

# WEST.

## **THE WEST OF ENGLAND SHIP OWNERS MUTUAL INSURANCE ASSOCIATION (LUXEMBOURG)**

Single Solvency & Financial Condition Report (Single SFCR)  
as at 20 February 2021



The West of England Ship Owners Mutual  
Insurance Association (Luxembourg)

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# Executive Summary

The West's capital strength remains strong with Free Reserves at USD 291.1 million, a re-affirmed A- rating with Standard and Poor's and a Solvency II ratio of 163%. This is despite the challenging claims environment faced by the entire P&I market during the past year, with a number of severe large losses being declared to the International Group Pool and attritional losses being higher than expected due in part to the impact of the pandemic on the Club's Members.

Group  
Solvency  
ratio  
**163%**

S&P rating  
**A-**

Solvency II  
eligible  
own funds  
**USD  
359m**

Combined  
ratio  
**139.8%**

The Club has been impacted by an exceptionally high level of claims during the financial year 2020/21. These have arisen from a combination of its own large loss experience including a higher than average number of claims impacting the International Group Pool, its share of other Clubs' large claims in the worst Pool year on record and from the Club's own Members' attritional claims experience where the Club incurred over USD 11 million of Covid-19-related claims. When combined with the continued industry-wide premium insufficiency these factors have resulted in a combined ratio of 139.8%.

Financial markets were particularly supportive during the year despite the pandemic and the ensuing global recession. Apart from a severe period of volatility during March 2020, governments' fiscal and monetary responses meant that all major asset classes delivered strong returns. The investment return of the Club was +4.6%, which helped mitigate the technical loss.

The Club's Free Reserves decreased from 20 February 2020 but remained high at USD 291.1 million. Standard and Poor's re-affirmed the Club's A-rating in April 2021, confirming that the level of capital was assessed as being "very strong" and in excess of the "AAA" benchmark on its capital model.

This Solvency & Financial Condition Report ("SFCR") as of 20 February 2021 provides further detail on the capital strength of the Club and its Group Solvency II ratio of 163%. The Eligible Own Funds reduced to USD 358.7 million (Group Basic Own Funds of USD 248.6 million and Ancillary Own Funds of USD 110.1 million) but continue to provide a considerable margin over the Group Solvency Capital Requirement ("SCR") of USD 220.2 million.

The Club's solvency position reflects both its financial strength and its moderate risk appetite consistent with the overarching objective of preserving its Members' capital. This capital strength positions the Club well to meet the increasing insurance requirements of its Membership through its robust governance and risk management processes, and its continued commitment to high quality service.

# Regulatory Disclosures

This SFCR was approved by the Board of Directors of the Association on 9 July 2021. It has been prepared in accordance with the requirements of the Solvency II Directive and related Delegated Regulation as transposed into the Luxembourg Insurance Law of 7 December 2015. The report covers Business & Performance, System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

As a single SFCR, this document includes the disclosure obligations of the Club's two entities which are subject to Solvency II regulation, both at Group level and Entity level:

- The West of England Ship Owners Mutual Insurance Association (Luxembourg) - Group
- The West of England Ship Owners Mutual Insurance Association (Luxembourg) - Entity
- International Shipowners Reinsurance Company S.A. (hereafter referred as "ISRe")

All monetary figures in the report are in USD '000 unless specified otherwise.

All consolidated accounting figures in the tables in this report are reported both on a Market Value basis<sup>1</sup> and Luxembourg GAAP ("Lux GAAP") basis<sup>2</sup> while all Solo entity and ISRe financial statements are produced on a Lux GAAP basis only.

<sup>1</sup> The consolidated accounts of the Club are prepared on a market value basis for comparison with other members of the International Group of P&I Clubs.

<sup>2</sup> Investments on a Luxembourg GAAP basis are valued at the lower of cost and market value.

# Business & Performance

## A.1 Business

The West of England Ship Owners Mutual Insurance Association (Luxembourg), whose origins date back to the 1830s, is a leading mutual marine insurer providing its worldwide Membership of shipowners, charterers and operators with liability insurance and related services. In addition to providing mutualised protection and indemnity insurance it also safeguards and promotes its Members' interests in other areas of their business by, for instance, providing regular advice and guidance about loss prevention, sanctions or any relevant changes in maritime law and practice.

The Club is a mono-line underwriter of P&I risks, operating as one of 13 independent clubs in the International Group of P&I Clubs ("IG") which together provide liability cover for the majority of the world's merchant marine fleet. P&I cover has developed over more than 150 years in response to shipowners needs, to provide coverage and levels of cover substantially unavailable in the traditional marine insurance markets. The Club's market share is over 8% of the IG's mutual P&I premium.

The Club underwrites primarily P&I risks and provides cover of over USD 7.5 billion per claim but with separate limits of cover for oil pollution of USD 1 billion, USD 2 billion for passenger liabilities and USD 3 billion for passenger and crew liabilities combined.

The main areas of cover are for liabilities, costs and expenses incurred in respect of:

- Injury, illness or death of seafarers, passengers and others;
- Loss of or damage to cargo;
- Wreck removal;
- Pollution;
- Collision;
- Damage to fixed and floating objects;
- Fines and civil penalties.

The individual club retention is currently USD 10 million. In aggregate, the P&I clubs offer cover through a combination of the individual club retention, the International Group Pool, the International Group General Excess of Loss Contract, the Collective Overspill Reinsurance Contract, and the Group Overspill System.

The Club also provides discretionary insurance for legal expenses, also known as Freight, Demurrage and Defence (or "FDD") risks, to complement the P&I insurance of entered vessels.

The Club was established in its current form in 1970 when its headquarters were relocated from London to the Grand Duchy of Luxembourg to ensure that the Club would be domiciled in a country with an established international financial centre, a favourable exchange control regime and a stable and beneficial legal system for mutual insurance Clubs.

The Club currently insures 345 fleets, representing 4,804 insured vessels and approximately 106.4 million gross tonnes (all numbers at 20 May 2021).

Since the Club is managed as a consolidated entity, this report has been prepared on a single Group basis. Where it differs from that of the Group, this report also includes information about the Club on a standalone or "Solo" basis and about International Shipowners Reinsurance S.A. (ISRe), a wholly owned reinsurance subsidiary of the Club also domiciled in Luxembourg.

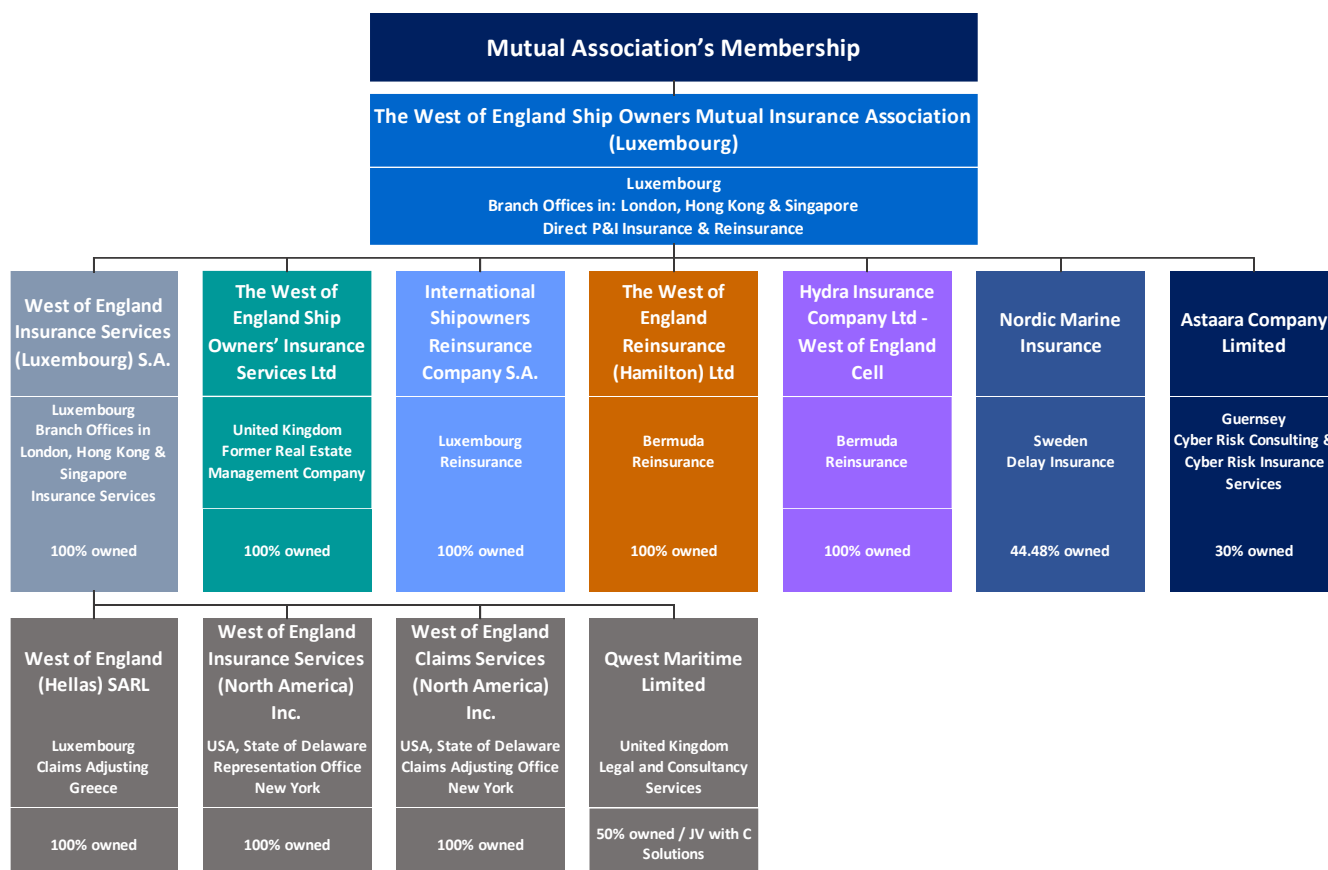
The Club has been interactively rated A- by S&P since November 2016, a rating that has been last re-affirmed in April 2021.

## Ownership and Group Structure

This section refers to Guideline 1 in the EIOPA Guidelines on Reporting & Public Disclosure.

As a mutual insurance association, the Club has no beneficial ownership. Its Members have voting rights at the Annual General Meeting in proportion to their entered tonnage. As at the date of this report the largest lead Member is COSCO Shipping, which on a consolidated basis represents 11.1% of the voting rights. However, due to the very large number of Members and the fact it is not represented on the Board of Directors, COSCO Shipping is not considered a “controlling entity” of the Club from a regulatory perspective.

The Group’s structure is as follows:



The West of England Ship Owners Mutual Insurance Association (Luxembourg) is the ultimate holding company within the West of England Group. It acts as primary insurer and risk carrier for all Members and is established in Luxembourg where it is regulated and supervised by the Commissariat aux Assurances (“CAA”). The Club operates worldwide through branches in the UK, Hong Kong and Singapore. Its external auditors are Deloitte, 20 Boulevard de Kockelscheuer, 1821 Luxembourg.

