investments are held at historical cost, subject to any permanent indications of impairment.

The investment performance as per the Company's financial statements was:

	2021 €m	2020 €m
Income from participating interests	-	1.0
Income from other investments	8.3	8.7
Gains on the realisation of investments	0.1	0.1
Investment charges	(0.3)	(0.5)
Total investment income	**7.9**	**9.2**

Income from participating interests relates to dividend income from participations. The income from other investments is mainly due to income from corporate, government, agency and supra-national bond holdings. These are fixed income securities, which generate income for the Company through regular interest payments. Other components of income are amounts from loans made to Group companies and interest income from cash and money market holdings. Investment management expenses were €0.3m (2020: €0.5m).

The Company continues to invest in high quality fixed income securities with the preservation of capital underpinning the Company's investment strategy.

A4. Performance of other activities

The other income and expenses of the Company are as follows:

	2021 €m	2020 €m
Other technical income	(1.8)	(2.0)
Administrative expenses	19.2	29.3
Acquisition costs	83.7	102.0
Reinsurance commissions	(22.6)	(32.1)
Other charges, incl. value adjustments	4.9	3.7
Lease costs	0.9	0.9

Other technical income comprises income directly related to the Company's insurance business which does not constitute insurance premium income, including add-on income and rebates.

Administrative expenses are general expenses related to the management of the Company and its underlying business which cannot be allocated to either the handling of claims or the acquisition of insurance business. Acquisition costs comprises commissions paid for the acquisition of business, including a share of administrative expenses allocated to business acquisition. Reinsurance commissions are the net of commissions taking into account the reinsurers' share. Lease costs are mainly for the leasing of general office space and other equipment. Within the financial statements, lease costs are included within the total for administrative expenses. Other charges comprise other non-technical expense, profit or loss on exchange and value adjustments on investments.

A5. Any other disclosures

No other information.

B. System of Governance

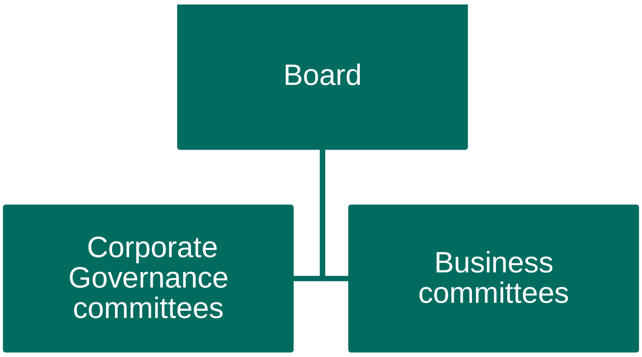
B1. General governance arrangements

The system of governance is considered to be appropriate for the Company taking into account the nature, scale and complexity of the risks inherent in the business. There have been no material changes in the system of governance during the year.

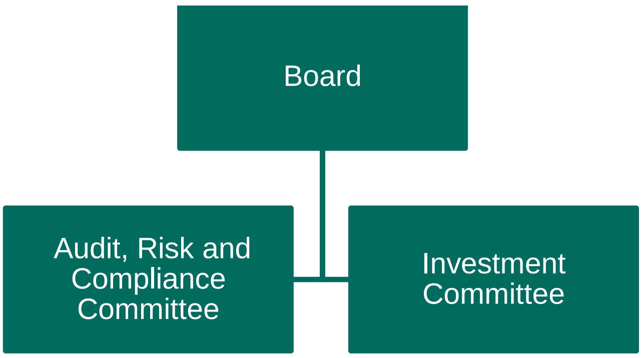
<u>Overview of the Board and its committees</u>

The Board is ultimately responsible and accountable for the performance and strategy of the Company and for ensuring that the Company complies with all legal, statutory, regulatory and administrative requirements. To support the efficient management of the Company the Board has delegated certain functions to committees, though by doing this the Board does not absolve itself of its ultimate responsibility for the Company.

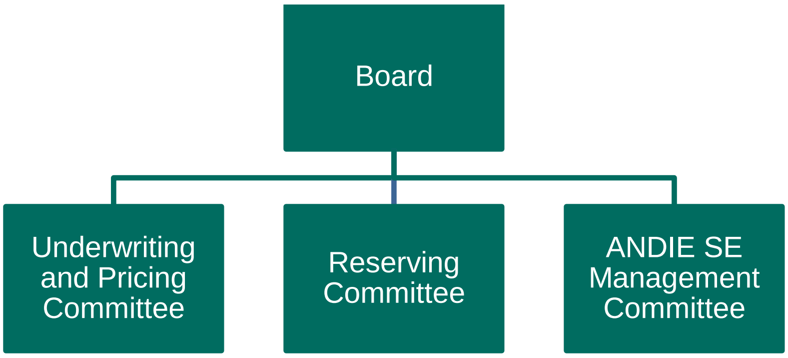
The established corporate governance framework is as follows:



The Corporate Governance committees are structured as follows:



The Business committees are structured as follows:



The Board

The Board functions as the corporate decision-making body and provides leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the strategic aims of the Company and ensures that the necessary resources, both financial and staff, are in place to allow the Company to meet its objectives. The Board is collectively responsible for the long-term success of the Company and delivery of sustainable value to its shareholder. The Board sets the strategy and risk appetite for the Company and approves capital and operating plans presented by management for the achievement of the strategic objectives it has set. Implementation of the strategy set by the Board is delegated to the ANDIE SE Management Committee, which is led by the Dirigeant Agréé and meets at least four times a year.

The Board meets at least four times a year. It comprises of one executive member (the Dirigeant Agréé), the Chairman (the Group's Chief Operating Officer), two non-executive directors (the Group's Chief Executive Officer and an independent non-executive director) who act as representatives of the Company's shareholder, and one non-executive director who is an employee of the Company's parent ADJ and who acts as a representative of the ultimate shareholder.

As at 31 December 2021, the members of the Board were:

- C Alt — Dirigeant Agréé
- M Kainzbauer — Chairman, non-executive director, Group Chief Operating Officer
- R McCorriston — Independent non-executive director
- M Swanborough — Non-executive director, Group Chief Executive Officer
- N Yamahara — Non-executive director, ADJ representative (appointed 31 Dec 2021)

Mr K. Ohnishi, the previous ADJ representative and non-executive director, resigned on 31 December 2021.

In January 2022 Mr Swanborough announced his resignation as the Group's Chief Executive Officer, effective 31 May 2022. Mr Kainzbauer will be assuming the role of Group Chief Executive Officer.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is a key element of the Company's internal control framework. The Committee controls and monitors the activities of the Company's Audit, Risk and Compliance activities, which are the key oversight and assurance functions at the core of the Company's second and third lines of defence. The Committee is responsible for providing focused support and advice on risk governance to the Board, for ensuring that material risks facing the Company have been identified and that appropriate arrangements are in place to manage those risks effectively in accordance with the risk appetite set by the Board. The Committee is also responsible for Internal Audit, the Company's audited accounts and financial and other statutory and regulatory reporting, oversight of the relationship with the Company's external auditors, and Compliance.

To ensure independence, the Internal Audit function is directly accountable to the Chairman of the Audit, Risk and Compliance Committee but reports on a daily basis to the Dirigeant Agréé through the Group Director of Internal Audit.

The Committee receives and reviews the report of the external auditors. Furthermore the non-executive members of the Committee have the opportunity to discuss in private with the external auditors any matters arising or any matters the auditors feel should be brought to their attention.

The Committee meets at least four times a year. It comprises of the Company's independent non-executive directors, with other directors and members of executive management attending as appropriate. The Committee is chaired by the Company's independent non-executive director.

Investment Committee

The Group has a centralised Treasury function and an outsourced investment management provider which operates on behalf of both the Company and its fellow subsidiary ANDI UK. The Board has authorised the Group Investment Committee to oversee the investments and treasury activity of the Company and to ensure that these comply with ANDIE's investment risk appetite, investment strategy and regulatory requirements. Ultimate responsibility for the Company's investments lies with the Company's Board. The Board has delegated to the Company's Investment Committee the responsibility for ensuring that the Group's Investment Committee has carried out its activities effectively. These activities include the management and administration of the Company's investments, oversight of all treasury activity and the funding of all operating units. The Group Investment Committee considers the investment and treasury strategies of the Company, translates the investment risk appetite of the Company into an investment policy, and monitors the cash flow and working capital of the Company. The Group Investment Committee also oversees the performance of the Company's outsourced investment management provider.

The Company's Investment Committee meets at least twice a year. The Committee is chaired by the Dirigeant Agréé. The other members are the Head of Finance, the Head of Risk Management and the Company's Actuarial Function Holder.

ANDIE SE Management Committee

The purpose of the ANDIE SE Management Committee is to manage generally the business of the Company within the agreed financial limits and risk parameters set by the Board. Subject to these financial limits, the Committee has primary authority for the day to day coordination and oversight of the Company's operations save for those matters which are reserved for the Board and the Board's committees.

The Committee meets at least four times a year and comprises seven members, the Dirigeant Agréé (Chair), the Head of Finance, the Head of Compliance, and the Head of Risk Management, the Head of Insurance Distribution and the Company's Actuarial Function Holder. Members of the Company's executive management, including its branch managers, are invited as appropriate to attend the meetings, as are the Company's other directors. Meetings take place four times a year. The Head of Internal Audit is normally in attendance but is a non-voting member of the Committee.

Reserving Committee

The Group has a centralised Actuarial team which carries out actuarial reserving on behalf of both the Company and its fellow subsidiary ANDI UK. The Board has authorised the Group Reserving Committee to oversee reserving activity and to ensure that this is carried out in accordance with the Company's reserving policy. Ultimate responsibility for the Company's reserves lies with the Company's Board.

The Board has delegated to the Company's Reserving Committee the responsibility for ensuring that the Group's Reserving Committee has carried out its activities effectively. The purpose of the Reserving Committee is to set the reserving policy for the Company and to monitor ongoing compliance with that policy. The Committee receives reserve reports from the Actuarial function, covering best estimates and risks and provides input and challenge to the best estimates and the risk assessment. The Committee determines the amount of reserves to be booked in the Company's annual accounts and the level of Solvency II technical provisions.

The Committee meets at least twice a year. The Chair of the Committee is the Dirigeant Agréé. Other members are the Chief Underwriting Officer, the Head of Finance, the Company's Actuarial Function Holder and a member of the Group's Actuarial team.

Underwriting and Pricing Committee

The Committee is responsible for putting in place the pricing and underwriting policies for the Company and for monitoring compliance with those policies. The Committee agrees performance benchmarks for the Company's insurance portfolios and monitors compliance with those benchmarks. It also reviews and approves new underwriting products or portfolios. The Committee provides a written report to the Audit, Risk and Compliance Committee on the current underwriting risks faced by the Company, the Company's adherence to underwriting risk appetite and the underwriting risks which may arise in the future.

The Committee meets at least four times a year. Membership of the Committee comprises at least one representative from each of the Company's branches or underwriting business units and one representative from each of the Finance, Actuarial and Pricing functions. The Committee is chaired by the Company's Chief Underwriting Officer.