The Club’s branch office activity in the UK is supervised by the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”). The Hong Kong branch is supervised by the Insurance Authority (“IA”) and the Singapore branch is regulated by the Monetary Authority of Singapore (“MAS”). The Club is also registered as an alien Surplus Line insurer underwriting risks in the U.S. with the National Association of Insurance Commissioners (NAIC). The Club is passported across the European Union to do business under the Freedom of Services.

The Club has appointed its subsidiary, West of England Insurance Services (Luxembourg) S.A. (“Services” or “the Managers”) with branch offices in London, Hong Kong and Singapore to run its day-to-day insurance operations. Services has a fully owned subsidiary in Luxembourg, West of England (Hellas) SARL (“Hellas”),

which acts as a representative office in Piraeus for claims adjusting. It has also established two fully owned subsidiaries in the United States of America, West of England Insurance Services (North America) Inc. which promotes the Club's interests in North America, and West of England Claims Services (North America) Inc. which assists its parent company in the management of claims in North America.

In the context of Brexit, both the UK branch of the Association and the UK branch of Services, which have been operating under Freedom of Establishment, have entered the Temporary Permissions Regime (TPR) in the UK and in Gibraltar and will apply for Third Country Branch licences before 31 December 2022. The Club is compliant with local regulatory obligations for distributing insurance products to UK flagged vessels.

In addition, the Group has the following wholly owned subsidiaries:

Subsidiary	Purpose
International Shipowners Reinsurance Company S.A. ("ISRe")	ISRe reinsures 80% of the Club's net underwriting risks, essentially on a quota-share basis, and manages the investment portfolio on behalf of the group through a pooling mechanism. ISRe is also headquartered in Luxembourg and, as such, regulated and supervised by the CAA.
The West of England Reinsurance (Hamilton) Ltd.	Hamilton reinsures currently 10% of the business of its parent mainly on a quota-share basis. The Company is headquartered in Bermuda and regulated by the Bermuda Monetary Authority ("BMA").
A segregated "Cell" in Hydra Insurance Company Ltd. ("Hydra")	Hydra is a Bermuda based captive reinsurer comprising 13 individual cells, each one owned by one of the 13 P&I Clubs of the IG. Hydra retains a portion of risk under the IG Pool and the Group Excess Loss Reinsurance Programme. It is designed to secure payment by clubs of their contributions to the Pool. Hydra forms part of the reinsurance structure under the IG Pooling Agreement.
The West of England Ship Owners Insurance Services Limited ("Services Ltd")	This entity used to be the Club's Management Company in London prior to 2006. It subsequently owned and managed the Club's property in London (Tower Bridge Court). Following the sale of Tower Bridge Court in July 2018, the Company is effectively dormant and has no activity.

To broaden its product offering and value proposition to its Membership, the Club also invested into strategic partnerships with:

Strategic Partnership	Business
Nordic Marine Insurance ("NMI")	NMI is a leading independent marine insurance company and provider of niche insurance products to the global maritime industry, with the benefit of strong partnerships with major re-insurers.  NMI offers fixed premium insurance specialising in Primary Layer Loss of Earnings, Maritime Lien solutions and other specialised covers for vessels.
Astaara Company Limited ("ACL")	Astaara is a cyber risk services company dedicated to providing integrated, holistic risk management solutions for the maritime industry. Astaara provides a complete risk management solution for shipowners, the offshore industry and port operators.
Qwest Maritime Limited ("Qwest")	Qwest brings together the insurance expertise of the Club and the innovative legal and consultancy skills of C Solutions to offer the maritime industry a suite of tailored products to address those needs. The Company supports ship owners, operators, charterers and other operators in the marine transportation chain across the full voyage lifecycle, from the provision of pre-fixture advice and information through to the post-voyage collection of demurrage and dispute resolution.



## Offices and Headcount

As of 20 February 2021, the Club employed 152.5 full time equivalents with the following breakdown:

Location	Description	Primary Functions	Full time equivalents
Luxembourg	Head Office	<ul style="list-style-type: none"> <li>Representation of the Board</li> <li>Compliance, including Solvency requirements, Legal and Company Secretariat</li> <li>Investments</li> </ul>	4
London	Services Branch	<ul style="list-style-type: none"> <li>Underwriting</li> <li>Claims Management</li> <li>Support Functions (Finance, HR, IT)</li> </ul>	88.3
Hong Kong	Services Branch	<ul style="list-style-type: none"> <li>Underwriting</li> <li>Claims Management</li> </ul>	35.2
Singapore	Services Branch	<ul style="list-style-type: none"> <li>Underwriting</li> <li>Claims Management</li> </ul>	7
Piraeus	Representative Office / West of England (Hellas) Limited	<ul style="list-style-type: none"> <li>Claims Adjusting</li> </ul>	15
New York	Representative Office / West of England Insurance Services (North America) Inc.	<ul style="list-style-type: none"> <li>Promoting the Club and its insurance services in North America</li> </ul>	1
New York	Representative Office / West of England Claims Services (North America) Inc.	<ul style="list-style-type: none"> <li>Claims Management services for North America</li> </ul>	2
<b>Total</b>			<b>152.5</b>

## Business Overview

The adverse claims environment experienced during the year and the overall premium insufficiency in the P&I market caused the Club's Free Reserves to reduce by USD 47 million during the financial year ended 20 February 2021. The technical result for the year was a loss of USD 80.4 million, corresponding to a combined ratio of 139.8%, significantly above the Club's medium-term target of better than 100%. The investment return amounted to USD 34.9 million or +4.6% and the Club's taxes were USD 1.8 million.

The operating performance deteriorated significantly compared to the previous year (the combined ratio for financial year 2019/20 was 107%). This marked year on year deterioration is broadly explained by three factors; attritional claims were negatively impacted by Covid-19 related claims, the frequency and in particular the severity of the Club's own large losses was considerably in excess of prior policy years (the Club notified four of its own Members' claims to the Pool in Policy Year 2020) and lastly, the incurred cost to the Club of other Clubs' Pool claims was also considerably higher than both previous years and expectations. Both the Club's own Members' claims and the Club's share of other Club's Pool claims reported the highest incurred cost at the 12 month point for a number of years.

The diversified and conservative risk profile of the Club's investment portfolio helped to mitigate losses during the pandemic lead market stress that occurred in March 2020 and eventually delivered a +4.6% return net of fees for the whole financial year (the twelfth consecutive year of a positive investment return). After



a very strong financial year 2019/20, all asset classes again performed in excess of their expected return due to the ultra-loose monetary policies and fiscal stimulus implemented as a response to the pandemic.

Free Reserves remain strong at USD 291.1 million and the Club's capital continues to be in excess of the S&P "AAA" rating levels and the Solvency II requirement.

The financial strength of the Club (Consolidated and Solo) and ISRe under Solvency II is reflected in the following table:

Entity	Solvency II Ratio		Coverage of Minimum Capital Requirement (MCR)	
	2021	2020	2021	2020
Club Consolidated	163%	233%	286%	431%
Club Solo	243%	327%	771%	1,109%
ISRe	105%	162%	277%	387%

## A.2 Underwriting Performance

The following table provides a summary of the Club's Underwriting performance for the financial year ended 20 February 2021 (in USD '000):

	Club Consolidated (Market value basis)		Club Consolidated (Lux GAAP)		Club Solo		ISRe	
	2021	2020	2021	2020	2021	2020	2021	2020
Gross Premium Earned	243,037	221,663	243,037	221,663	243,037	221,663	93,730	91,627
Net Premium Earned	201,756	181,755	201,756	181,755	74,445	65,510	93,730	91,627
Net Incurred Claims	(239,511)	(156,726)	(239,511)	(156,726)	(32,445)	(26,292)	(104,176)	(104,865)
Operating Expenses	(42,606)	(38,182)	(42,455)	(38,037)	(40,133)	(37,457)	(538)	(522)
Net Underwriting Result	(80,361)	(13,153)	(80,210)	(13,008)	1,867	1,761	(10,984)	(13,760)
Combined Ratio	139.8%	107%						

Gross premium earned for 2020/21 increased by 9.6% to USD 243 million. The Club's underwriting result, showing a deficit of USD 80.4 million for the financial year, represented a combined ratio of 139.8%. The five-year average combined ratio now amounts to 113%, in excess of the Board objective of better than 100%. The underwriting performance further reinforces the need for premium rates to increase. Not only does recent underwriting performance demonstrate that premium rates need to increase, a number of factors are likely to cause the Club's costs to increase going forward. A material hardening of the reinsurance market is expected into 2022 and furthermore global inflation prospects and a weaker U.S. Dollar may lead to higher claims costs. The outlook for the Club's investment return remains subdued in the medium term due to the current ultra-low level of interest rates, an expected normalisation of monetary policies over the next two

years and stretched valuations for risk assets in general. It's therefore unlikely that investment return will be able to subsidise operating losses within the P&I market going forward.

Underwriting performance across the whole International Group has been deteriorating for a number of years and while there is a consensus that premium rates need to increase (demonstrated by a number of Clubs again calling a general increase for Policy Year 2021), the capital strength across the Group supported by buoyant financial markets and high investment returns has delayed so far any quick and significant repricing of P&I risks.

### A.3 Investment Performance

The portfolio returned +4.6% or USD 34.9 million for financial year 2020/2021 and the Covid 19 pandemic was by far the key event impacting the Club's investments. The sell-off in Equity markets as well as the surge of corporate credit spreads that occurred in March 2020 caused the Club's portfolio to drop significantly during the first month of the financial year but nevertheless within the tolerance level set by the Board in terms of both capital management and liquidity.

This allowed the Club to maintain its risk exposure despite the extreme volatility which meant the Club benefitted from a market recovery driven by central banks providing monetary support globally and governments introducing massive spending plans as a response to the pandemic. In the latter part of the year, the gradual reopening of major economies following the roll-out of the vaccination campaign and the continuing support of central banks and fiscal spending further supported investors' sentiment, leading to a robust performance for risk assets during the year.

Fixed Income investments outperformed significantly, benefitting from the sharp fall of bond yields resulting from central banks' support. This affected the short end of the curve in particular due to the US Federal Bank cutting its base rate to 0% but also affected the longer-end of the curve because of lower growth prospects. The capital appreciation of the bond holdings caused the annual return to significantly exceed the initial net yield to maturity on 20 February 2020. The drawback of this capital appreciation is a much lower level of yield at the start of the financial year 2021/22, which means the expected return of the Club's investment portfolio going forward should be subdued and won't be able to subsidise the technical account to the same extent it has in previous years. Risk assets may continue to provide some excess return in the context of a strong recovery and long-term fiscal spending plans, however current valuations are high and a rapid increase in interest rates due to a pick-up in inflation anticipations might generate volatility and downside risks.

The Club's investment strategy remains driven by the longer-term objective of maintaining low volatility, appropriate liability matching and therefore overall stability of the capital position. The portfolio is still primarily invested in high quality and liquid securities.

As at 20 February 2021, the market value of the Club's financial assets was USD 757 million (2020 USD 710.6 million). The portfolio structure and net returns were as follows:

	Weight		Net Return	
	2021	2020	2021	2020
Contingency Cash portfolio	13.1%	13.9%	+1.2%	+0.7%
Liability Matching portfolio	60.6%	56.3%	+4.1%	+7.1%
Growth portfolio - Liquid	20.4%	24.6%	+8.4%	+10.9%
Growth portfolio - Illiquid	5.9%	5.2%	+7.2%	+7%
Total	100%	100%	+4.6%	+6.9%

Net investment returns of financial assets, by portfolio and by entity were as follows:

	Club Consolidated (Market value basis)		Club Consolidated (Lux GAAP)		Club Solo		ISRe	
	2021	2020	2021	2020	2021	2020	2021	2020
Contingency Cash Portfolio	+1.2%	+0.7%	+1.4%	+0.7%	+0.7%	+0.7%	+2.3%	+0.6%
Liability Matching Portfolio	+4.1%	+7.1%	+2.2%	+3.6%	+2.2%	+3.6%	+2.2%	+3.6%
Growth portfolio - Liquid	+8.4%	+10.9%	+4.6%	+4.1%	+4.6%	+4.1%	+4.6%	+4.1%
Growth portfolio - Illiquid	+7.2%	+7%	+4.1%	+4.5%	+4.1%	+4.5%	+4.1%	+4.5%
Total	+4.6%	+6.9%	+2.8%	+3.3%	+2.4%	+2.9%	+2.9%	+3.4%

## A.4 Performance of Other Activities

The Club on a consolidated basis and ISRe did not record any material gains or losses resulting from other activities during the financial year ended 20 February 2021.

Please reference section D1 Leasing Arrangements in relation to Guideline 2 of the EIOPA Guidelines on Reporting & Public Disclosure.

## A.5 Any Other Information

### Overall Performance

The combination of underwriting performance and investment return generated an overall deficit of USD 47.3 million (2020 surplus of USD 31.5 million). The breakdown of the Income & Expenditure result by entity is as follows (in USD '000):

	Club Consolidated (Market value basis)		Club Consolidated (Lux GAAP)		Club Solo		ISRe	
	2021	2020	2021	2020	2021	2020	2021	2020
Underwriting Result	(80,361)	(13,153)	(80,210)	(13,008)	1,867	1,761	(10,984)	(13,760)
Investment Return	34,893	45,820	21,430	22,291	5,719	6,295	11,305	13,734
Taxes	(1,790)	(1,186)	(1,790)	(1,186)	(1,310)	(1,282)	(321)	26
Surplus / (Deficit)	(47,258)	31,481	(60,570)	8,097	6,276	6,774	-	-

# System of Governance

## B.1 General Information on System of Governance

### Board of Directors

The Club, like most P&I Clubs, operates on a mutual basis. A significant feature of the mutual structure is that the Club's policyholders are also its sole and ultimate economic stakeholders.

The Club's Board and committees comprise only Non-Executive Directors: Member Directors and Independent Directors representing specific areas of expertise.

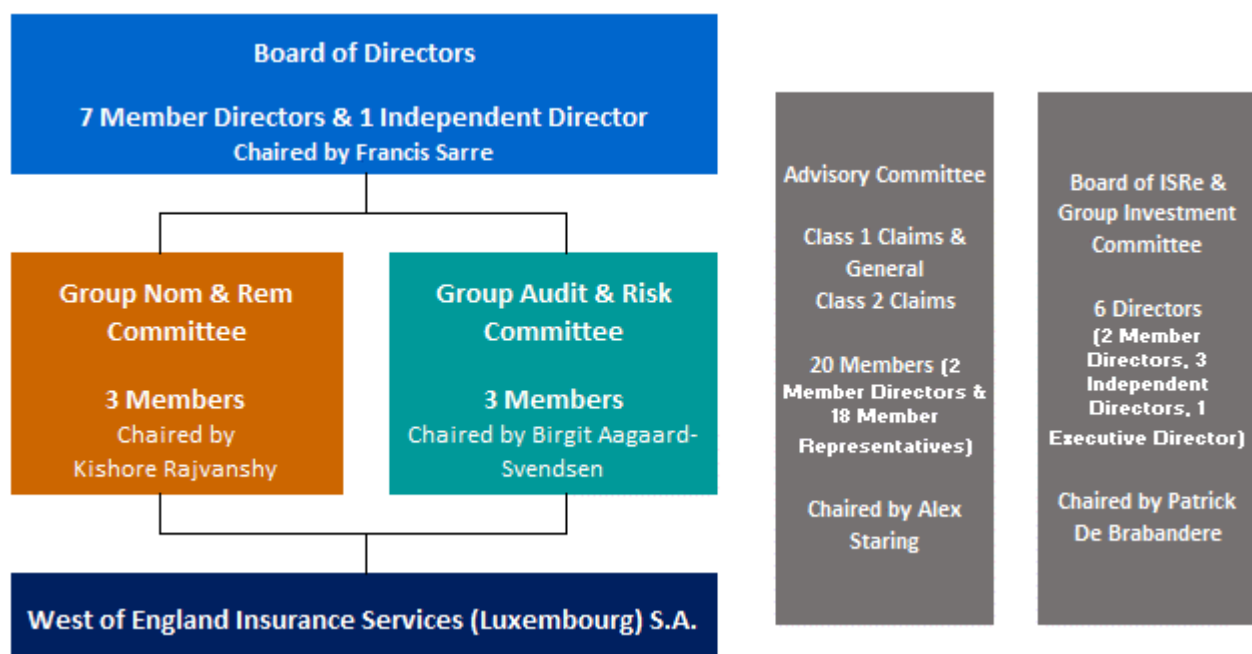
The Club's Board currently has 8 Non-Executive Directors, 7 drawn from the Membership of the Club (Member Directors) and 1 independent (the former CFO of a listed shipping company). These Directors represent the mutual interests of the Club and come from a broad range of backgrounds and regions, mainly within operational, legal and financial disciplines.

The Board governs through a Committee structure consisting of the following committees:

- A Group Nomination & Remuneration Committee: currently 3 Member Directors;
- A Group Audit & Risk Committee: currently 1 Independent Director (as Chairman of the Committee) and 2 Member Directors;
- An Advisory Committee: currently 20 members, 2 Member Directors and 18 representatives of the Membership.

The Club's governance structure, including the terms of reference of the various committees is described in the Constitution and in the Corporate Governance Charter.

The investment strategy, investment risk and ex-post supervision of the investment portfolio are performed through the Board of ISRe acting as the Club's Group Investment Committee. The Board of ISRe is currently composed of 6 Directors: 2 Member Directors including the Chair of the Club's Board, 3 Independent Directors, including the Chair of the Group Audit & Risk Committee, and 1 Executive Director.



The Board of West of England (Hamilton) has currently 6 Directors, including 3 Member Directors.

The Club's Board and Committees meet at least four times a year to conduct and monitor business. The Board is responsible for deciding business and financial strategy and controlling results against objectives. This includes risk tolerances, solvency and capital adequacy, underwriting objectives, reinsurance programme, and investment strategy.

The Club's Board also reviews and approves the Risk Management framework, the Own Risk and Solvency Assessment (ORSA) and all relevant corporate policies.

The Club's Board relies on the Managers of West of England Insurance Services (Luxembourg) S.A. to execute the strategy and business plan and to manage the Club's business on a day-to-day basis.

### **The Club's Managers**

Services is responsible for the Club's day-to-day operations through its branches and according to a Management Agreement signed with its Parent Association. This comprises negotiating policy renewals and the underwriting of new business, claims adjusting and claim handling, reinsurance negotiation and management, risk management, business continuity, internal control, finance, and all other aspects of technical operations.

The Club is unusual in that its management company is a wholly owned subsidiary, whereas for a majority of other clubs it is a profit-making third-party partnership or company. This aspect of the Club's structure enhances corporate governance by providing closer ties and total alignment of interest between the Members and their Managers.

Services' Board meets monthly at which key financial and business data as well as compliance topics are reviewed while risk tolerances and indicators are reviewed quarterly by a Risk Committee.

Services' structure consists of six main functions operating across its geographical locations, each headed by a Director or Directors reporting to the Chief Executive Officer ("CEO") and Services' Board.

### **These functions are:**

- Operations & Business Continuity, including IT and Risk Management;
- Underwriting, including Loss Prevention;
- Claims Management;
- Finance, including the Actuarial Function and Data Quality;
- Compliance;
- Maritime Regulation, IG, Standards and Corporate Matters.

### **Remuneration Policy**

Non-executive Directors are remunerated on a fixed fee basis, including Board and Committee meetings attendance. The level of fees is reviewed annually by the Nomination & Remuneration Committee. The attendance schedule of Directors is reviewed at every Board meeting.

Pursuant to the Club's Remuneration Policy, the Group Nomination & Remuneration Committee also reviews and reports to the Board in the setting of objectives for the Services MD and Managers' Directors, evaluating their performance and making recommendations in respect of their remuneration.

Services staff are paid on a fixed salary basis and are entitled, inter alia, to pension scheme and healthcare benefits.

## B.2 Fit & Proper Requirements

The Club's policy is to ensure that the persons who effectively run the business or have other key functions in the organisation are 'fit'. For that purpose, the Club ensures that there is appropriate diversity of qualifications, skills and experience so that the Club and its subsidiaries are managed and overseen in a professional manner.

The Club also ensures that those persons running the business or having key management responsibilities are 'proper' by assessing their honesty, integrity and reputation.

The Fit and Proper policy is designed to assess the 'fit and proper' status of key individuals whether Directors or senior managers of the Club. It reflects the EIOPA guidelines on the system of governance issued in the context of the implementation of Solvency II<sup>3</sup>.

The policy applies to the Administrative, Management or Supervisory Body (AMSB) of the Club and its subsidiaries which represents the persons running the business:

- All new Directors (executive, non-executive and independent Directors) appointed to the Board of the Club or its subsidiaries;
- All existing Directors (non-executive and independent Directors) of the Club or its subsidiaries;
- The General Manager of the Club.

It also applies to the CEO of Services and officers in charge of the Four Key Functions:

- Chief Actuary;
- Risk Manager;
- Compliance Manager;
- Internal Auditor.

## B.3 Risk Management System Including the Own Risk & Solvency Assessment (ORSA)

The Association has established a management process for Risk Management ("RM") as part of its second line of defence. RM is under the responsibility of the Chief Operating Officer ("COO") and performed by the Risk Manager.

The RM policy is set by the Club's Board and monitored on its behalf by the Group Audit & Risk Committee at every meeting. Day-to-day implementation and executive oversight are performed by the Managers' Board and its executive Directors through a dedicated Risk Committee coordinated by the Risk Manager.

<sup>3</sup> Reference: EIOPA-BoS-14/253.