Relevant Group Committees

As noted above, the Group has centralised Treasury and Reserving functions and the Company's Investment and Reserving Committees oversee the regular activity of the Group's Investment and Reserving Committees as they carry out their responsibilities.

Other relevant Group committees are the Outward Reinsurance Committee and the Risk Modelling Committee.

The purpose of the Outward Reinsurance Committee is to ensure that the Group's outwards reinsurance programme is enacted correctly and in line with the Board approved risk appetite and other relevant policies. The Committee is charged with formulating and placing the most appropriate reinsurance programme and monitoring the programme to ensure the Group remains protected. The Outward Reinsurance Committee considers the specific needs of both the Company and ANDI UK as part of its activities. The Committee reports to the Group Executive Directors' Committee and ANDEL's Group Risk Assurance Committee and meets at least four times a year. The Committee is chaired by the Chief Executive Officer. Other members of the Committee include the Group Chief Financial Officer, the Group Head of Actuarial, the Deputy Chief Executive Officer, the Reinsurance Manager, the Dirigeant Agréé of ANDIE SE, the Chief Underwriting Officers for each of ANDI UK and ANDIE SE, and the Company's Head of Finance.

The Risk Modelling Committee is a sub-committee of ANDEL's Group Risk Assurance Committee. Its responsibility is to propose, for approval by the Group Risk Assurance Committee, policies, specifications and schedules of activity relating to the appropriate modification, application and validation of risk modelling techniques utilised by the Group and its subsidiaries (collectively, the "adopted risk modelling approach") and to provide oversight of risk modelling activity relative to that adopted approach. The Committee typically meets four times a year. The Committee is chaired by an independent non-executive director. In addition to the non-executive director, the Committee's members are the Group Chief Executive Officer, the Group Chief Financial Officer, the Group Risk Assurance Director, the Group Head of Actuarial and the Company's Actuarial Function Holder.

Remuneration Policy

The Company remuneration policy is designed so as to attract and retain suitable employees to assist the Company in meeting its aims. The Company seeks to provide a base salary together with a benefits package that will ensure the long-term security and health of its employees. Salaries and benefits are reviewed regularly to take account of the success of the Company and the latest employment trends. The Company is committed to being a fair and equal employer and the remuneration policy is designed in order to support this objective. In the UK, the Company's fellow subsidiary ANDIM is the employing entity, in accordance with regulatory requirements in the UK. In Luxembourg, and in those countries where the Company has branches, the Company itself is the employing entity.

The most important element of remuneration for the Company's employees is base salary. The Company considers that its base salaries are competitive in the market and appropriate for attracting and retaining the right staff. All salaries are reviewed in accordance with market practice and with any statutory, regulatory or taxation requirements in the individual country.

Depending on local market practice, the Group operates an annual bonus plan based on business unit and individual employee performance. The objective of the bonus scheme is to offer participants an incentive to contribute to the Company's performance by linking pay to performance in areas within the employee's influence and control. The bonus amount payable for each employee depends on the achievement of set financial objectives relative to the business plan, evaluation of performance against a competency matrix and evaluation on the contribution to the Group's performance through the successful completion of individual objectives. The variable element of remuneration is capped at a percentage of fixed salary, such as to promote sound and effective risk management and to avoid excessive risk taking.

The Company also offers a range of benefits to employees, which vary by individual country. Depending on local practice, the Company operates a company pension scheme and pays contributions to the scheme on behalf of employees based on a percentage of salary. The schemes are defined contribution scheme and the assets of the scheme are held separately from the Company in independently administered funds. Employees contribute additional voluntary contributions to suit their circumstances. The Company has no defined benefit pension liabilities.

Other benefits depend on the country in question and vary according to local custom and practice, statutory and regulatory requirements, taxation treatments and individual employee needs. Among the benefits offered are life assurance, private medical insurance, restaurant vouchers, permanent health insurance, company car, sports club memberships, salary sacrifice options and long service awards.

The Company and the Group do not operate any share option schemes and no shares in the Company are held by employees. There is a cash-based long-term incentive plan for the Group's executive directors. This is capped at a level well within regulatory codes. From time to time there may be specific project-based bonuses for staff involved in critical multi-year projects.

B2. Fit and proper policy

The Company is committed to ensuring that all its staff have the appropriate skills, knowledge and experience to perform their roles and this is set out in the Company's governance manual and in its policies and procedures.

Assessment of fitness and propriety

When appointing any member of staff, including members of the Board, senior management and other key functions, as part of the process the Company considers whether the candidate is fit and proper to undertake the required role. This means that the following in particular are considered:

- honesty, integrity and reputation; and
- competence and capability (including professional qualifications, knowledge and experience).

In addition staff should be sufficiently qualified to enable them to discharge their duties. In significant areas of responsibility, senior management and those undertaking other key functions should be qualified to provide sound and prudent management of the Company.

Appropriate policies and processes have been established for assessing and ensuring ongoing compliance with fitness and propriety requirements.

Technical and professional development

All employees' training needs are assessed upon joining and at regular intervals thereafter (including if their role changes). Appropriate training and support is provided to ensure that any relevant training needs are satisfied. The quality and effectiveness of such training is reviewed by the Human Resources department in each country.

All employees' competence is reviewed on a regular and frequent basis and appropriate action is taken to ensure that they remain competent for their role. Maintaining competence will take into account, where relevant, such matters as:

- Technical knowledge and its application;
- Skills and expertise; and
- Changes in the market to products, legislation and regulation.

"Competence" means having the skills, knowledge and expertise needed to discharge the responsibilities of an employee's role. This includes achieving a good standard of ethical behaviour.

B3. Risk Management System

As an insurance company, ANDIE is fundamentally concerned with the management of risk. The Group maintains a risk management system with which the Company is aligned.

Enterprise risk management framework

The Group operates an enterprise-wide risk management framework that is designed to identify, evaluate, manage and monitor exposure to risk. The process is subject to continuous review and development. The risk management system must comply with regulatory standards at all times.

The risk management systems and processes at ANDIE are required to cover all risks included in the calculation of the Solvency Capital Requirement ("SCR"), and so must cover the following areas:

- Underwriting and reserving;
- Asset-liability management;
- Investment activity;
- Liquidity and concentration risk;
- Operational risk; and
- Reinsurance and other risk mitigation techniques.

Company, branch and departmental management are required to identify, assess, manage and monitor their key risks, within the risk management framework overseen by the Audit, Risk and Compliance Committee. The Group's risk management team is responsible for making available appropriate risk management tools to support the business in the evaluation and reporting of risks. Risk management tools are designed to be easy to understand and capable of being applied consistently at all levels of the organisation. The overall risk management system provides for the aggregation of risk management information as required by the Board and the Board committees.

The risk management framework covers the management of the risk categories and sub-categories as detailed in the Board's Risk Appetite Statement.

The high level risk categories currently set out in that document are:

- Strategic risk (including reputational risk);
- Insurance risk;
- Credit risk;
- Market risk;
- Operational risk;
- Liquidity risk; and
- Financial risk.

The assessment of capital requirements (for both internal and regulatory capital measures) is based explicitly on the risks identified and evaluated through the processes. For regulatory purposes, the Company uses the standard formula without undertaking-specific parameters to assess the solvency capital requirements and an internal model is not used.

The risk management framework supports the achievement of the Group's objectives by providing a structured mechanism for assessing the impact of decisions on capital requirements and capital efficiency, and the range of outcomes from each potential decision.

Risk and capital management principles are required to be embedded into several business processes and decision frameworks, including pricing assessment, asset allocation, reinsurance purchase, counterparty selection, reserve assessment and capital planning.

Business change initiatives that require senior manager or Board level approval are required to include an assessment of the inherent risks involved and any anticipated change to ANDIE's overall risk profile.

Three Lines of Defence Model

The Company operates a Three Lines of Defence Model as part of its overall control environment and its risk management system. The main elements of the Three Lines of Defence Model as it pertains to the Company may be summarised as follows:

- First line: the first level of the control environment is the business operations which perform the day-to-day risk management activity.
- Second line: these are the oversight functions of the Company, such as Risk and Compliance, and also include financial controls. These functions set direction, define policy and provide assurance.
- Third line: Internal Audit is the third line of defence. Internal Audit offers independent challenge to the levels of assurance provided by business operations and oversight functions.

There is a regular flow of information across the three lines of defence and from the three lines to the governing bodies (Board and Committees). Likewise executive decisions and directions flow in the opposite direction from the governing bodies.

B4. Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") process is part of ANDIE's risk management system. Insurance undertakings are required to assess their own short and long term risks and the amount of own funds necessary to cover them. The ORSA is the process used to assess the Company's overall solvency needs based on a forward looking assessment of the Company's risk profile, risk tolerance and business plan. It is used to identify, quantify, monitor, manage and report on the risks that ANDIE may face as a solo entity. The process includes the use of an Internal Capital Model, the parameterisation and validation of which is overseen by the Group's Risk Modelling Committee.

The ORSA considers all the key risks that face the business, including those not in the SCR such as liquidity, group, reputational and regulatory risks, as well as those in the SCR. Both internal and external risks are considered.

The full ORSA process is performed at least annually, and a report is produced by the Risk Management function based upon the results of the Capital Model output and taking account the future business plan. Many of the structures and analyses which underlie the ORSA process are on-going parts of the risk management framework; nonetheless the Board considers that an annual review cycle is proportionate to the nature and scale of the risks which the Company faces. In addition, we would run element of the ORSA process and produce an appropriate analysis as soon as practically possible following any significant change in the Company's risk profile. The analysis must inform the Board of the nature of the change in the risk assessment and the implications for solvency under standard and stressed operating scenarios. These changes could affect both the internal and external risk environment. These changes could include, but are not limited to the following events, where they have the potential to significantly alter ANDIE's overall risk profile:

- The start of a material or significant new line of business;
- Capital injection;
- A change in risk tolerance limits;
- Changes to reinsurance or other risk mitigation arrangements;
- A portfolio transfer;
- Major changes in asset mix;
- Long term market disruption resulting in changes to our business or capital plans;
- Occurrence of risk events leading to a significant change in available capital and solvency; and
- Other external change which significantly affects the viability of ANDIE's business model.

For a fundamental change, we may choose to follow a full ORSA process. The Risk Management function will assess the impact of a change in risk profile and advise the Board whether a full ORSA process needs to be run and a full set of documentation produced. The Board can request the Risk Management team to run the full ORSA process, even if the Risk Management function determines it is not necessary.

The Board reviews the ORSA report and uses this to guide key decisions for the business, such as:

- Deciding the Company's strategy and setting the risk appetite;
- Agreeing the business plan for the Company;
- Any necessary risk mitigation actions;

- Forward looking identification and assessment of material risks arising from the business strategy or in the business plan;
- Challenging the results of the standard formula SCR calculation; and
- Assessing the Company's short- and long-term capital position.

In relation to the SCR, the Company produces a five year projection of the Company's SCR position. The ORSA, which is also prepared on a three year basis, is compared to the results of the SCR projection in order to determine whether additional solvency cover is required. The outcome of this assessment is recorded in the ORSA report and shared with the regulator as required.

B5. Overview of Internal Control System

Internal controls are the processes established by the Board to provide reasonable assurance of effectively and efficiently meeting, inter alia, the Company's various operational, financial and compliance objectives.

The system of internal control includes all policies and procedures adopted by management to assist in achieving the Company's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business.

The system of internal control relates to every aspect of the Company's operations, including but not limited to the:

- Adherence to management policies;
- Safeguarding of assets;
- Prevention and detection of fraud and error;
- Accuracy and completeness of accounting records; and
- Timely preparation of reliable financial information.

System of internal control objectives

Senior managers are charged with the responsibility for designing, implementing and communicating a network of procedures and processes. These have the objective of controlling the operations of the Company in a manner which provides the Board with reasonable assurance that:

- Data and information published either internally or externally is accurate, reliable, complete and timely;
- The actions of all employees are in compliance with the Company's policies, standards, plans and procedures, and all relevant laws and regulations;

- The Company's resources (including its people, systems, data / information bases, and client goodwill) are adequately protected; and
- The Company's internal controls promote the achievement of the Company's plans, programs, goals and objectives.

Components of internal control

The following components make up the Company's system of internal control and help to achieve the objectives of controlling the operations of the Company:

a) Control Environment
b) Risk Assessment
c) Control Activities
d) Information and Communication
e) Monitoring

a. Control Environment

The control environment is set by the Board and senior management in line with the Company's risk appetite as well as its priorities and direction. The control environment sets the tone for the Company. It provides discipline and structure and strongly influences the control consciousness of all staff. Key factors in the control environment include the integrity, ethical values and competence of all personnel.

The Board is responsible for:

- Approving and periodically reviewing the overall business strategies and significant policies of the Company;
- Understanding the major risks run by the Company, setting acceptable levels for these risks and ensuring that senior management takes the steps necessary to identify, measure, monitor and control these risks;
- Approving the organisational structure; and
- Ensuring that senior management is monitoring the effectiveness of the internal control system.

The Board is ultimately responsible for ensuring that an adequate and effective system of internal control is established and maintained.

Senior management is responsible for:

- Implementing the strategies and policies approved by the Board;
- Developing processes that identify, measure, monitor and control risks incurred by the Company;
- Maintaining an organisational structure that clearly assigns responsibility, authority and reporting relationships;
- Ensuring that delegated responsibilities are effectively carried out;
- Setting appropriate internal control policies; and
- Monitoring the adequacy and effectiveness of the internal control system.

Both the Board and senior management are responsible for promoting high ethical and integrity standards, and for establishing and communicating a culture within the Company that emphasises and demonstrates to all levels of personnel the importance of internal controls.

b. Risk Assessment

Risk assessment is the identification and analysis of relevant risks which may prevent the Company or a specific business unit from meeting its operational, financial and compliance objectives. The Audit, Risk and Compliance Committee identifies risks affecting the Company, both internally and externally, and recommends risk strategy to the Board.

c. Control Activities

Control activities are the policies and procedures established to ensure that Board and senior management's directives are implemented and risks identified are mitigated. All employees need to be aware of the Company's policies and procedures. Managers should supplement these with departmental guidance where necessary.

Control is a function of management and is an integral part of the overall process of managing operations. As such, it is the responsibility of managers at all levels of the Company to:

- Identify and evaluate the exposures to loss relating to their particular sphere of operations;
- Specify and establish policies, plans, and operating standards, procedures, systems, and other disciplines to be used to minimise, mitigate, and/or limit the risks associated with the exposures identified;
- Establish practical controlling processes that require and encourage all employees to carry out their duties and responsibilities in a manner that achieves the control objectives outlined above; and

- Maintain the effectiveness of the controlling processes established and foster continuous improvement to these processes.

d. Information and Communication

Pertinent information must be identified, captured and communicated in a form and timeframe that enables staff to carry out their responsibilities. Continuous communication is essential to the effectiveness of the system of internal control and reaching its objectives.

e. Monitoring

Monitoring is the process that assesses the quality of the internal control system and follows the three lines of defence philosophy. The Company requires the following monitoring to take place:

- Managers are responsible for monitoring activities performed within their department;
- The Compliance function assesses the appropriateness of and compliance with the Company's policies and procedures;
- Internal Audit is responsible for examining and evaluating the functioning and adequacy of the internal controls and compliance with policies and procedures; and
- The Audit, Risk and Compliance Committee reviews the effectiveness of monitoring actions.

<u>Compliance Function</u>

The Compliance Function is responsible for:

- Ensuring that the Company complies with all applicable laws and regulatory requirements as well as with all internal policies, processes and procedures; and
- Reporting to management and the Audit, Risk and Compliance Committee on the appropriateness of the Company's compliance procedures; following up identified deficiencies and suggesting improvements as necessary.

The Compliance Function comprises the Head of Compliance / Compliance Officer in Luxembourg supported by employees in the branches and the central Risk Assurance team in the UK, which is led by the Group Risk Assurance Director. The Head of Compliance reports to the Dirigeant Agréé locally and to the Group Risk Assurance Director on a functional basis. The Head of Compliance also has independent access to the Audit, Risk and Compliance Committee.

B6. Internal Audit Function

The Board has established an Internal Audit Function, which is the third line of defence in the Company. Internal Audit is independent from all operational activities.

The primary role of Internal Audit is to help the Board and Executive Management to protect the assets, reputation and sustainability of the organisation. It does this by assessing whether all significant risks are identified and appropriately reported by management and the Risk function to the Board and Executive Management; assessing whether they are adequately controlled; and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

The Company's Internal Audit Function is overseen by the Audit, Risk and Compliance Committee. In this capacity, the Audit, Risk and Compliance Committee is responsible for agreeing an annual programme of internal audit activity, overseeing the performance of internal audits and determining that all major issues reported by the Internal Audit function have been satisfactorily addressed.

On a day-to-day basis the internal audit activity is overseen by the Head of Internal Audit. Where appropriate, the Company makes use of specialist resource from external providers or internally where there are no conflicts of interest. The use of specialist external resources helps to ensure the independence of the function and provides the business with a wider range of skills for carrying out audit activities than is available from suitably independent internal staff. Internal Audit reports through the Audit, Risk and Compliance Committee quarterly but also has a regular reporting line to the Dirigeant Agréé locally and to the Group's Internal Audit Director functionally. Internal Audit is also able to report directly to the Audit, Risk and Compliance Committee outside the regular committee meetings.

B7. Actuarial Function

The Company's Actuarial Function Holder is part of the Group's Actuarial team. The Actuarial Function Holder is a qualified member of the Institute of Actuaries in Belgium and the Institute and Faculty of Actuaries in the United Kingdom and has complied continuously with the specific professional obligations that the Institute requires. The wider Actuarial team is made up of qualified members and associated members of the UK Institute and Faculty of Actuaries, equivalent international actuarial bodies, analysts and data management specialists, all of whom comply with relevant professional obligations.

The Actuarial Function Holder has suitable ability, experience, resources and independence to carry out the prescribed tasks of the function holder.

The Actuarial Function is responsible for:

- Co-ordinating the calculation of technical provisions;
- Reviewing the appropriateness of methods, models and assumptions used in the calculation of the technical provisions
- Reviewing the sufficiency and quality of the data used in the calculation of technical
- provisions
- Providing an opinion to the Audit, Risk and Compliance Committee on the Company's underwriting policy and effectiveness of reinsurance; and
- Producing the annual actuarial reports for the CAA.

In addition to the prescribed responsibilities, the Actuarial Function Holder is a member of the Company's Investment and Reserving Committees and an attendee of their Group equivalents.

B8. Outsourcing

The Company considers outsourcing arrangements for an activity when it is not cost-effective or possible to carry out the activity internally. The Company recognises that it remains responsible for discharging all legal and regulatory responsibilities relating to the outsourced activity.

In order to reduce the risks associated with outsourcing, the Company has an established outsourcing policy. This policy covers the following:

- Assessment of outsourcing risks;
- Selection and due diligence of outsource service provider;
- Definition of contractual requirements and confidentiality arrangements; and
- Schedule of Audits and compliance monitoring.

The Luxembourg Management Committee is responsible for designating suitable owners for each outsourced arrangement, overseeing the outsourced activities and ensuring that the outsourcing policy is followed. Each outsourced business process has an owner, responsible for ensuring that appropriate controls to manage the risks from outsourcing are in place and that there is regular monitoring of performance. Outsourced business process owners work in conjunction with Risk Management, Compliance and other functions including IT, Legal and Human Resources.

The Company is currently using several service providers to undertake critical or important functions on its behalf. Details of these are as follows:

a. Policy administration and underwriting

The Company has engaged with third party organisations, typically through delegated underwriting authority, for the underwriting of certain products and / or business lines. Outsourced policy administration and underwriting is performed in the UK, Norway and Spain. These arrangements are with the Group's subsidiary Insure The Box and with Lloyd Latchford in the UK, with Liberty Seguros in Spain and with Gjensidige in Norway.

b. Claims

There are outsourced claims handling and settlement arrangements, again typically through delegated claims authority, for claims for certain products and / or business lines. Outsourced claims handling is performed in France, Belgium, Germany, Holland, Norway, Italy, Spain and the UK. The most significant of these arrangements are with the Group's subsidiary Insure The Box, Ageas and FM Global in the UK, with Liberty Seguros in Spain and with Gjensidige in Norway.

c. Audits

Day-to-day internal audit activity is overseen by the Company's Head of Internal Audit. Where appropriate, the Head of Internal Audit engages third parties to provide specialist skills to support with audit activity.

d. Business continuity planning

The Group has an established and tested Business Continuity Policy, which sets out the requirements for local BCP plans and coordination with Disaster Recovery (e.g. in the event of a major systems or network outage). Depending upon the size and nature of each local operation, contracts are in place with dedicated workplace recovery sites. Where the nature of the local operations allows, staff are equipped to work securely from home. This capability has recently been proven over an extended period due to the Covid-19 crisis, during which over 95% of our employees were able to continue business as usual.

e. Human Resources

The Company uses outsourced payroll services providers in a number of the countries in which it operates, including in Luxembourg.

f. Management services

In the UK, the Group companies Aioi Nissay Dowa Europe Limited and Aioi Nissay Dowa Insurance Management Limited provide management services to the Company including the recharge of expenses incurred on the Company's behalf.

g. Investment management

The Company has outsourced the management of its bond portfolio to Goldman Sachs Asset Management, based in London.

B9. Adequacy of system of governance

The system of governance, is considered to be appropriate for the Company taking into account the nature, scale and complexity of the risks inherent in the business.

B10. Any other information

No further information.

C. Risk Profile

Overall responsibility for the management of the Company's exposure to risk lies with the Board. To support it in its role, the Board has established an enterprise risk management framework comprising risk identification, risk assessment, control and reporting processes. This enterprise risk management framework is aligned with that of the Group. The Board is assisted in its oversight of the risk management framework by the Corporate Governance and Business committees.