Key roles and responsibilities within the RM framework are defined as follows:

Stakeholder	Role & Responsibilities
Club's Board	<ul style="list-style-type: none"> <li>• Approve the RM policy and framework;</li> <li>• Determine the Club's strategy and risk appetite, based on an understanding of the strategic challenges and related risks facing the Club.</li> </ul>
Club Board's Group Audit & Risk Committee (Group Audit & Risk Committee or GARC)	<ul style="list-style-type: none"> <li>• Review the scope and effectiveness of RM;</li> <li>• Promote a risk aware culture;</li> <li>• Propose risk appetite and tolerances. Monitor actual risk against agreed thresholds and benchmarks, note exceptions and corrective actions proposed by Managers and Internal Auditor;</li> <li>• Monitor emerging risks;</li> <li>• Report on breaches or changes in methodology to Club's Board;</li> <li>• Note corrective actions proposed by External and Internal Auditors.</li> </ul>
Chief Operating Officer (COO) & Risk Manager	<ul style="list-style-type: none"> <li>• Lead the RM policy and chair the Manager's Risk Committee;</li> <li>• Implement and operate the RM process for the identification, assessment, management, reporting and monitoring of risks, including the cascading of risk tolerances and identification of other relevant benchmarks;</li> <li>• Embed the RM process into the Club and its decision making process;</li> <li>• Monitor actual risk against tolerances, report to the Risk Committee and Group Audit &amp; Risk Committee on breaches;</li> <li>• Collect views and intelligence on emerging risks; assess emerging risks.</li> </ul>
Managers' Risk Committee (COO, Risk Manager, Underwriting Director or CEO, Claims Director, CFO, and General Manager)	<ul style="list-style-type: none"> <li>• Update, propose to the Group Audit &amp; Risk Committee and oversee implementation of the RM policy and framework;</li> <li>• Review risk areas and risk exposure, monitor progress and report breaches against tolerances and limits;</li> <li>• Review the Risk Events Log and breaches of risk appetite;</li> <li>• Identify and assess emerging risks.</li> </ul>
Internal Auditor	<ul style="list-style-type: none"> <li>• Conduct independent reviews, follow-up progress plans and present findings to the Group Audit &amp; Risk Committee;</li> <li>• Report to the Group Audit &amp; Risk Committee;</li> <li>• Report on emerging risks.</li> </ul>

## Risk Register

The Managers' Risk Committee has identified and assessed several risks relating to the Club's business and operating environment. These risks have been formalised in a Risk Register, which is regularly reviewed by the Risk Committee, by the Group Audit & Risk Committee and by the Club's Board. Additionally, any significant change to the Risk Register must be approved by the Group Audit & Risk Committee and subsequently the Club's Board.

The Risk Register identifies and includes the following topics:

- A description of each risk and business area impacted.
- The Risk Owner responsible for monitoring and managing a risk area.
- "Gross (inherent) risk rating": inherent probability and potential impact or severity of a risk.
- Controls mitigating cause, probability and severity of each risk, and Control Owner (who can be different from the Risk Owner).



- “Net (residual) risk rating”: level of risk, after mitigating controls in place and effective.
- “Target net risk rating”: desired level of risk equivalent to Net Risk Rating.

The Risk Register, developed in accordance with the RM framework, is formally reviewed at least annually by Risk Owners and quarterly by the Managers’ Risk Committee. A self-assessment of effectiveness and implementation of controls is also performed annually, or every time a new control is introduced.

Relevant information to assess risks and mitigation processes may include the findings of the Internal Auditor’s reports as well as risk events that have arisen in the course of the business, within the Club or within the industry. The Managers’ Risk Committee maintains a Risk Events Log, which records occurrences that actually or potentially affect the business. Alongside this information are details of the actions identified to remedy the matter in the short and longer term.

The Club’s risks have been assessed in terms of their impact and probability, on both an inherent and residual (i.e., after mitigation) risk basis. The combination of potential impact and estimated frequency of occurrence on a 1-year horizon provides the gross assessment of each risk or category of risk. After accounting for mitigating controls, the gross risk position translates into a net risk position whose impact and/or frequency is normally lower and close to the desired level of exposure.

The Club also monitors emerging risks on an on-going basis to assess these in terms of both their potential timing and likely impact on the Club’s business.

The Solvency Capital Requirement (SCR) calculated under Solvency II is another significant component of the RM framework. It is based on the Standard Formula which relies on different risk modules. The volatility of each of these risk modules determines the amount of capital to be held by the Club to maintain an appropriate immediate and prospective solvency position. The volatility of each risk module (e.g. Underwriting Risk) has been determined by assessing the historic volatility across a wide range of European insurers.

### **Own Risk & Solvency Assessment (“ORSA”)**

The Board of the Club has approved an Own Risk & Solvency Assessment (ORSA) policy.

ORSA is an integral part of the Business Planning and Risk Management processes of the Club. As such ORSA has become a critical internal tool for the Club and its Board to:

- Assess the Club’s overall risk appetite against both capital strength and strategic objectives;
- Assess key decisions and allocate available capital accordingly;
- Ensure that the future capital position of the Club does not deteriorate beyond risk tolerance.
- Identify remediations in case of a stress scenario and significant deterioration of the solvency position.

The ORSA is prepared by the General Manager and senior management of Services and approved by the Club’s Board which has ultimate responsibility for its completion. It is updated annually or anytime a material change in the market or the business of the Club occurs.

With reference to **Guideline 4** of the **EIOPA Guidelines on Reporting & Public Disclosure**, the Club does not use an internal model, even partial, for calculating its Solvency II capital requirements.

### **Compliance Function**

The Compliance Function as second line of defence is performed in accordance with Article 46(2) of the Solvency II Directive 2009/138 and Article 270 of the Delegated Regulation 2015/35, and with relevant international regulations or advisories on key matters such as commercial and financial sanctions.

The role of Compliance is to protect the Club, its Members, its employees and other stakeholders by ensuring and fostering a culture of adherence to regulatory requirements through training, policies and procedures as well as relevant reporting.

The owner of the Compliance Function is the Club's General Manager. He is assisted by a Compliance Manager operating across the jurisdictions in which the Club operates.

A Compliance Risk Assessment and a Compliance Annual Plan has been reviewed and approved by the Group Audit & Risk Committee. A Compliance Register is maintained by the Compliance Manager to record incidents or potential issues and to follow-up actions taken. A Compliance Dashboard is reviewed monthly by the Management Board and by the Group Audit & Risk Committee at every meeting.

Sanctions continue to be considered by the Managers and the Board as the highest Compliance risk in the P&I and shipping industries. Specific procedures, tools and training have been designed and implemented to mitigate this risk as much as possible.

## **B.4 Internal Control System**

There is a robust internal control system in place within the Club, formalised in the Club's procedures and policies. These procedures and policies are regularly reviewed and are available to the staff on the Club's intranet.

The management structure in place guarantees a robust review process (four eyes principle), which is challenged both by internal and external auditors.

The three lines of defence approach to risk management, explained in sections B.3. and B.5., is an integral part of the Club's internal control environment.

## **B.5 Internal Audit**

The Internal Audit Function acts as the third line of defence.

Every year the Club performs an Internal Audit Plan in accordance with its terms of reference. The Internal Audit Plan is reviewed and approved by the Club's Group Audit & Risk Committee.

Follow up from previous internal audits is also reviewed by the Group Audit & Risk Committee at each meeting.

The Internal Audit Function is outsourced to an Accounting and Advisory Firm, BDO who have extensive experience in working with IG clubs and the wider insurance market for both internal and external audits and consultancy. BDO reports directly to the Chairman of the Group Audit & Risk Committee.

## **B.6 Actuarial Function**

The Actuarial Function is part of the second line of defence.

The owner of the Actuarial Function is the Club's Chief Actuary, who reports to the Chief Financial Officer. The Chief Actuary is a Fellow of the Institute and Faculty of Actuaries. The internal actuarial team has been strengthened in the last year to include another qualified actuary as the head of reserving. The robustness

of the Actuarial Function is ensured both through rigorous internal processes and comparisons with independent projections provided by an external consulting firm.

The Actuarial Function is responsible for coordination and review of the Club's technical provisions, providing an opinion on underwriting policy, reinsurance policy and contributing towards the risk management system risk profile. An Actuarial Function Report on these matters is provided to the Group Audit and Risk Committee on an annual basis.

## B.7 Outsourcing

The Club relies on several service providers. For that purpose, the Club has issued an Outsourcing Policy to ensure outsourcing risks are properly managed and that the level of services is in line with required standards.

There is a senior manager or a key function holder responsible for each outsourced service.

Some of these outsourced services fall within the scope of the Solvency II Directive:

Service	Provider	Geography	Scope
Intra-Group Outsourcing	West of England Insurance Services (Luxembourg) S.A.	Luxembourg UK Hong Kong Singapore Greece United States of America	Day-to-day management of the Club outsourced to the Services Company
Internal Audit	BDO	Luxembourg UK Hong Kong Singapore Greece	Internal audit
Investments	Brown Brothers Harriman	Luxembourg	Investment accounting and compliance
Investments	PIMCO Colchester AXA IM	USA UK USA	Bond portfolios managers (segregated accounts)
IT Development	Spark! Data Systems	UK	Application development, maintenance and support

## B.8 Any Other Information

There is no other significant governance information to be disclosed.

# Risk Profile

Risk assessment and risk mitigation are at the core of P&I insurance business. Risk exposure is mitigated through appropriate processes and controls, stress testing as well as capital buffers.

All risks relevant to the Club's business and its operations are assessed and reviewed within the ORSA process.

## C.1 Underwriting Risk

The Club's underwriting objective is to charge premiums that reflect the risks it insures and the strategic objective to maintain a Combined Ratio lower than 100% on a three-year rolling basis. The principal risk for any insurer is that the frequency and value of insured losses exceed expectations.

The Board sets an Underwriting strategy which determines how the Club accepts and manages new and renewing insured risks. This strategy ensures that insured risks are diversified, for example by vessel type and geographical area, to ensure a sufficiently large and diverse population to reduce the variability of the expected outcome of insured losses.

Diversification of underwriting across categories of vessels and regions is evidenced in the next two tables:

Bulk Cargo Carriers	Tankers & OBOs (inc. LPG / LNG)	Container Vessels	General Cargo & Reefers	Ferries & Passenger Liners	Specialist Vessels & Misc.
38%	33%	16%	9%	2%	2%

Asia	Middle East / Africa	Americas	Greece	Other Europe
44%	8%	5%	20%	23%

Underwriting risk is considered both at individual fleet level and from a portfolio management perspective, where insured risks are assessed in the light of historical experience and future exposure. To assist the process of pricing and managing underwriting risk the Managers routinely perform a range of activities including:

- Documenting, monitoring and reporting on the Club's strategy to manage risk;
- Monitoring legal developments and amending the terms of entry when necessary;
- Reviewing market and financial conditions of the industry;
- Using underwriting tools to assist in the assessment and pricing of risk.

The Club's insurance contracts include terms that operate to contain losses, such as deductibles being matched to the risk profile.