An annual suite of stress tests and reverse stress tests, including underwriting (pricing, reserving and catastrophe), market, operational and credit related scenarios is performed as part of other regulatory reports (ORSA report, Rapport Actuarial and Actuarial Function Report).

The Risk Management team has been implementing 'Scenario Thinking' within the management team. The method may be summarised as follows:

a. Setting of a focal issue (for ANDEL, 'Achieving profitability') and time horizon (3 years)
b. Determining the driving forces that affect the organisation
c. Clustering the driving forces
d. Defining plausible possible extreme outcomes for each cluster of driving forces
e. Carrying out impact and uncertainty analysis
f. Defining possible extreme outcomes for the most uncertain high impact outcomes
g. Building description of the main outcomes
h. Developing the key events, chronology and actors for the scenarios

The above approach aims to:

- open up a wider set of perspectives on the present than currently exists;
- provide a set of conditions under which to test existing strategies, to check robustness across the full range of plausible possible futures
- to provide feedback into the development (by the Board) of new strategies and plans in response to what are perceived to be alternative future business environments

We carried out various tests and examined plausible scenarios against the ORSA capital requirements. These included a failure to meet growth targets, loss of significant strategic partners, operational losses through a loss of key business sites, exchange rate volatility and the failure of a banking partner. We also considered the exhaustion of reinsurance cover, events with significant losses in countries with no natural catastrophe reinsurance cover, an accumulation of natural catastrophe events below the level of the franchise, an increase in claim frequency and a financial market shock.

We also performed various reverse stress tests, including:

- Scenarios leading to insolvency (i.e. those that could result in a loss of at least €30m, i.e. enough to erode our surplus capital resources)
- Scenarios leading to business model becoming unviable
- Scenarios leading to loss of confidence of key stakeholders

Additionally to the tests above mentioned we have also considered the impact on the company's solvency of the following sensitivities:

- A 1% increase of the Company's net loss ratio; and
- A movement of 10% in exchange rates.

Additional comments are provided below for liquidity risk, credit risk and operational risk.

C1. Insurance risk

Nature of the risk

This is the risk that arises from the inherent uncertainty as to the occurrence, amount and timing of insurance liabilities. It manifests itself in variability in the contribution towards expenses and profits.

The risk arises both from current year activity (premium risk) and the run-off of claims which occurred in the current year and prior years (reserving risk).

Methods used to assess and quantify the risk

The Company also assesses its underwriting risk through experience analysis (analysis of actual performance against the performance expected according to the Company's business plan) and through its reserving process, which is overseen by the Reserving Committee.

As part of the ORSA process, insurance risks are quantified internally using a simulation model which is used to assess variability of the contribution compared to the business plan. Our modelling approach has been independently validated by third parties over the past few years.

Risk parameters are selected for the following variables, for each portfolio individually, and the simulation model is used to create a distribution of values for each portfolio in order to identify the portfolios with the greatest contribution to the overall insurance risk:

- Volume of business;

- Current year loss ratio;
- Claim frequency and severity;
- Natural catastrophe;
- Reserve run-off, and
- Events not in data ("ENID") scenarios.

a. Volume of business

The risk of the volume of business being higher or lower than expected, for example due to higher or lower levels of new business, or changes in the rate at which customers renew their policies.

b. Current year loss ratio

The risk of the current loss ratio being different from the expected level, due to market wide trends or company specific variability.

Some examples of market-wide trends are claims inflation, changes in the level of competition, etc. In effect this represents the variability that exists within each market's insurance cycle.

Separate risk parameters are selected for frequency and severity of small, large and natural catastrophe claims. Deviation from plan can occur due to natural random variability, but can also be because of variation in the Company's success at achieving planned claims savings. The mitigating impact of excess of loss and quota-share reinsurance is incorporated into the model, to ensure that the result net of reinsurance can be estimated appropriately.

c. Claim frequency and severity

For both small and large claims (greater than €100k), we model the typical variation in the frequency and severity of claims.

d. Natural Catastrophe

We model the typical variation in frequency and severity of losses due to Natural Catastrophe events. Our greatest exposure to Natural Catastrophes differs by geographic location. Our exposures include Hail Damage in the UK, Germany, Italy, France and Denmark; Windstorm in the UK, Germany, France, Norway and Denmark and Flood in the UK and Germany.

e. Reserve runoff and ENID scenarios

We model the reserve runoff using a standard market practice: the one-year Mack bootstrap. This approach and its implementation were reviewed by an external party. One-year parameters are applied every year until reaching the 3-year time horizon. ENID scenarios are applied on top of the reserve runoff in order to capture Events Not In Data. This is achieved through the use of pre-defined events to which we have assigned a "ladder-step" impact and probability (i.e. for example some scenarios could have 3, 4, or 5 outcomes, each of them with a probability of occurrence).

Risk mitigation

Disciplined underwriting including appropriate risk management and pricing control is essential to the Company's success. The Company maintains underwriting and claims policies which define the approach in respect of risk selection and management and each underwriter has an individual mandate governing the acceptance of risks based on their competence. The Company makes use of its own data in making such decisions supplemented by data and advice from expert third parties and insurance partners. In addition, the Company has a centrally managed forum reviewing underwriting issues and performance, including the approval of new products.

Reinsurance is used to manage insurance risk. Much of the reinsurance is placed with the Company's parent, ADJ, which is A+ rated. The Company also enters into quota share and co-insurance arrangements with third parties. These arrangements vary depending on the product and country in question. The Company also places an excess of loss programme with a high quality panel of reinsurers, including its parent company. The risk of default by reinsurers is discussed in the section on Credit risk.

Risk sensitivity for underwriting risks

As mentioned in the introduction of this section, we have considered the impact on the Company's solvency of a 1% increase of the Company's net earned loss ratio: the Company's year-end solvency would be reduced by €1.8m. At year-end 2021, our earned loss ratio was in line with the reforecast. This is 5% ahead of the net earned loss ratio we had planned at the beginning of 2021 (used for the ORSA capital requirements).

C2. Market risk

Nature of the risk

This is the risk of external market influences affecting the Company's net asset value, for example changes in interest rates affecting the value of assets, changes in the levels of investment return, changes in exchange rates, etc.

At the end of 2021, ANDIE's investments consisted of €224.5m (2020: €254.3m) in bonds and €111.8m (2020: €110.5m) in cash, deposits and money market funds. The Company also has a subsidiary company, ANDLIE, as detailed in the group structure chart in Section A1 and there is a risk that the valuations of this company will change as a result of its performance.

The bond portfolio is expected to be held until maturity. As mark-to-market pricing is required when drawing up the Solvency II balance sheet day-to-day market values have an effect on the available Solvency II capital. However, the mark-to-market movements do not affect the Company's cash flows from investments. The risk of being required to sell bonds at a loss to cover unexpected liabilities is considered under liquidity risk.

An alternative to investing in fixed income bonds is to invest in cash or money market funds. As at the end of 2021 the Company's cash holdings were €57.2m (2020: €73.4m) and money market fund holdings €54.7m (2020: €37m). Cash, deposits and money market funds are not typically affected by market value fluctuations and are therefore more secure from a capital point of view. However, investing in cash and money market funds introduces greater uncertainty as to the level of income that can be achieved, as this is affected by fluctuating (and in recent years persistently low or even negative) interest rates.

The Company's investment policy is to limit the amount of equities it holds. This is subject to ongoing review.

The Company has assets and liabilities in three main currencies: GBP, EUR and NOK. The Company also has some assets and liabilities in other currencies but these are not material. Where there is a requirement to hold a certain level of capital in local currency for an overseas subsidiary (other than GBP, EUR and NOK) the approach is to hold the minimum required plus sufficient for projected operating cash flow requirements. As a result, ANDIE's exposure to movements in other currencies is not significant.

Methods used to assess and quantify the risk

Market risks are quantified using a simulation model, separate from that used for insurance risks. Variability parameters for interest rates, bond yields and exchange rates for each currency are selected and the model is then used to create a distribution of the change in net asset and liability values due to each risk, from which the capital requirement can be measured.

- Bond yields – a range of potential movements in yields are chosen and the model calculates for each movement the impact on the value of each bond held;

- Exchange rates – a range of potential movements in exchange rates is chosen and the model calculates for each movement the impact on the GBP value of the Company's net assets; and
- Risk-free yields – a range of risk-free yields is chosen and the model calculates the impact on the value of technical provisions and on investments.

Risk mitigation

The Company manages its market risk in a number of ways, among which the following can be highlighted:

- The Company has an asset liability management ("ALM") framework that has been developed to achieve investment returns in excess of obligations under insurance contracts. The principal technique of the Company's ALM framework is to match assets to the liabilities arising from insurance contracts by reference to the expected timing of settlement of liabilities. Assets of the German Life subsidiary, ANDLIE, are managed separately from the general business but according to the same principles. The Company's ALM framework is integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities;
- The Company monitors interest rate risk by calculating the mean duration of the investment portfolio and of the policyholder liabilities. The mean duration is an indicator of the sensitivity of the assets and liabilities to changes in current interest rates. Any gap between the mean duration of the assets and the estimated mean duration of the liabilities is minimised by means of buying and selling fixed interest securities of different durations;
- The Company has a defined investment policy which sets limits on exposure to securities both in aggregate terms and by geography, industry and counterparty. Investment management meetings are held quarterly. The Company invests principally in high quality agency and corporate bonds in the UK and Europe, with the average rating of the bond portfolio of A (2020: A) and duration of 3.2 years (2020: 3.6 years). Bond holdings below investment grade are not permitted.
- The Company maintains the outsourced management of its bond portfolio with Goldman Sachs Asset Management in London.
- The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

The Company does not currently use derivative financial instruments. This is kept under regular review.

Risk sensitivity for market risks

For the 2021 year, the Company's functional currency has continued to be pounds sterling. The directors are monitoring the overall balance between euros and pounds sterling, noting that the Company is likely to change its functional currency as the Company's UK business runs off and the balance of assets and liabilities shifts towards euros. The Company's SCR at the year-end 2021 was calculated in pounds sterling, although it is presented in euros.

The Company's SCR, calculated in pounds sterling, is sensitive to movements in underlying foreign currency exchange rates. The Company is exposed to currency risk to the extent that the foreign currency denominated assets it holds do not match its liabilities in those currencies. The Company seeks to minimise this risk by matching its assets and liabilities by currency. The Company does not use hedging instruments to control the foreign exchange risk. At the balance sheet date the Company had exposures in the following currencies:

	2021		2020	
	€m	NOK m	€m	NOK m
Assets	211.6	143.0	169.3	152.9
Liabilities	200.1	104.2	144.4	110.4
Unmatched exposure	11.5	38.8	24.9	42.5

The impact of a 10% change in the value of euros to sterling is £1.0m (2020: £2.5m) and the impact of a 10% change in the value of NOK to sterling is £0.4m (2020: £0.4m). Amounts are stated in sterling as this is the Company's functional currency.

The Company is exposed to movements in interest rates, which affect the value of the Company's mark-to-market financial investment holdings and the value of its technical provisions. The standard formula SCR calculation includes upward and downward interest rate shock scenarios. Neither the upward nor the downward shock has a material effect on the Company's SCR.