Reinsurance significantly mitigates the risk of exposure to large individual claims, both at the Club's retention level and at the International Group level through the IG Pooling Agreement whereby for policy year 2021 individual claims above USD 10 million are pooled among the 13 clubs up to USD 100 million and reinsured outside the Pool above USD 100 million.

Premiums earned net of reinsurance cost are as follows:

Entity	Gross Premium Earned (USD '000)	Net Premium Earned (USD '000)
Club Consolidated (Market value basis)	243,037	201,756
Club Consolidated (Statutory)	243,037	201,756
Club Solo	243,037	74,445
ISRe	93,730	93,730

With specific reference to Guideline 5 of the EIOPA Guidelines on Reporting & Public Disclosure the Club does not use Special Purpose Vehicles to transfer risk to investors.

## C.2 Market Risk

Market or Investment Risk is the risk of an unexpected loss or a significant deviation from the forecast investment return resulting from a material change in the valuation of equity and/or bond markets, and which would materially affect the Club's capital position. Investment risk also includes the negative effects of potential mismatches between assets and technical liabilities.

The Club follows the Prudent Person Principle and has a conservative approach to its financial investments.

The Club's investments are controlled by its Investment Policy and Investment Managers' Guidelines, including minimum credit ratings. The policy and guidelines are regularly reviewed and approved by the Board of the Club.

The risk tolerance appetite, calibrated primarily through financial stress scenarios, is also approved by the Club's Board on advice from the Board of ISRe acting as an Investment Committee. In addition to the risk tolerance, diversification across markets and securities is also a key risk mitigator.

An Investment Advisory Committee comprising qualified independent directors and internal staff, including the General Manager and CFO, meets regularly to review the portfolio and markets to make sure that risk remains within tolerance.

A review of performance and portfolio risk is performed by the investment team at least weekly and reported to the managers. The Board of ISRe and the Board of the Club review the risk, investment return and structure of the portfolio at every meeting.

The portfolio is structured in three sub-portfolios, each of them with specific objectives:

### Contingency Cash portfolio

This portfolio represents the Club's cash liquidities necessary to the day-to-day business operations, including a liquidity buffer set in the Club's "Risk and Appetite Indicators". In addition, this portfolio includes cash collateral provided to third parties as part of the Club's operations.

### Liability-Matching portfolio

The objective of this portfolio is to guarantee the timely payment of claims, and to provide an additional return in excess of the liability proxy benchmark (or risk-free asset) by having a moderate credit and duration exposure.

### Growth portfolio

This portfolio is invested in financial assets being held to generate an excess return, but not for liquidity or liability matching purpose. This portfolio represents the main part of the Club's Free Reserves. It is invested

in a diversified way in liquid and illiquid assets (e.g., real estate, infrastructures, private debt) across markets according to the Prudent Person Principle. The Growth portfolio is the main driver for increasing or decreasing the risk/return profile of the overall Investment portfolio.

The Club has a limited exposure to Equity markets of some 10% of the investment portfolio, held in the Growth portfolio. Cash and Fixed Income are managed cautiously and most of the Bond portfolio aims at replicating the cash flow features of technical liabilities. Diversification across asset classes, regions and securities is an important feature of the Club's investment philosophy and a natural way to mitigate market risks in the medium term.

All equities and bonds are held by a global custodian whose role is also to reconcile cash and security positions with the investment managers, to control the compliance with the Investment Managers' Guidelines and to produce a monthly valuation and accounting report.

At least once a year, management meets with the external investment managers individually as part of the on-going due-diligence process.

### **Property Risk**

The risk of financial loss as the result of owning a property investment arises mainly from changes in valuation, but also from potential loss of rental income, legal / technical issues, and from potential "fire sales" due to the inherent illiquidity of such assets.

At 20 February 2021, the Club wholly owns a residential property in Hong Kong and is invested in Real Estate and Infrastructure investment funds within its Growth portfolio.

Property risks are mitigated by applying a cautious valuation policy, and by investing in Core strategies through commingled investment vehicles providing a solid diversification across geographical areas and segments of the Real Estate market.

The underlying currency risk of holding properties investments is fully integrated in the Club's currency management process (please refer to the next section).

### **Currency Risk**

Currency risk is the risk that the underlying currencies of the Club's investments and other assets do not match those of the Club's total liabilities. Whilst the Club's technical liabilities arise in many different currencies, they are recorded and estimated in both the underlying currency and a USD equivalent. The individual claims estimates are reviewed to reflect currency movements in accordance with a timetable prescribed by the Club's managers and periodically management recalculate the overall position. Analysis of the overall liabilities by currency forms the basis of the investment currency ranges specified in the Investment Policy. In addition, the Board assesses the currency risk relating to the excess / shortage of non-USD assets (whether investments or not) held compared to the Club's technical and other liabilities. The Board regularly monitors the overall currency exposure in the balance sheet and ISRe management has authority to enter into forward currency contracts in order to adjust the position within the prescribed ranges.

The Club maintains a benchmark currency profile for investments which approximates to the currency exposure within its claims liabilities so that currency movements are effectively hedged. Despite the difficulty in determining currency exposure accurately, by monitoring historical payment patterns and recording the currency exposure within case estimates, it is possible to determine a measure of the risk and therefore the effectiveness of the currency hedge.

### C.3 Credit Risk

The Club has exposure to counterparty default risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Key areas of exposure to counterparty risk include:

- Counterparty credit with respect to cash and cash equivalents, and investments (including deposits and derivative transactions);
- Reinsurers' share of insurance liabilities and amounts due from reinsurers in respect of claims already paid, including amounts due from other Group Clubs through the IG Pool;
- Amounts due from Members.

The Club manages the counterparty risk by placing and regularly reviewing limits on its exposure to third parties within the overall risk tolerance framework. The creditworthiness of reinsurers is reviewed before placements are made and monitored regularly thereafter. This includes IG processes to ensure the appropriateness of reinsurers on the IG excess loss programme. Controls exist within the IG to maintain the strength of the IG Pool; the Pool itself mitigates the risk of large claims and the structure of Hydra protects each Club from the risk of the default by one of the other Clubs.

There is no significant concentration of credit risk related to receivables as the Club has a large number of internationally dispersed ship owner and charterer Members. No single Member is sufficiently material to represent a high-risk credit exposure. The Club's Rules provide significant contractual rights to safeguard the Club's position and reduce its exposure to the consequences of default or partial payment.

Full provision is made for balances considered to be doubtful. This applies to reinsurance and insurance counterparties, intermediaries, Members, and banks.

Exposure by category of recoverables as of 20 February 2021 was (all figures expressed in USD '000):

Type of Counterparty	Club Consolidated (Market Value basis)	Club Consolidated (Lux GAAP)	Club Solo (Lux GAAP)	ISRe (Lux GAAP)
Reinsurance Recoverables	250,222	250,222 (1)	684,513 (1)	-
Reinsurance Debtors	4,194	4,194	11,933	19,644
Membership Recoverables	39,902	39,902	39,902	-
Other Debtors	2,111	2,111	8,962	416
Banks	134,643	134,643	88,816	27,494

(1) Net of subrogation and salvages.



## C.4 Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due, at reasonable cost. The Club is exposed to daily calls on its available cash resources, mainly from claims arising from its insurance operations including its participation in the IG Pool.

Within its risk framework the Board has set limits on the minimum level of cash and liquid funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover unexpected levels of claims and other cash demands. Also, proper cashflow matching between fixed income holdings and technical liabilities is always maintained.

In addition to the cash and liquid funds, a significant proportion of the Club's investments are maintained in highly liquid assets which may be converted to cash at little notice or transaction cost or market impact.

## C.5 Operational Risk

Operational risks exist in the natural course of business activity like the risks of loss resulting from inappropriate internal processes, people and systems, or from external events.

Operational risk is a category of risk which is assessed by the Club to be not rewarded. As such, the Club has a low risk appetite for operational risk and seeks to avoid failures which may result in business disruption, financial loss or regulatory sanctions. The Club has systems and processes in place to identify and monitor operational risk and to ensure exposure is mitigated to an appropriately low level (please reference section B.3 Risk Management System of this report).

Key operational risks also include business continuity, regulatory and compliance complexity, and cyber risk, all of which may hinder the Club's ability to operate effectively.

There has been limited impact on the operations of the Club from the Covid-19 pandemic. Staff have been able to work from home with no disruption immediately when the lockdowns started in March 2020, demonstrating the resilience of the Club's business continuity plan.

### Cyber Risk

Cyber risk is an area under ever-increasing scrutiny following high-profile attacks and data losses worldwide, and large-scale shifts towards remote work and virtual collaboration. The growing capabilities of cyber-criminals, the sophistication of nation-state affiliated threat actors together with the global dependence on electronic commerce, communications, and data storage, are leading to a higher risk of data theft, malicious data interference and service disruption.

#### Potential damages for the Club resulting from a cyber-attack could be:

- Brand damage: declining business partner confidence and harm to reputation;
- Disruption to critical infrastructure and damage to service provision to clients;
- Theft of funds, data and corporate intellectual property;
- Cost of responding to a breach: clean-up, legal fees, potential lawsuits, forensics and potential fines.

While the Club is not individually viewed as a compelling target for a direct cyber-attack, there is for example a risk of suffering attacks as a member of the global financial services industry.

In order to mitigate this risk, the Club has invested in cyber security technologies and has developed processes and practices designed to secure networks, computers, programs and data from attack, damage

or unauthorised access. It includes application security, information and data security, network security, infrastructure resilience, business continuity planning and user education.

Through these controls and protective measures, together with a fully documented and robustly tested business recovery plan, the Club has established an effective IT security control environment which is checked by audit and independent external IT security experts.

## C.6 Other Material Risk

### Reserving Risk

This is the risk of claims reserves in the balance sheet being understated, i.e. the reserves are insufficient to meet the cost of outstanding claims. The risk arises due to the inherent uncertainty in the ultimate cost, frequency and timing of liabilities incurred, including the provision made for claims that have not so far been notified (incurred but not reported claims).

Members are insured on a loss occurring basis. Review and reporting controls operate so that estimates are established early and maintained to reflect the Club's current best estimate of the likely outcome for each claim. The Club has established clear and stringent estimating guidelines backed by a programme of consistent training to ensure they are applied uniformly. To determine the overall level of reserves held, the Club takes advice from both the internal actuaries and external actuaries who use established statistical techniques and apply knowledge, experience, and judgement to estimate the most likely overall outcome of liabilities. In this way appropriate reserves are determined to meet claims as they fall due.

Claims developments are monitored monthly and reported to the Services Board as part of the overall risk reporting framework.

At 20 February 2021, the reserves booked in the accounts were (all figures expressed in USD '000):

	Club consolidated			Club solo		ISRe	
Group Liabilities	Solvency II	Market Value basis (1)	Lux GAAP (2)	Solvency II	Lux GAAP (2)	Solvency II	Lux GAAP (3)
Gross Technical Provisions	742,629	762,907	762,907	727,680	762,907	280,090	378,171
Best Estimate	709,379	n/a	n/a	707,711	n/a	261,589	n/a
Risk Margin	33,250	n/a	n/a	19,969	n/a	18,501	n/a
Net Technical Provisions	501,336	512,685	512,685	115,343	78,394	280,090	378,171

(1) Group liabilities on a Market Value and Lux GAAP basis are identical.

(2) Lux GAAP technical provisions are net of subrogation and salvages.

(3) ISRe Lux GAAP technical provisions include its equalisation provision.

## C.7 Any Other Information

There is no other significant risk information to be disclosed.

# Valuation for Solvency Purposes

In accordance with article 75 of Solvency II Directive 2009/138 and with article 9 of Delegated Regulation 2015/35, assets are valued for solvency purposes at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction, and liabilities are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

Where this methodology differs from the valuation policies used in the Club's financial statements, a specific provision is made in the following section.

The Club's consolidated Solvency II balance sheet has been prepared in accordance with Method 1 (Accounting consolidation-based method) of article 230 of the Solvency II Directive 2009/138.

## D.1 Assets

At 20 February 2021 (in USD '000):

Assets	Club consolidated			Club solo		ISRe	
	Solvency II	Market Value basis	Lux GAAP	Solvency II	Lux GAAP	Solvency II	Lux GAAP
Goodwill	-	4,634	4,634	-	-	-	-
Pension benefit surplus	5,552	-	-	5,552	-	-	-
Property, plant and equipment (1)	13,837	1,820	1,820	10,630	-	-	-
Investments (2)	688,679	688,678	629,416	301,408	161,336	392,020	358,889
Reinsurance Recoverables (3)	241,293	250,222	250,222	612,337	684,513	-	-
Insurance Receivables	10,307	39,902	39,902	10,307	39,902	-	-
Reinsurance Receivables	4,194	4,194	4,194	4,194	11,933	-	19,644
Other Receivables (4)	1,966	1,966	1,966	8,932	8,932	319	319
Cash	134,643	134,643	134,643	88,816	88,816	27,494	27,494
Deferred Acquisition costs	-	861	861	-	861	-	-
Other Assets	921	921	921	94	94	7	-
Total	1,101,392	1,127,841	1,068,579	1,042,270	996,387	419,840	406,346

(1) Excludes properties not held for own use which are reported under investments.

(2) Includes interest accrued on Fixed Income securities, and loans, and unrealised gains on derivatives.

(3) Net of subrogation and salvages.

(4) Excludes unrealised gains on derivatives.

## Pension Benefit Surplus

The pension benefit surplus has been valued by an independent actuary in accordance with IAS 19 which requires that the assets of the scheme are valued on a fair value basis and the liabilities of the scheme are recognised when the entity derives the benefit from the employees' service. The principal assumptions underlying the valuations above were:

- Discount rate 1.7%
- RPI inflation assumption 3.1%
- CPI inflation assumption (pre-2030) 2.0%
- CPI inflation assumption (from 2030 onward) 3.0%
- Limited price indexation pension increases 2.9%

The pension benefit surplus is not included in the balance sheet in the financial statements as it is not required under Luxembourg GAAP ("Lux GAAP").

## Leasing Arrangements

The Club occupies offices in several locations, under various operating lease agreements. These agreements have been entered into by several of the Club's subsidiaries.

Under IFRS 16, the present value of the operating lease agreements have been recognised in the Group Solvency II balance sheet, under "Property, plant & equipment held for own use" for the right to occupy office spaces, and under "Payables" for the related future payment obligation. There is no such recognition under Lux GAAP. Operational leases are measured at the present value of the future non-cancellable payments obligations resulting from the lease agreements.

## Investments

Equities and bonds valuation (including investment funds) rely on market prices (including accrued interests when applicable) provided daily by the Club's administrative agent and financial data providers. Investments in collective investment undertakings rely on net asset values provided by financial data vendors, fund promoters, or fund administrative agents.

This valuation methodology is consistent with the Club's published accounts which are prepared on a market value basis but differs from its Luxembourg GAAP accounts where financial investments are valued at the lower of cost (historic for equities and collective investments undertakings, amortised for fixed income) or market value.

Property is stated at estimated market value, based on an annual valuation by an independent valuer. Likewise, this valuation methodology is consistent with the Club's published accounts which are prepared on a market value basis but differs from its Luxembourg GAAP accounts where property is stated at the lower of amortised historic cost or estimated market value. Under Luxembourg GAAP properties are amortised on a straight-line basis such that they are written down to their residual values over their useful economic lives.

Holdings in related undertakings are valued at their estimated market value. Depending on the local GAAP of related undertakings, the estimated market value is assessed as being the Solvency II excess of assets over liabilities, the local GAAP net equity (if assets and liabilities are valued at market value), or the local GAAP net equity retreated for market value.

Other loans and mortgages are valued at the present value of their future cash flows. Discounting is performed using EIOPA interest rate term structure, excluding volatility adjustment.

## Insurance Recoverables

Amounts recoverable from reinsurance contracts take account of the time difference between recoveries and direct payments. The result from that calculation is adjusted to take account of expected losses due to default of the counterparty. That adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting therefrom (loss-given-default).

## Insurance, Reinsurance Receivables & Other Receivables / Other Assets

Receivables and other assets are valued at their recoverable value. Full provision is made for balances considered to be doubtful. Lux GAAP Insurance Receivables which are not due at the reporting date are reclassified into the future premium cash-flows in the Solvency II Claims Provisions (as explained in section D.2).

## Deferred Acquisition Costs

Deferred Acquisition Costs, representing acquisition cashflows already paid but related to unearned premium, are recognised as an asset under Lux GAAP but are not allowable under Solvency II.

## Goodwill

Under Solvency II, insurance undertakings shall value goodwill at zero. Under Lux GAAP, the Club recognise goodwill at initial cost and amortise it on a straight-line basis at a rate of 20% per year commencing from the first full year after the acquisition.

## D.2 Technical Provisions

At 20 February 2021 (in USD '000):

Group Liabilities	Club consolidated			Club solo		ISRe	
	Solvency II	Market Value basis (1)	Lux GAAP (2)	Solvency II	Lux GAAP (2)	Solvency II	Lux GAAP (3)
Technical Provisions	742,629	762,907	762,907	727,680	762,907	280,090	378,171
Best Estimate	709,379	n/a	n/a	707,711	n/a	261,589	n/a
Risk Margin	33,250	n/a	n/a	19,969	n/a	18,501	n/a

(1) Group liabilities on a Market Value and Lux GAAP basis are identical.

(2) Lux GAAP technical provisions are net of subrogation and salvages.

(3) ISRe Lux GAAP technical provisions include its equalisation provision.

The Solvency II technical provisions are equal to the sum of the Best Estimate and Risk Margin.

The Best Estimate corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money (expected present value of future cash-flows), using the relevant risk-free interest rate term structure (specified by EIOPA). The cash-flow projection used in the calculation of the Best Estimate takes account of all the cash in- and out-flows required to settle the insurance obligations over the lifetime thereof. This includes all expenses that will be incurred in servicing insurance and reinsurance obligations, and all payments to policy holders and beneficiaries which the Club expects to make. The Best Estimate is calculated gross, with the amounts recoverable from reinsurance contracts projected separately.

The Risk Margin is such as to ensure that the value of the technical provisions is equivalent to the amount that insurance undertakings would be expected to require in order to take over and meet the corresponding insurance obligations. The Risk Margin is calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance obligations over the lifetime thereof. For that purpose, the Club used the 6% capital cost as prescribed by EIOPA.

The Club does not use any simplified methods in its calculation of the technical provisions.

### Claims Provisions

The best estimate claims provisions are calculated using standard actuarial techniques. The claims projection is performed on separate homogenous groups, with Members' attritional claims, Members' large claims and the Club's share of other clubs' pool claims all projected separately. Members' large claims (net of pool) are projected individually with the relevant club reinsurance programmes applied. The claims provision includes an explicit provision for future claims handling expenses.

### Premium Provisions

The Club writes the vast majority of its business on an annual basis from noon GMT, 20th February to 20th February each year, however there is a small amount of unearned business written on a 'cross-policy year' basis, i.e. incepting before the 20th of February. At the 20th February the majority of the next year's premium is bound but not incepted, as a result premium provision for the bound but not incepted business and small amount of unearned premium is held. The premium provision is the net expected claims and expense cost for the coming year less the net future premium.

### Difference between Solvency II and Luxembourg GAAP

The valuation rules for the technical provisions under Solvency II differ from those under Luxembourg GAAP. The value of technical provisions, under Solvency II, is equal to the sum of the best estimate and the risk margin. The best estimate is based on discounted cash flows. Under Luxembourg GAAP reserves are calculated on an undiscounted basis and there is no requirement for them to be held on a best estimate basis, as a result the Luxembourg GAAP reserves include an element of prudence in line with the risk appetite set by the Club's Board (but no explicit risk margin). There is also no premium provision held for bound but not incepted business under Luxembourg GAAP.

In addition, future premium cash-flows earned within the contract boundaries at the valuation date and which fall due after the valuation date are included in the Solvency II Claims Provisions. Under Luxembourg GAAP, these future premium cash flows are disclosed as Member Debtors and Reinsurance Creditors.

### Material Changes

There have been no material changes to the calculation of technical provisions compared to the prior year.

## D.3 Other Liabilities

At 20 February 2021 (in USD '000):

Other Liabilities	Club consolidated			Club solo		ISRe	
	Solvency II	Market Value basis	Lux GAAP	Solvency II	Lux GAAP	Solvency II	Lux GAAP
Deferred Tax Liabilities	27,827	-	-	-	-	27,827	-
Insurance, Reinsurance & Other Payables	82,388	73,800	73,800	76,754	99,462	831	831
Total Other Liabilities	110,215	73,800	73,800	76,754	99,462	28,657	831

### **Deferred Tax Liabilities**

Deferred tax liabilities represent differences in timing between when the tax is recognised in the Club's financial statements relative to when the tax is effective via the tax law of the various jurisdictions in which the Club operates. Whilst the Club does not recognise any deferred tax in its Luxembourg GAAP accounts, the valuation adjustments for Solvency II purposes leads to accounting for future taxation, primarily on the equalisation provision of the Club's Luxembourg reinsurance captive, ISRe.

Deferred tax liabilities are valued at the current tax rate in the applicable jurisdiction.

### **Reinsurance Payables**

The Lux GAAP Reinsurance Creditors which are not due at the reporting date are reclassified into the future premium cash-flows in the Solvency II Claims Provisions (as explained in section D.2).

## **D.4 Alternative Methods for Valuation**

The Club and its subsidiary ISRe do not make use of alternative methods for valuation.

## **D.5 Any Other Information**

There is no other significant valuation information to be disclosed.



# Capital Management

The Club has a Medium-Term Capital Management Plan to ensure that the group and its subsidiaries will be able to meet their regulatory and internal capital requirements on a 3-year rolling horizon.

The purpose of the Capital Management Plan is to ensure that, on a forward-looking basis, own funds will be enough to provide a buffer against adverse scenarios. It is consistent with the Business Planning process which is a projection of the premiums, claims, general expenses and investment return.