C3. Credit risk

Nature of the risk

Credit risk is the risk that counterparties will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- exposure to corporate bonds;
- exposure to the failure of bank counterparties;
- reinsurers' share of insurance liabilities;

- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

Methods used to assess and quantify the risk

The Company measures the capital requirement for credit risk using a simulation model to determine the distribution of the total amount of defaults. For each exposure, a probability of default, based on credit rating, is assumed and there is an assumed recovery percentage on default. We also make assumptions about the correlation between exposures, for example allowing for a 50% positive correlation between reinsurance counterparties due to the interconnected nature of the reinsurance market in which one event can hit many reinsurers simultaneously. Some debts are with counterparties which do not have credit ratings – for example, overdue premiums owed by insurance customers or intermediaries – and in this case the assumed default probabilities are higher, albeit the risk is diversified due to the number of policyholders and intermediaries. For the purposes of the Solvency II balance sheet, premium debtors over three months past due are written off in accordance with the requirements.

Risk mitigation

The Company's risk appetite places limits on credit risk by specifying the minimum credit rating that counterparty must have for us to do business with them. Reinsurers must have a credit rating of at least A-, and investment counterparties must have a rating of at least A- with the exception that the risk appetite permits a limited exposure to BBB bonds. In some cases, a counterparty's credit rating changes after a debt has been accrued, and the Company considers the appropriate response to this occurrence on a case by case basis. Typically, balances are minimised in response to a downgrade, and in some cases we would no longer allow debt to accrue with a counterparty. The Company considers the advice of its investment manager Goldman Sachs Asset Management.

The Company places limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. The Group does not have an explicit limit on reinsurance with its parent ADJ. However, all intra-group reinsurance transactions are conducted on an arm's length basis and as such counterparty credit risk is assessed and managed.

The existence of reinsurance arrangements 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, the recent payment history of reinsurers is used to update the reinsurance purchasing strategy. Much of the reinsurance is placed with the parent company, which is A+ rated.

Risk sensitivity for credit risks

The Company's largest single exposure is to its parent ADJ, which is A+ rated.

The Company has some exposure to BBB rated bonds. The total amount is not permitted to be more than 15% of the overall bond portfolio and individual holdings in BBB investments are typically restricted to 1.25% of the bond portfolio. All BBB investments are closely monitored with the assistance of Goldman Sachs Asset Management. As at the balance sheet date, the total BBB investment exposure was 14.1% of the total portfolio (2020: 12.8%).

C4. Liquidity risk

Nature of the risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand. The Company's portfolio is kept in highly liquid marketable securities to meet liabilities as they fall due.

Liquidity risk affects the Company in two main ways:

- Cash flow uncertainty. There can be an uncertainty in the liability, either in terms of its value or its timing. In either case, insufficient funds would be available to meet the requirement. This can arise as a result of claims (the most significant area), through a mismatch between the timing of gross claims being paid and reinsurance recoveries collected, from creditor invoices and expenses and from country risk and currency controls (where a sovereign may restrict the cross-border movement of cash).
- Asset values. There are a number of circumstances which can prevent or restrict the sale of an asset or access to liquid funds. These include the downgrade or failure of a counterparty, bank failure or market or segment downturn. However, given the nature of the Company's investment portfolio this risk is deemed to be low.

Methods used to assess and quantify the risk

Liquidity risk is not considered to be a significant risk for the Company. Although there are scenarios in which the Company would not be able to meet its cash flow requirements as they fall due, these are considered extreme.

Risk mitigation

The Company carries out the following to mitigate liquidity risk:

- Cash flow forecasting. The Company monitors its cash flows closely across all branches to ensure they are correctly funded, and matches the cash flow of its assets and liabilities.
- A significant proportion of liquid assets are held at all times to meet expected liabilities.
- The investment policy has been set to avoid concentration risk and to ensure high quality liquid assets.
- Liquidity is regularly monitored by the Treasury department and quarterly by the Investment Committee.

Risk sensitivity for liquidity risks

Cash, deposits and money market funds at the year-end totalled €111.8m (2020: €110.5m). The insurance business is broadly cash neutral, with some fluctuations over the year. There are also €224.5m (2020: €254.3m) of fixed income bonds which are highly liquid in most market circumstances. It would therefore require an extreme cash flow shock for a material liquidity risk to arise.

C5. Operational risk

Nature of the risk

This is the risk that errors caused by people, processes or systems lead to losses to the Company, or the risk that arises from unanticipated or poorly anticipated external events.

Among the most important contributors to operational risk considered by the Company are:

- Internal and external fraud;
- Legal action against the Company;
- Significantly higher than expected inflation of costs;
- Changes in employment law;
- Improper market practices;
- Failure to comply with regulations;
- Project overruns or failures;

- Poor performance or failure of an outsourced provider;
- Business disruption and system failures;
- Damage to physical assets (e.g. due to natural catastrophe);
- Loss of key personnel;
- Pandemic;
- Unexpected subsidiary funding requirements;
- Inadequate or inaccurate systems;
- Unauthorised access to sensitive data; and
- Cyber-crime and system security.

Methods used to assess and quantify the risk

The Company maintains a record of significant materialised risk events experienced within ANDIE, and also takes account of materialised risk events within the wider market.

The Company maintains risk registers for each significant business function and unit. These are used to inform the approach for modelling operational risk, which relies on expert judgement on the likelihood and severity of various scenarios. The resulting risk profile for operational risk is assessed quantitatively and is incorporated in the assessment of solvency requirements.

Risk mitigation

The Company manages operational risk mainly through the use of detailed procedure manuals and a structured programme of testing of processes and systems, carried out by Internal Audit and by the parent company's Compliance and Internal Audit departments. The Company's enterprise risk management framework also requires all key functions and units to maintain risk registers, which are reviewed and challenged by the Risk Management Function, with a process of escalation of key issues to the Company's Risk Committee. Materialised risk events experienced within ANDIE are captured, remediation co-ordinated and root cause analysis performed using the Group's risk management application.

Risk sensitivity for operational risks

The operational risk per the SCR standard formula calculation is 11.0% (2020: 12.9%) of the SCR as at the balance sheet date. However, the Company's ORSA includes a lower amount for operational risk in order to reflect management and the Board's view that the Company's operational risk is lower than the SCR standard formula indicates.

While the Group's response to Covid-19 has proved that our operational model and business continuity procedures are robust, there is a possibility of further waves of the pandemic, which may result in further situations of compulsory home working and associated operational costs and complexity. Following the Covid-19 pandemic, there was an increase in cyber-crime worldwide and this remains the case with further recent examples of cyber-attacks. The Company also faces increased regulatory pressures. The most recent example comes from the European Data Protection Guidelines, which impact the processing of telematics data, which is relevant to the Company given the intention to introduce new product types and to roll-out further telematics-based products in European markets.

Given the above, the Group determined that it was appropriate to maintain the operational risk capital held at an ANDEL level (based on data as at 31 December 2020). The key difference this year is that the majority of risk capital in the ORSA switched from ANDIE SE to ANDI UK to reflect that all UK business, and in particular all ITB business, is now written by the Group's UK insurance company. The remaining €5.6m was allocated to ANDIE SE, which the Company considers to be a reasonable assessment, for ORSA purposes, of the operating risk faced by the Company. The amount of €5.6m is €5.4m lower than the amount calculated according to the standard formula. The ORSA capital considers a three-year forward-looking view of the Company's capital requirements and took into account the change in the Company's underwriting and the fact that ANDI UK underwrites the Group's UK insurance business, with this change not yet reflected in the standard formula calculation. In particular, the Company noted:

- The run-off of the UK business is unlikely to generate a significant operational risk for ANDIE SE; and
- The reduction in the premium volume observed in the business plan due to Covid-19.

Nonetheless, the Company continues to manage its capital position in accordance with the standard formula, and maintains sufficient own funds to cover the SCR (including operational risk) and the MCR with an appropriate buffer.

C6. Other risks

Strategic risk

Strategic risk is the current or prospective risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions and the lack of responsiveness to changes in the business environment.

Much of the Company's business relies on the parent company's relationship with Toyota. This mono-customer strategy (which applies to much of the business other than that written through the Insure The Box brand in the UK) is considered to be the Company's most significant strategic risk, as, according to our reverse stress testing exercise, it is the risk that is most likely to render the business model unviable. While the Company has diversified its product base and its business lines the relationship with Toyota is likely to remain the largest single distribution channel for some time. This risk is mitigated by the close relationship at all levels with Toyota and in the medium-term by the diversification in our client base and distribution channels.

Reputational risk

Reputational risk is a form of strategic risk within the Company's risk taxonomy. Reputational risk is defined as the risk of losses as a result of damage to the reputation and brands of the Company or of other companies on which the Company's fortunes depend.

The main forms of reputational risk affecting the Company are:

- Damage to the Toyota brand, as much of the Company's business is Toyota branded;
- The Company's own reputation with Toyota and credibility as an insurance partner;
- Reputational damage to the Insure The Box brand; and
- Damage as a result of failures by out-sourced providers, co-insurance partners or problems in the wider MS&AD Insurance Group.

Issues from a Toyota perspective are largely confined to reductions in car sales and hence lower levels of new insurance business. This has been demonstrated by the effect on the business of various safety recalls that have been instigated by Toyota over the past few years. Retention was unaffected across all countries as customers were able to distinguish between the issues relating to the safety recall and the insurance product. In these circumstances the short-term financial impact is small, growing only over an extended period of time. The Company uses a wide range of outsourced suppliers, including co-insurance arrangements. Brand damage to a co-insurer would potentially be more visible and could have an impact on our operations although the main focus of the branding is Toyota. Problems at other MS&AD group entities could also potentially affect relationships with regulators or other partners.

In terms of our own competitiveness and customer service the most important mitigation is to promote strong relationships at all levels to ensure problems are addressed and explained at an early stage to prevent escalation into more serious issues. This starts with regular reviews of key performance indictors and complaints to external management meetings at various levels to ensure that we are strategically and operationally aligned with Toyota.

With regard to the Insure The Box brand, specific actions have been taken to strengthen the management, governance and control structures since the acquisition by the Group and to begin to align the control environment with that of the rest of the Group. These changes are likely to help mitigate the potential for reputational damage.

C7. Other information

No other information.