The Medium-Term Capital Management Plan of the Club is a key component of its ORSA and is reviewed at least annually by the Board.

## E.1 Own Funds

At 20 February 2021, the Club's own funds and its subsidiary, ISRe's under Solvency II (USD '000) were:

Own Fund Item	Tier	Club Consolidated	Club Solo	ISRe
Ordinary Share Capital	1	-	-	25,000
Reconciliation Reserve	1	248,549	237,836	86,093
Ancillary Own Funds	2	237,483	237,483	-
Total		486,032	475,319	111,093
Eligible to cover SCR		358,674	299,506	111,093
Eligible to cover MCR		248,549	237,836	111,093

### E.1.1 Club Consolidated

The Club does not have share capital and does not issue debt. Its Free Reserve is attributable to its Members. The reconciliation reserve mainly consists of profits carried forward since the inception of the Club. It also includes the group pension scheme surplus valued on an IAS19 basis of USD 8.3 million.

#### Ancillary Own Funds

##### (Guideline 12 of the EIOPA Guidelines on Reporting & Disclosure)

Ancillary own funds are funds which are contingent in that they have not been paid in, and as such, are not recognised on the balance sheet of the insurance undertaking. If at some undetermined point in the future ancillary own funds are called, then they cease to be contingent and become basic own funds items represented by assets on the balance sheet. One critical feature of ancillary own funds is their loss-absorbency.

Under articles 93 and 94 of Solvency II Directive 2009/138, supplemented by articles COF1, 2, 5 and 6, of the Level 2 Implementing Measures and the Technical Specification for the Preparatory Phase (Part I) document, ancillary own funds include any future charge which mutual or mutual-type Clubs of shipowners with variable contributions may have against their Members by way of an unbudgeted supplementary premium contribution known as a "supplementary call" in the case of this Club.

The Club has the right under its rules to charge supplementary calls to its Members. These calls fall within the definition of ancillary own funds described above.

The total amount of Ancillary Own Funds included within the Club's own funds is based upon the methodology approved by the CAA in July 2020. The amount of Tier 2 capital is equivalent to 115% of the Total Estimated Mutual Call. The extent to which the value of the approved ancillary own funds in relation to supplementary calls is eligible to meet the Solvency Capital Requirement is however limited by the Tier 2 regulatory threshold which is currently a maximum of 50% of the SCR.

The methodology approved by the CAA remained valid until 20 April 2023.

#### **Non-Available Own Funds (Guideline 12 of the EIOPA Guidelines on Reporting & Disclosure)**

Based on article 330 of Delegated Regulation 2015/35, the Club recognise the restriction on part of its own funds held in its reinsurance captive "Hydra Insurance Company Ltd. – The West of England Hydra Cell" which cannot be made available to cover the group Solvency Capital Requirement.

If applicable, the reduction in available capital at group level due to this restriction is reported under QRT S.23.01.04 – R0750.

### **E.1.2 Club Solo**

The Club does not have share capital and does not issue debt. Its Free Reserve is attributable to its Members. The reconciliation reserve mainly corresponds to profits carried forward since the inception of the Club. Although less material, it also includes the surplus of the group pension scheme under IAS19 of USD 5.6 million.

#### **Ancillary Own Funds (Guideline 12 of the EIOPA Guidelines on Reporting & Disclosure)**

The method used by the Club Solo to determine its amount of eligible Tier 2 capital is the same as that described for the Club on a consolidated basis and is equivalent to 115% of the Total Estimated Mutual Call. The cap, which is set at 50% of the SCR, explains the difference with the amount of ancillary own funds eligible to cover the SCR at the consolidated level.

#### **Non-Available Own Funds (Guideline 12 of the EIOPA Guidelines on Reporting & Disclosure)**

There are no non-available own funds to report.

### **E.1.3 ISRe**

ISRe's Tier 1 capital is composed by its share capital issued, fully held by the Club, and by its reconciliation reserve which corresponds to profits carried forward.

#### **Non-Available Own Funds (Guideline 12 of the EIOPA Guidelines on Reporting & Disclosure)**

There are no non-available own funds to report.

## E.1.4 Reconciliation Between Free Reserve Per Financial Statements and Solvency II Excess of Assets Over Liabilities

At 20 February 2021 the reconciliation between Free Reserves in the financial statements and Solvency II Excess of Capital over Liabilities is (USD '000):

Own Fund Item	Club Consolidated	Club Solo	ISRe
Financial Statements Free Reserves	231,872	134,018	27,344
Change in valuation in:			
• Goodwill	(4,634)	-	-
• Deferred Acquisition Costs	(861)	(861)	-
• Pension benefit Surplus / Deficit	5,552	5,552	-
• Property, plant & equipment held for own use	12,017	10,630	-
• Investments	59,263	140,071	33,139
• Reinsurance Recoverables (1)	(8,929)	(72,176)	-
• Insurance / Reinsurance Receivables	(29,595)	(37,334)	(19,644)
• Technical Provisions (1)	20,278	35,227	98,081
• Deferred Tax Liabilities	(27,827)	-	(27,827)
• Reinsurance Payables	3,431	33,339	-
• Payables	(12,018)	(10,630)	-
Solvency II Excess of Assets over Liabilities	248,549	237,836	111,093

(1) Net of subrogation and salvages and including Lux GAAP equalisation provision for ISRe

## E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR of the Club (consolidated and solo) and ISRe are based on the Solvency II standard formula and do not make use of simplified calculations nor duration-based equity risk assessment.

The Club has always complied with all solvency regulatory requirements during the period under review.

The breakdown of the Club's capital requirement is shown in the following table (USD' 000):

Item	Club Consolidated	Club Solo	ISRe
Market Risk	84,446	67,981	44,109
Counterparty Default Risk	19,593	26,856	10,882
Underwriting Non-Life Risk	178,968	40,966	100,539
Basic SCR	226,792	102,110	125,393
Operational Risk	21,281	21,231	7,848
Adjustment for Deferred Tax	(27,827)	-	(27,827)
SCR	220,247	123,341	105,413
Eligible Own Funds to cover SCR	358,674	299,506	111,093
Solvency ratio	163%	243%	105%

Minimum Capital Requirement	86,868	30,835	40,066
Eligible Own Funds to cover MCR	248,549	237,836	111,093
Minimum Solvency ratio	286%	771%	277%

### **Impact of Transitional Measures**

The Club (both on a consolidated and solo basis) and ISRe are not making use of transitional measures.

## **E.3 Use of The Duration-Based Equity Risk Sub-Module in The Calculation of The Solvency Capital Requirement**

The Club and its subsidiary ISRe did not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

## **E.4 Differences Between the Standard Formula and Any Internal Model Used**

The Club and its subsidiary ISRe only use the Standard Formula when calculating their Solvency Capital Requirements.

## **E.5 Non-Compliance with The Minimum Capital Requirement and Non-Compliance with The Solvency Capital Requirement**

The Club (both on a consolidated and solo basis) and ISRe have always complied during the year with their respective Minimum Capital Requirements and their Solvency Capital Requirements.

\* \* \* \* \*

## Appendix: Quantitative Disclosures (QRTs)

- Association Consolidated
- Association Solo
- ISRe

## Association Consolidated

### Basic Information - General

Participating undertaking name	The West of England Ship Owners Mutual Insurance Association (Luxembourg)
Group identification code	LEI/DEOK59KJJZVF5N12D351
Country of the group supervisor*	LU
Sub-group information	1
Language of reporting*	en
Reporting reference date	20/02/2021
Currency used for reporting*	USD
Accounting standards*	Lux GAAP
Method of Calculation of the group SCR	Standard Formula
Method of group solvency calculation	Method 1
Matching adjustment	Matching adjustment Not Used
Volatility adjustment	Volatility Adjustment Not Used
Transitional measure on the risk-free interest rate	Transitional measure on the risk-free interest rate Not Used
Transitional measure on technical provisions	Transitional measure on technical provisions Not Used

### Disclosed Templates

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses by Line of Business
S.05.02.01	Premiums, Claims and Expenses by Country
S.23.01.22	Own Funds
S.25.01.22	Solvency Capital Requirement - for groups on Standard Formula
S.32.01.22	Undertakings in the scope of the group

## S.02.01.02

## Balance sheet (USD '000)

		Solvency II value
		C0010
<b>Assets</b>		
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	5,552
Property, plant & equipment held for own use	R0060	13,837
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	687,592
<i>Property (other than for own use)</i>	R0080	11,105
<i>Holdings in related undertakings, including participations</i>	R0090	3,482
<i>Equities</i>	R0100	20
<i>Equities - listed</i>	R0110	-
<i>Equities - unlisted</i>	R0120	20
<i>Bonds</i>	R0130	553,204
<i>Government Bonds</i>	R0140	260,441
<i>Corporate Bonds</i>	R0150	292,763
<i>Structured notes</i>	R0160	-
<i>Collateralised securities</i>	R0170	-
<i>Collective Investments Undertakings</i>	R0180	119,635
<i>Derivatives</i>	R0190	145
<i>Deposits other than cash equivalents</i>	R0200	-
<i>Other investments</i>	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	1,087
<i>Loans on policies</i>	R0240	-
<i>Loans and mortgages to individuals</i>	R0250	-
<i>Other loans and mortgages</i>	R0260	1,087
Reinsurance recoverables from:	R0270	241,293
<i>Non-life and health similar to non-life</i>	R0280	241,293
<i>Non-life excluding health</i>	R0290	241,293
<i>Health similar to non-life</i>	R0300	-
<i>Life and health similar to life, excluding health and index-linked and unit-linked</i>	R0310	-
<i>Health similar to life</i>	R0320	-
<i>Life excluding health and index-linked and unit-linked</i>	R0330	-
<i>Life index-linked and unit-linked</i>	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	10,307
Reinsurance receivables	R0370	4,194
Receivables (trade, not insurance)	R0380	1,966
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	134,643
Any other assets, not elsewhere shown	R0420	921
<b>Total assets</b>	<b>R0500</b>	<b>1,101,392</b>



## S.02.01.02

## Balance sheet (USD '000)

		Solvency II value
		C0010
<b>Liabilities</b>		
Technical provisions – non-life	R0510	742,629
<i>Technical provisions – non-life (excluding health)</i>	R0520	742,629
<i>Technical provisions calculated as a whole</i>	R0530	-
<i>Best Estimate</i>	R0540	709,379
<i>Risk margin</i>	R0550	33,250
<i>Technical provisions - health (similar to non-life)</i>	R0560	-
<i>Technical provisions calculated as a whole</i>	R0570	-
<i>Best Estimate</i>	R0580	-
<i>Risk margin</i>	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
<i>Technical provisions - health (similar to life)</i>	R0610	-
<i>Technical provisions calculated as a whole</i>	R0620	-
<i>Best Estimate</i>	R0630	-
<i>Risk margin</i>	R0640	-
<i>Technical provisions – life (excluding health and index-linked and unit-linked)</i>	R0650	-
<i>Technical provisions calculated as a whole</i>	R0660	-
<i>Best Estimate</i>	R0670	-
<i>Risk margin</i>	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
<i>Technical provisions calculated as a whole</i>	R0700	-
<i>Best Estimate</i>	R0710	-
<i>Risk margin</i>	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	27,827
Derivatives	R0790	234
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	58,710
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	23,443
Subordinated liabilities	R0850	-
<i>Subordinated liabilities not in Basic Own Funds</i>	R0860	-
<i>Subordinated liabilities in Basic Own Funds</i>	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
<b>Total liabilities</b>	R0900	852,843
<b>Excess of assets over liabilities</b>	R1000	248,549