D. Valuation for Solvency Purposes

D1. Assets

The following table sets out the Company's assets and liabilities as at 31 December 2021:

	Annual Accounts value	Reclassification/Valuation	Solvency II Value
Assets:	**€m**	**€m**	**€m**
Deferred acquisition costs	30.2	(30.2)	-
Intangible assets	0.2	(0.2)	-
Property, plant & equipment	5.0	(2.8)	2.2
Holdings in related undertakings	5.6	28.8	34.4
Bonds	219.7	4.7	224.5
Collective investment undertakings	-	54.7	54.7
Other investments	0.2	(0.2)	-
Reinsurance recoverables	227.7	(40.6)	187.1
Insurance receivables	87.0	(3.5)	83.5
Cash and cash equivalents	111.8	(54.7)	57.2
Other assets	41.7	(8.2)	33.4
Total assets	**729.2**	**(52.3)**	**676.9**
Liabilities:			
Technical provisions	463.0	(79.4)	374.6
Insurance payables	21.8	0.0	21.9
Reinsurance payables	6.3	(1.6)	4.7
Other liabilities	38.5	9.0	47.5
Total liabilities	**529.6**	**(80.9)**	**448.7**
Excess assets over liabilities	**199.6**	**28.7**	**228.3**

The below table sets out the assets and liabilities at the end of the prior year (31 December 2020):

	Annual Accounts value	Reclassification/Valuation	Solvency II Value
Assets:	**€m**	**€m**	**€m**
Deferred acquisition costs	39.3	(39.3)	-
Intangible assets	0.8	(0.8)	-
Property, plant & equipment	4.8	(2.6)	2.1
Holdings in related undertakings	5.2	27.1	32.4
Bonds	251.9	2.4	254.3
Collective investment undertakings	-	37.0	37.0
Deposits with credit institutions	37.0	(37.0)	-
Other investments	0.1	(0.1)	-
Reinsurance recoverables	260.0	(36.9)	223.1
Insurance receivables	47.9	(9.1)	38.8
Cash and cash equivalents	73.4	-	73.4
Other assets	46.2	(16.3)	29.9
Total assets	**766.7**	**(75.6)**	**691.1**
Liabilities:			
Technical provisions	527.9	(80.9)	447.1
Insurance payables	14.4	-	14.4
Reinsurance payables	13.8	-	13.8
Other liabilities	36.3	-	36.3
Total liabilities	**592.4**	**(80.9)**	**511.5**
Excess assets over liabilities	**174.2**	**5.3**	**179.5**

Below is set out the Solvency II valuation basis for each class of asset. Any significant differences in the valuation under Solvency II and the valuation in the annual accounts are explained for the class of asset in question. Technical provisions are discussed in section D2 and liabilities are considered in section D3.

<u>Deferred acquisition costs</u>

In the annual accounts, deferred acquisition costs are earned over the term of the policy, in proportion to the earning of premium. Deferred acquisition costs are shown separately as an asset. Under Solvency II, however, there is no concept of deferred acquisition costs and the asset is written off. This is because although the amounts may not yet have been earned in the annual accounts they relate to acquisition cash flows that have already been paid.

Intangible assets

Under Solvency II intangible assets are assigned a value only when they can be sold separately and a valuation can be derived from an active market for a similar intangible. As the intangibles of the Company do not meet these requirements no value is assigned to them for Solvency II reporting.

Property, plant and equipment

The Company's plant and equipment is held in the annual accounts at cost less depreciation. Solvency II requires them to be held at fair value. As active market valuations for the assets in question could not easily be obtained, the Company has written these assets off for the purposes of Solvency II. The remaining amount of €2.2m (2020: €2.1m) relates to property holdings. These are held at historical cost in the accounts and are held at fair value in the Solvency II balance sheet.

Holdings in related undertakings, including participations

As at the reporting date the Company had holdings in related undertakings, including participations of €34.4m (2020: €32.4m).

As at the year-end, ANDIE directly owned 100% of ANDLIE. The holding in ANDLIE is valued using the adjusted equity method referred to in Article 13(b) of the Delegated Regulation as valuation in accordance with Article 10(2) of the Delegated Regulation is not possible. ANDLIE is a regulated insurer which reports to the German regulator under Solvency II rules. The participation's assets and liabilities are valued in the same way by ANDIE as they are by ANDLIE according to the Solvency II regulations and guidelines. The adjustment from the annual accounts balance sheet valuation to Solvency II is €28.8m (2020: €27.1m).

In the annual accounts the Company's participation is treated as an investment in a subsidiary and is valued at cost less any impairment. The value in the accounts is €5.6m (2020: €5.2m).

Bonds

As at the reporting date the Company held investments in fixed income securities of €224.5m (2020: €254.3m). The holdings are split between the asset classes: government bonds, corporate bonds and collateralised securities. As at the reporting date, the balance held in each of these asset classes is €31.1m (2020: €35.7m) in government and agency bonds, €193.4m (2020: €216.4m) in corporate bonds and €nil (2020: €2.2m) in collateralised securities.

Within the annual accounts, the bond portfolio is held at cost. In Solvency II, the bond portfolio is valued at fair value based on the market price as at the reporting date, which are either quoted prices in active markets for identical assets or quoted prices for similar assets in active markets. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The appropriate quoted market price for an asset held is usually the current bid price. Changes in the market value of the bonds are included in the reported value. There are no material estimates, assumptions or judgements made when reporting the value of the bonds. Under Solvency II the value reported includes any interest accrued on each holding as at the reporting date. In the annual accounts this accrued interest is reported as a separate asset under "Accrued interest".

Collective investments undertakings

In the annual accounts, assets held in short-term deposits or collective investment schemes (known as "money market funds") are reported as "Deposits with credit institutions". Under Solvency II, these amounts are treated either as cash when they are short-term deposits held with banks or collective investment undertakings when they are money market funds.

As at the reporting date, the Company had €54.7m (2020: €37.0m) held in collective investment undertakings. The collective investments undertakings are valued at fair value based on the market price as at the reporting date, which are quoted prices in active markets for identical assets. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The appropriate quoted market price for an asset held is usually the current bid price. Changes in the market value of the collective investments undertakings are included in the reported value. There are no material estimates, assumptions or judgements made when reporting the value of the collective investments undertakings.

Other investments

The annual accounts include €0.2m (2020: €0.1m) in deposits (other than bank deposits). The Company has written these assets off for the purposes of Solvency II.

Reinsurance recoverables

Technical provisions include the cash flows from amounts recoverable under programmes of reinsurance. The Company uses quota-share (proportional) reinsurance and excess of loss reinsurance:

- For the quota-share reinsurance arrangements, the cash flows are the relevant percentage of the gross cash flows. Where actuarial methods have been used for the gross best estimates, these are implicitly used to calculate quota share recoveries. A delay is included between the gross cash flows and the corresponding reinsurance recoveries; and

- For the excess of loss treaty contracts, the expected recoveries are not determined using traditional actuarial methods. They are based on an individual assessment of each large claim by the relevant Branch claims manager with the cash flows modelled from the terms of the applicable reinsurance treaty.

Allowance has also been made for the possible default of a reinsurer, as prescribed under Solvency II, using the second highest credit rating for each reinsurance counterparty.

The reinsurance recoverables calculated as part of the Solvency II technical provisions replace the reinsurance recoverables in the annual accounts, which are valued in accordance with the reinsurers' share of the insurance liabilities. Please refer to the technical provisions section D2 for further details.

Insurance receivables

As at the reporting date, the Company had €83.5m (2020: €38.8m) in insurance and intermediaries receivables. Insurance and intermediaries receivables comprise mostly of insurance premiums past due from policyholders or amounts due from intermediaries in relation to amounts collected from policyholders. The Company maintains a provision for doubtful debts, based on prior loss experience.

Receivables are initially recognised at transactional value plus directly related costs. They are subsequently measured at the lower of their nominal and probable realisation value. As the majority of receivables are short-term in nature (and doubtful balances are provided for) the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value.

Cash and cash equivalents

As at the reporting date, the Company had €57.2m (2020: €73.4m) held as cash and cash equivalents. Cash and cash equivalents are valued at fair value as reported to the Company by the relevant financial institutions as at the reporting date. As these are cash amounts held in bank accounts the valuation does not rely on market prices. There are no material estimates, assumptions or judgements when reporting the value of cash and cash equivalents.

Any other assets, not elsewhere shown

As at the reporting date, the Company had €33.4m (2020: €29.9m) of other assets. These other assets include amounts due from group companies, taxation debtors and prepayments. As the majority of these assets are short-term in nature the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value of these assets.=

The balance of other assets differs by €8.2m (2020: €16.3m) from the value in the annual accounts. As noted above, accrued interest on the bond portfolio is included as part of the overall bond valuation for Solvency II, so is removed from the equivalent balance in the annual accounts. The Company has also reduced the other assets balance in the annual accounts in respect of other debtors and prepayments which the Company would not be able to use to meet any solvency needs arising.

D2. Technical provisions

The technical provisions comprise the claims technical provision, the premium technical provision (which together form the best estimate liability) and the risk margin. They are set in accordance with Solvency II regulations. As at 31 December 2021, the technical provisions were:

Class of business	2021 Net best estimate €m	2021 Risk margin €m	2020 Net best estimate €m	2020 Risk margin €m
Motor third party liability	103.3	10.1	136.8	4.0
Motor other	56.9	2.9	56.2	9.5
Other	11.7	2.6	14.4	3.0
Total	**171.9**	**15.6**	**207.4**	**16.5**

The technical provisions are split into the two largest Solvency II classes of business (both motor), with all other business grouped together in “Other”. The majority of the business grouped into “Other” is the Solvency II class “Miscellaneous non-life insurance”, which includes Guaranteed Asset Protection cover and Extended Warranty.

The basis on which the technical provisions are calculated is outlined below. While premium and claims patterns have been updated for another year’s worth of business, there have been no material changes in assumptions made in the technical provisions calculation since the prior year. There are no material differences in bases, methods or assumptions for the different classes of business set out above.

Under Solvency II, the provision for outstanding claims is the best estimate of the cost of all existing open cases and all possible future claims. This contrasts with the value for technical provisions in the annual accounts which are the undiscounted best estimate of all open cases plus future claims as far as they are represented in the claims history (or market history, depending on the method).

The difference between these two bases has been termed "Events Not In Data" or ENIDs. An allowance for ENIDs has been added to the Solvency II technical provisions by loading each future cash flow by a percentage which increases as the length of time to the cash flow increases. Due to the inherent difficulty of estimating the impact of events which have not occurred in the past and which have an extremely low likelihood, these percentages are extremely subjective. However, a previous benchmarking exercise carried out by an independent third party indicated that the Company's approach to ENIDs was broadly in line with that of peer entities.

The undiscounted best estimates in both cases (annual accounts and Solvency II) have been calculated using standard deterministic actuarial models. For most classes, development factor (or "chain-ladder") methods have been used. For some liability classes, Bornheutter-Ferguson models (or similar methods which combine our own experience with an average market claims experience) have been used.

Future inflation is implicitly assumed to follow historic inflation except in the case of models based on market average experience where inflation is explicitly considered.

For each homogenous underwriting risk group, a premium payment pattern has been derived using historical data about policy lengths and frequency of premium payments. Future premium payments are calculated by applying these patterns to anticipated gross written premium.

The premium provision includes not only the unearned exposures at the balance sheet date but also the value of policies the Company has committed to writing at a future date but that have not incepted at that date. The contracts written by the Company are non-life business, do not include guaranteed renewals (either explicit or implicit), neither do they include any options or guarantees with a significant financial impact on the company. The contract boundary used is usually one year after inception, although there are contracts with shorter or longer terms. There is allowance for ENIDs for future claims in the premium provisions in the same way as for the outstanding claims provisions.

In some cases, there is insufficient historical data to derive the necessary cash-flow patterns for both premiums and claims. In these cases, cash flows are modelled in proportion to similar accounts where we do have sufficient data. These classes do not make up a significant proportion of the net best estimate as at 31 December 2021.

The technical provisions include a risk margin. A simplification has been used for the calculation of the margin, as permitted, by approximating the whole SCR for each future year using a ratio to technical provisions. This simplification is deemed appropriate because there are no negative best estimates at the valuation or subsequent dates, the Company's reinsurers are A- rated or better and there are no unavoidable market risks.

Technical provisions include the cash flows from amounts recoverable under programmes of reinsurance. The Company uses quota-share (proportional) reinsurance and excess of loss reinsurance.

- For the quota-share reinsurance arrangements, the cash flows are the relevant percentage of the gross cash flows. Where actuarial methods have been used for the gross best estimates, these are implicitly used to calculate quota share recoveries. A delay is included between the gross cash flows and the corresponding reinsurance recoveries.
- For the excess of loss contracts, the expected recoveries are not determined using traditional actuarial methods. They are based on an individual assessment of each large claim by the relevant Branch claims manager with the cash flows modelled from the terms of the applicable reinsurance treaty.

Allowance has also been made for the possible default of a reinsurer, as prescribed under Solvency II, using the second highest credit rating for each reinsurance counterparty.

D3. Other liabilities

Below is set out the Solvency II valuation basis for each material class of liability. Any significant differences in the valuation under Solvency II and the valuation in the annual accounts is explained for the class of liability in question.

The Company does not have any material leasing arrangements.

Insurance and intermediaries payable

As at the reporting date, the Company had €21.9m (2020: €14.4m) of insurance and intermediaries payable. These are valued in the annual accounts at expected settlement value. However, as these liabilities represent the amounts to be paid to insurance claimants these amounts are not revalued to amortised cost as they are typically settled in the short-term, with the settlement amount rarely differing from the initial valuation. The annual accounts valuation therefore substantially equates to fair value and there is no significant adjustment made for Solvency II valuation purposes. Similarly, there is no adjustment for the valuation of other insurance payables between the annual accounts and Solvency II. There are no material estimates, assumptions or judgements when reporting the value of insurance and intermediaries payable.

Reinsurance payables

As at the reporting date, the Company had €4.7m (2020: €13.8m) of reinsurance payables. Reinsurance payables represent premiums due to reinsurers. They are valued initially at transaction value plus attributable costs. They are subsequently measured at expected settlement value. As the majority of payables are short-term in nature the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value.

Any other liabilities, not elsewhere shown

As at the reporting date, the Company had €47.5m (2020: €36.3m) of other liabilities, not elsewhere shown. These amounts represents accruals and other liabilities. Accruals are recognised in line with generally accepted accounting principles, so the Company accrues when it is probable that the Company will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation. Other liabilities are recognised initially at transaction value plus directly attributable costs. As the majority of liabilities are short-term in nature the carrying value in the annual accounts is considered to approximate to fair value. Any discounting for the time value of money would not have a material effect. There are no material estimates, assumptions or judgements when reporting the value.

D4. Alternative methods for valuation

The Company has not used any alternative valuation methods.

D5. Other information

No other information.

E. Capital Management

E1. Own funds

The capital management objective of the Company is to maintain sufficient own funds to cover the SCR and the MCR with an appropriate buffer which takes account of the Company's growth ambitions as set out in its business plan. The Board and the Board Committees consider at least quarterly the ratio of eligible own funds over the SCR and MCR. The Company prepares solvency projections over a five year period as part of the business planning process. The ORSA, which is prepared on a three year basis, is compared to the results of the SCR projection at the three year point in order to determine whether additional solvency cover is required. The outcome of this assessment is recorded in the ORSA report and shared with the regulator as required.

The Company's eligible own funds are primarily invested in high quality fixed income securities, in cash in bank accounts or in money market funds. The Company does not intend to change its investment policy in the short term or to make any change to the disposition of own fund items.

The Company is funded only by share capital and retained reserves. The share capital as at 31 December 2021 is €41.9m (2020: €41.9m). The share capital is fully paid up and comprises 418,757,000 ordinary shares with a nominal value of €0.10 each. There is a reconciliation reserve of €150.7m (2020: €137.6m), after taking account of the foreseeable dividend of €35.7m.

None of the Company's own funds are subject to transitional arrangements and the Company has no ancillary own funds. No deductions are applied to own funds. There are no own shares held.

As the Company has now transferred the underwriting of its new and renewal UK business to ANDI UK, the Company's SCR has continued to decrease. The directors are expecting to recommend a final dividend of €0.0853 per ordinary share, for a total distribution of €35.7m, on the basis of the Company's 2021 result and 31 December 2021 solvency position. This dividend has been treated as foreseeable as at the date of this report and has therefore been deducted from the Company's own funds (2020: no foreseeable dividend).

As at 31 December 2021, the net asset value of the Company as calculated for the annual accounts was €199.6m (2020: €172.1m). This is a €27.5m increase since 31 December 2020 (2020: €74.8m decrease since 31 December 2019). The increase is due to the profit for the year.

For Solvency II purposes, eligible own funds to meet the MCR and SCR were €192.5m (2020: €179.5m). The main differences between eligible own funds and the net asset value in the annual accounts are set out below.

	2021 €m	2020 €m	Reason
Net asset value per Luxembourg GAAP	**199.6**	**172.1**	Per accounts
Revaluation of net technical reserves	38.8	44.0	Differing reserving basis under Solvency II
Deferred acquisition costs	(30.2)	(39.3)	No deferred acquisition costs for Solvency II
Investment in subsidiaries	28.8	27.1	Replaced by participations
Dividend	(35.7)	-	Treated as reasonably foreseeable per Solvency II
Adjustments to other assets & liabilities (net)	(8.7)	(24.4)	Different valuation bases between Solvency II and Lux GAAP
Own funds under Solvency II	**192.5**	**179.5**	Solvency II own funds

The movement of own funds on a Solvency II basis during 2021 was as follows:

	2021 €m	2020 €m
Own funds brought forward at 1 January	179.5	180.7
Movement in year	48.8	(1.2)
Foreseeable dividend	(35.7)	-
Own funds carried forward as at 31 December	**192.5**	**179.5**

The SCR coverage ratio as at 31 December 2021 was 202.3% (2020: 179.8%), with eligible own funds of €192.5m (2020: €179.5m) and an SCR of €95.2m (2020: €99.9m). The MCR coverage ratio as at 31 December 2021 was 653.3% (2020: 495.9%), with eligible own funds of €192.5m (2020: €179.5m) and an MCR of €29.5m (2020: €36.2m). Annual and quarterly reporting throughout 2020 and 2021 has shown that the Company has complied continuously with both the MCR and the SCR throughout the current and prior reporting period.

E2. Solvency Capital Requirement and Minimum Capital Requirement

The standard formula is used to calculate the SCR, without modification for undertaking specific parameters. The Company has not used any simplifications permitted by the regulations.

The table below shows the components of the SCR as at 31 December 2021:

Component	2021 €m	2020 €m
Non-life underwriting risk analysed by:		
- **Premium and reserve risk**	60.1	65.4
- **Catastrophe risk**	3.0	2.0
- **Lapse risk**	8.0	10.5
- **Diversification credit**	(9.6)	(11.2)
Health underwriting risk	0.0	(0.0)
Market risk analysed by:		
- **Interest rate risk**	1.4	1.6
- **Equity risk**	7.6	7.1
- **Property risk**	0.5	0.5
- **Spread risk**	11.2	12.0
- **Currency risk**	5.9	8.8
- **Concentration risk**	3.2	2.8
- **Diversification credit**	(9.1)	(10.1)
Counterparty default risk	24.0	19.0
Diversification credit	(21.7)	(21.5)
Operational risk	10.7	12.9
SCR	**95.2**	**99.9**
MCR	**29.5**	**36.2**

The inputs used to calculate the MCR are the net technical provisions and the net written premiums in the last twelve months.

E3. Material changes to the SCR and MCR over the reporting period

At the end of the reporting period the Company's MCR is €29.5m (2020: €36.2m), a decrease of €6.7m. The decrease reflects the lower exposure to insurance risk as a result of the decrease in the Company's underwriting volumes.

The Company's SCR was €95.2m (2020: €99.9m) a decrease of €4.7m (2020: €15.7m decrease since the prior year). The following are the more significant contributors to the change from the prior year:

- A decrease in premium and reserve risk due to the reduced underwriting volumes, with a reduction in lapse risk for the same reason;

- An increase in catastrophe risk due to change in the Company's reinsurance programmes for motor own damage;
- An increase in equity risk due to the increased valuation of the Company's subsidiary ANDLIE;
- A fall in spread risk as the Company has reduced its bond holdings;
- An increase in currency risk due to an increased surplus in EUR as the Company. The Company no longer writes any business in GBP and expects that its functional currency will change from GBP to EUR.
- An increase in concentration risk due to the Company's smaller asset base overall;
- An increase to counterparty default risk due primarily to an increase in the Company's debtors from intermediaries, fellow group companies and policyholders;
- Consequent movements in diversification credits; and
- A fall in operational risk due to the reduction in business volumes and technical provisions.

E4. Any other information

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

The Company applies the standard formula and does not use an internal model for the purposes of calculating the SCR.

The Company has complied continuously with both the MCR and the SCR throughout the reporting period.

No other information.

Templates

The following reporting templates are provided as appendices to this document, as required by the regulations:

Template name	*Template code*
Balance sheet	S.02.01.02
Premiums, claims and expenses by line of business	S.05.01.02
Premiums, claims and expenses by country	S.05.02.01
Life and health SLT technical provisions	S.12.01.02
Non-life technical provisions	S.17.01.02
Non-life insurance claims by line of business	S.19.01.21
Own funds	S.23.01.01
Solvency capital requirement – on standard formula	S.25.01.21
Minimum capital requirement – only non-life	S.28.01.01

Aioi Nissay Dowa Insurance Company of Europe SE

Solvency and Financial Condition Report

Disclosures

31 December

2021

(Monetary amounts in EUR thousands)

General information

Undertaking name	Aioi Nissay Dowa Insurance Company of Europe SE
Undertaking identification code	5493001W3NTGB2HAN989
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	LU
Language of reporting	en
Reporting reference date	31 December 2021
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.05.02.01 - Premiums, claims and expenses by country
S.12.01.02 - Life and Health SLT Technical Provisions
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02
Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	2,185
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	313,549
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	34,427
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	224,460
R0140	*Government Bonds*	17,235
R0150	*Corporate Bonds*	206,679
R0160	*Structured notes*	0
R0170	*Collateralised securities*	546
R0180	*Collective Investments Undertakings*	54,662
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	187,095
R0280	*Non-life and health similar to non-life*	186,652
R0290	*Non-life excluding health*	186,625
R0300	*Health similar to non-life*	27
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	443
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	443
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	62,276
R0370	Reinsurance receivables	21,204
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	57,182
R0420	Any other assets, not elsewhere shown	33,434
R0500	Total assets	676,925

S.02.01.02
Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	373,197
R0520	*Technical provisions - non-life (excluding health)*	373,111
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	357,550
R0550	*Risk margin*	15,560
R0560	*Technical provisions - health (similar to non-life)*	86
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	78
R0590	*Risk margin*	9
R0600	Technical provisions - life (excluding index-linked and unit-linked)	1,367
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	0
R0640	*Risk margin*	0
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	1,367
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	1,367
R0680	*Risk margin*	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	21,872
R0830	Reinsurance payables	4,744
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	47,494
R0900	**Total liabilities**	448,673
R1000	**Excess of assets over liabilities**	228,252

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

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	0	256		174,587	58,182	1,382	3,660	1,858	0	265	156	36,557					276,903
R0120	Gross - Proportional reinsurance accepted	0	0		0	3,050	0	0	0	0	0	0	0					3,050
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share	0	62		86,510	25,971	1,383	3,563	1,833	0	264	62	-121					119,528
R0200	Net	0	193		88,077	35,261	-1	97	25	0	1	94	36,677					160,425
	Premiums earned																	
R0210	Gross - Direct Business	0	250		199,989	57,316	1,385	3,611	1,809	0	260	150	46,496					311,266
R0220	Gross - Proportional reinsurance accepted	0	0		0	2,773	0	0	0	0	0	0	0					2,773
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share	0	61		97,864	25,633	1,385	3,517	1,784	0	260	60	4,274					134,838
R0300	Net	0	189		102,125	34,455	0	95	25	0	0	90	42,222					179,201
	Claims incurred																	
R0310	Gross - Direct Business	0	96		102,643	53,028	-190	7,202	241	0	63	290	5,060					168,434
R0320	Gross - Proportional reinsurance accepted	0	0		0	2,133	0	0	0	0	0	0	1					2,134
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share	0	22		51,183	25,937	-171	6,897	152	0	55	118	2,114					86,306
R0400	Net	0	74		51,460	29,225	-19	305	89	0	8	172	2,947					84,262
	Changes in other technical provisions																	
R0410	Gross - Direct Business	0	0		0	0	0	0	0	0	0	0	0					0
R0420	Gross - Proportional reinsurance accepted	0	0		0	0	0	0	0	0	0	0	0					0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share	0	0		0	0	0	0	0	0	0	0	0					0
R0500	Net	0	0		0	0	0	0	0	0	0	0	0					0
R0550	**Expenses incurred**	0	38		34,435	4,773	-789	-173	-122	0	-22	21	31,141					69,300
R1200	**Other expenses**																	1,810
R1300	**Total expenses**																	71,110

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross									0
R1420	Reinsurers' share									0
R1500	Net	0	0	0	0	0	0		0	0
	Premiums earned									
R1510	Gross									0
R1520	Reinsurers' share									0
R1600	Net	0	0	0	0	0	0		0	0
	Claims incurred									
R1610	Gross									0
R1620	Reinsurers' share									0
R1700	Net	0	0	0	0	0	0		0	0
	Changes in other technical provisions									
R1710	Gross									0
R1720	Reinsurers' share									0
R1800	Net	0	0	0	0	0	0		0	0
R1900	**Expenses incurred**	0	0	0	0	0	0		0	0
R2500	**Other expenses**									
R2600	**Total expenses**									0

S.05.02.01
Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010				DE	IT	FR	ES	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		0	118,926	75,735	45,809	28,467	268,936
R0120	Gross - Proportional reinsurance accepted		0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted		0	0	0	0	0	0
R0140	Reinsurers' share		0	56,931	30,175	10,610	18,115	115,831
R0200	Net	0		61,995	45,560	35,198	10,352	153,106
	Premiums earned							
R0210	Gross - Direct Business		0	118,988	61,377	45,250	26,263	251,878
R0220	Gross - Proportional reinsurance accepted		0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted		0	0	0	0	0	0
R0240	Reinsurers' share		0	55,410	23,580	10,223	15,998	105,211
R0300	Net	0		63,578	37,797	35,028	10,265	146,668
	Claims incurred							
R0310	Gross - Direct Business		0	104,686	30,302	19,021	19,159	173,169
R0320	Gross - Proportional reinsurance accepted		0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted		0	0	0	0	0	0
R0340	Reinsurers' share		0	54,612	16,369	8,444	10,133	89,558
R0400	Net	0		50,074	13,933	10,577	9,026	83,611
	Changes in other technical provisions							
R0410	Gross - Direct Business		0	0	0	0	0	0
R0420	Gross - Proportional reinsurance accepted		0	0	0	0	0	0
R0430	Gross - Non-proportional reinsurance accepted		0	0	0	0	0	0
R0440	Reinsurers' share		0	0	0	0	0	0
R0500	Net	0		0	0	0	0	0
R0550	**Expenses incurred**		0	160	2,451	2,793	27	5,432
R1200	**Other expenses**							1,765
R1300	**Total expenses**							7,197

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross							0
R1420	Reinsurers' share							0
R1500	Net	0						0
	Premiums earned							
R1510	Gross							0
R1520	Reinsurers' share							0
R1600	Net	0						0
	Claims incurred							
R1610	Gross							0
R1620	Reinsurers' share							0
R1700	Net	0						0
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0						0
R1900	**Expenses incurred**							0
R2500	**Other expenses**							
R2600	**Total expenses**							0

S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**									0	0						
R0020	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole									0	0						
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**								1,367	0	1,367						
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								443	0	443						
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re								924	0	924						
R0100	**Risk margin**								0	0	0						
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole										0						
R0120	Best estimate										0						
R0130	Risk margin										0						
R0200	**Technical provisions - total**								1,367	0	1,367						

S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	Technical provisions calculated as a whole	0	0		0	0	0	0	0	0	0	0	0					0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	0	9		9,229	71,578	-6	57	17	-6	-1	13	9,702					90,592
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	4		3,213	26,085	-6	35	9	-2	-2	5	556					29,897
R0150	Net Best Estimate of Premium Provisions	0	5		6,017	45,493	0	23	8	-4	0	8	9,146					60,696
	Claims provisions																	
R0160	Gross	69	0		224,941	28,999	90	306	2,358	1	229	-50	10,092					267,035
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	23	0		128,605	17,563	51	119	2,261	0	226	-50	7,958					156,755
R0250	Net Best Estimate of Claims Provisions	46	0		96,336	11,437	39	188	97	1	3	0	2,134					110,280
R0260	Total best estimate - gross	69	9		234,170	100,577	85	364	2,375	-5	227	-38	19,794					357,628
R0270	Total best estimate - net	46	5		102,353	56,930	39	210	105	-3	3	8	11,280					170,976
R0280	Risk margin	1	7		10,077	2,887	1	7	64	5	13	7	2,498					15,569
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	0	0		0	0	0	0	0	0	0	0	0					0
R0300	Best estimate	0	0		0	0	0	0	0	0	0	0	0					0
R0310	Risk margin	0	0		0	0	0	0	0	0	0	0	0					0
R0320	Technical provisions - total	70	16		244,247	103,465	86	371	2,439	0	240	-30	22,293					373,197
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	23	4		131,818	43,647	46	153	2,270	-2	224	-45	8,514					186,652
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	48	12		112,429	59,817	41	217	170	2	16	15	13,779					186,545

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Accident Year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											552	552	552
R0160	2012	56,530	15,508	2,564	1,583	964	2,189	328	187	551	278		278	80,682
R0170	2013	65,611	20,558	2,495	2,854	838	986	301	79	1,750			1,750	95,474
R0180	2014	57,560	18,726	2,424	2,969	1,149	880	7,377	323				323	91,410
R0190	2015	59,171	53,618	21,089	8,586	10,266	7,002	6,963					6,963	166,696
R0200	2016	69,041	65,039	23,234	11,324	16,314	6,629						6,629	191,580
R0210	2017	68,149	43,084	16,186	13,614	11,675							11,675	152,709
R0220	2018	85,115	54,078	-2,673	5,151								5,151	141,671
R0230	2019	76,955	48,333	10,784									10,784	136,071
R0240	2020	71,512	28,967										28,967	100,479
R0250	2021	77,106											77,106	77,106
R0260												Total	150,178	1,234,429

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											7,559	8,758
R0160	2012	0	0	0	0	0	5,893	4,551	3,159	2,664	1,958		2,717
R0170	2013	0	0	0	0	6,059	4,677	3,026	2,835	1,913			2,868
R0180	2014	0	0	0	15,446	13,329	17,458	3,189	2,399				3,210
R0190	2015	0	0	24,713	17,482	14,545	13,264	8,592					13,232
R0200	2016	0	76,049	63,971	54,463	39,827	26,932						37,685
R0210	2017	129,511	66,220	38,998	25,081	15,589							25,006
R0220	2018	98,195	49,388	40,363	22,675								40,284
R0230	2019	82,013	33,619	20,881									33,656
R0240	2020	73,726	31,128										73,828
R0250	2021	56,249											0
R0260												Total	241,245

S.23.01.01
Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	41,876	41,876		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	150,674	150,674			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0	0	0	0	
R0290	**Total basic own funds after deductions**	192,549	192,549	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	192,549	192,549	0	0	0
R0510	Total available own funds to meet the MCR	192,549	192,549	0	0	
R0540	Total eligible own funds to meet the SCR	192,549	192,549	0	0	0
R0550	Total eligible own funds to meet the MCR	192,549	192,549	0	0	
R0580	**SCR**	95,177				
R0600	**MCR**	29,475				
R0620	**Ratio of Eligible own funds to SCR**	202.31%				
R0640	**Ratio of Eligible own funds to MCR**	653.26%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	228,252
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	35,702
R0730	Other basic own fund items	41,876
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconcilliation reserve**	150,674
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	20,745		
R0020	Counterparty default risk	23,951		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	47		
R0050	Non-life underwriting risk	61,397		
R0060	Diversification	-21,699		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	84,442		

USP Key

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

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

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	10,735
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	95,177
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	95,177
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

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

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	29,456

		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	46	0
R0030	Income protection insurance and proportional reinsurance	5	193
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	102,353	32,310
R0060	Other motor insurance and proportional reinsurance	56,930	90,770
R0070	Marine, aviation and transport insurance and proportional reinsurance	39	0
R0080	Fire and other damage to property insurance and proportional reinsurance	210	96
R0090	General liability insurance and proportional reinsurance	105	25
R0100	Credit and suretyship insurance and proportional reinsurance	0	77
R0110	Legal expenses insurance and proportional reinsurance	3	1
R0120	Assistance and proportional reinsurance	8	94
R0130	Miscellaneous financial loss insurance and proportional reinsurance	11,280	36,557
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	19

		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	924	
R0250	Total capital at risk for all life (re)insurance obligations		

	Overall MCR calculation	C0070
R0300	Linear MCR	29,475
R0310	SCR	95,177
R0320	MCR cap	42,830
R0330	MCR floor	23,794
R0340	Combined MCR	29,475
R0350	Absolute floor of the MCR	3,700
R0400	**Minimum Capital Requirement**	29,475