## S.05.01.02

## Premiums, claims and expenses by line of business (USD '000)

## Non-Life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted 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
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Premiums written													
Gross - Direct Business	R0110	-	-	-	-	-	241,779	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	177
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	-	-	-	-	-	41,455	-	-	-	-	-	-
Net	R0200	-	-	-	-	-	200,324	-	-	-	-	-	177
Premiums earned													
Gross - Direct Business	R0210	-	-	-	-	-	243,017	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	20
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	-	-	-	-	-	41,281	-	-	-	-	-	-
Net	R0300	-	-	-	-	-	201,736	-	-	-	-	-	20
Claims incurred													
Gross - Direct Business	R0310	-	-	-	-	-	354,937	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	27
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	-	-	-	-	-	131,465	-	-	-	-	-	-
Net	R0400	-	-	-	-	-	223,472	-	-	-	-	-	27
Changes in other technical provisions													
Gross - Direct Business	R0410	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted	R0430												
Reinsurers'share	R0440	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0500	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred	R0550	-	-	-	-	-	59,446	-	-	-	-	-	-
Other expenses	R1200												
Total expenses	R1300												

**S.05.01.02**
**Premiums, claims and expenses by line of business (USD '000)**
**Non-Life**

		Line of business for: accepted non-proportional reinsurance				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	C0140	C0150	C0160	C0200
<b>Premiums written</b>						
Gross - Direct Business	R0110					241,779
Gross - Proportional reinsurance accepted	R0120					177
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	
Reinsurers' share	R0140	-	-	-	-	41,455
Net	R0200	-	-	-	-	200,501
<b>Premiums earned</b>						
Gross - Direct Business	R0210					243,017
Gross - Proportional reinsurance accepted	R0220					20
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	
Reinsurers' share	R0240	-	-	-	-	41,281
Net	R0300	-	-	-	-	201,756
<b>Claims incurred</b>						
Gross - Direct Business	R0310					354,937
Gross - Proportional reinsurance accepted	R0320					27
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	
Reinsurers' share	R0340	-	-	-	-	131,465
Net	R0400	-	-	-	-	223,499
<b>Changes in other technical provisions</b>						
Gross - Direct Business	R0410					-
Gross - Proportional reinsurance accepted	R0420					-
Gross - Non- proportional reinsurance accepted	R0430	-	-	-	-	
Reinsurers'share	R0440	-	-	-	-	-
Net	R0500	-	-	-	-	-
<b>Expenses incurred</b>	R0550	-	-	-	-	59,446
<b>Other expenses</b>	R1200					-
<b>Total expenses</b>	R1300					59,446

## S.05.02.01

## Premiums, claims and expenses by Country (USD '000)

## Non-Life

		Home country	Top 5 countries (by amount of gross premiums written) - non life obligations				Total for top 5 countries and home country
			GB	HK	SG		
			C0080	C0090	C0090	C0090	
Premiums written							
Gross - Direct Business	R0110	-	171,515	61,812	8,452	241,779	
Gross - Proportional reinsurance accepted	R0120	-	177	-	-	177	
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	
Reinsurers' share	R0140	-	20,571	19,018	1,867	41,455	
Net	R0200	-	151,121	42,795	6,585	200,501	
Premiums earned							
Gross - Direct Business	R0210	-	172,886	61,787	8,344	243,017	
Gross - Proportional reinsurance accepted	R0220	-	20	-	-	20	
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	
Reinsurers' share	R0240	-	20,397	19,018	1,867	41,281	
Net	R0300	-	152,509	42,770	6,478	201,756	
Claims incurred							
Gross - Direct Business	R0310	-	250,059	105,464	(586)	354,937	
Gross - Proportional reinsurance accepted	R0320	-	27	-	-	27	
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	
Reinsurers' share	R0340	-	70,485	61,998	(1,018)	131,465	
Net	R0400	-	179,601	43,466	432	223,499	
Changes in other technical provisions							
Gross - Direct Business	R0410	-	-	-	-	-	
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	-	-	
Reinsurers' share	R0440	-	-	-	-	-	
Net	R0500	-	-	-	-	-	
Expenses incurred	R0550	3,364	40,194	13,063	2,825	59,446	
Other expenses	R1200					-	
Total expenses	R1300					59,446	



## S.23.01.22

## Own funds (USD '000)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector</b>						
Ordinary share capital (gross of own shares)	R0010	-	-	-	-	-
Non-available called but not paid in ordinary share capital at group level	R0020	-	-	-	-	-
Share premium account related to ordinary share capital	R0030	-	-	-	-	-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-	-	-	-
Subordinated mutual member accounts	R0050	-	-	-	-	-
Non-available subordinated mutual member accounts at group level	R0060	-	-	-	-	-
Surplus funds	R0070	-	-	-	-	-
Non-available surplus funds at group level	R0080	-	-	-	-	-
Preference shares	R0090	-	-	-	-	-
Non-available preference shares at group level	R0100	-	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-	-
Non-available share premium account related to preference shares at group level	R0120	-	-	-	-	-
Reconciliation reserve	R0130	248,549	248,549	-	-	-
Subordinated liabilities	R0140	-	-	-	-	-
Non-available subordinated liabilities at group level	R0150	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-	-	-	-
The amount equal to the value of net deferred tax assets not available at the group level	R0170	-	-	-	-	-
Other items approved by supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Non available own funds related to other own funds items approved by supervisory authority	R0190	-	-	-	-	-
Minority interests (if not reported as part of a specific own fund item)	R0200	-	-	-	-	-
Non-available minority interests at group level	R0210	-	-	-	-	-

**S.23.01.22**
**Own funds (USD '000)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>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</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
<b>Deductions</b>		-	-	-	-	-
Deductions for participations in other financial undertakings, including non-regulated undertakings c	R0230	-	-	-	-	-
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	-	-	-	-	-
Deductions for participations where there is non-availability of information (Article 229)	R0250	-	-	-	-	-
Deduction for participations included by using D&A when a combination of methods is used	R0260	-	-	-	-	-
Total of non-available own fund items	R0270	-	-	-	-	-
Total deductions	R0280	-	-	-	-	-
<b>Total basic own funds after deductions</b>	<b>R0290</b>	<b>248,549</b>	<b>248,549</b>	-	-	-
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	R0320	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	237,483	-	-	237,483	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-	-	-	-	-
Non available ancillary own funds at group level	R0380	-	-	-	-	-
Other ancillary own funds	R0390	-	-	-	-	-
<b>Total ancillary own funds</b>	<b>R0400</b>	<b>237,483</b>	-	-	<b>237,483</b>	-
<b>Own funds of other financial sectors</b>						
Credit Institutions, investment firms, financial institutions, alternative investment fund manager, financial institutions	R0410	-	-	-	-	-
Institutions for occupational retirement provision	R0420	-	-	-	-	-
Non regulated entities carrying out financial activities	R0430	-	-	-	-	-
<b>Total own funds of other financial sectors</b>	<b>R0440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**S.23.01.22**
**Own funds (USD '000)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	-	-	-	-	-
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	-	-	-	-	-
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	R0520	486,032	248,549	-	237,483	-
Total available own funds to meet the minimum consolidated group SCR	R0530	248,549	248,549	-	-	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	R0560	358,674	248,549	-	110,125	
Total eligible own funds to meet the minimum consolidated group SCR	R0570	248,549	248,549	-	-	
Minimum consolidated Group SCR	R0610	86,868				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	286%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A )	R0660	358,674	248,549	-	110,125	-
Group SCR	R0680	220,247				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	163%				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	248,549				
Own shares (held directly and indirectly)	R0710	-				
Foreseeable dividends, distributions and charges	R0720	-				
Other basic own fund items	R0730	-				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-				
Other non available own funds	R0750	-				
Reconciliation reserve	R0760	248,549				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770	-				
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	(18,241)				
Total Expected profits included in future premiums (EPIFP)	R0790	(18,241)				

**S.25.01.22**
**Solvency Capital Requirement - for groups on Standard Formula (USD '000)**

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	84,446		
Counterparty default risk	R0020	19,593		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	178,968		
Diversification	R0060	(56,214)		
Intangible asset risk	R0070	-		
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>226,792</b>		

**Calculation of Solvency Capital Requirement**

		Value
		C0100
Operational risk	R0130	21,281
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(27,827)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	R0160	-
<b>Solvency capital requirement, excluding capital add-on</b>	<b>R0200</b>	<b>220,247</b>
Capital add-ons already set	R0210	-
Solvency capital requirement for undertakings under consolidated method	R0220	220,247
<b>Other information on SCR</b>		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-
Minimum consolidated group solvency capital requirement	R0470	86,868
<b>Information on other entities</b>		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	-
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	-
Capital requirement for non-controlled participation requirements	R0540	-
Capital requirement for residual undertakings	R0550	-
<b>Overall SCR</b>		
SCR for undertakings included via D and A	R0560	-
Solvency capital requirement	R0570	220,247



**S.32.01.22**
**Undertakings in the scope of the group**

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking*	Legal form	Category (mutual/non mutual)*	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
LU	LEVDEOK59KJJZVF5N12D351	LEI	The West of England Ship Owners Mutual Insurance Association (Luxembourg)	Non life insurance undertaking	association d'assurances mutuelles	Mutual	Commissariat aux Assurances
LU	LEWJ66LB8B3GB34QW4VRZ57	LEI	International Shipowners Reinsurance Company S.A.	Reinsurance undertaking	société anonyme	Non-mutual	Commissariat aux Assurances
BM	SC/DEOK59KJJZVF5N12D351BM00001	Specific code	The West of England Reinsurance (Hamilton) Limited	Reinsurance undertaking	Limited Company	Non-mutual	Bermuda Monetary Authority
BM	SC/DEOK59KJJZVF5N12D351BM00002	Specific code	Hydra Insurance Company Ltd. West of England Cell	Reinsurance undertaking	Limited Company	Non-mutual	Bermuda Monetary Authority
LU	LEV5493000YTGVEQMHETR10	LEI	West of England Insurance Services (Luxembourg) S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	société anonyme	Non-mutual	Commissariat aux Assurances
GB	SC/DEOK59KJJZVF5N12D351GB00001	Specific code	The West of England Ship Owners' Insurance Services Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual	
JE	SC/DEOK59KJJZVF5N12D351JE00001	Specific code	West of England (Hellas) Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited Company	Non-mutual	
US	SC/DEOK59KJJZVF5N12D351US00001	Specific code	West of England Insurance Services (North America) Inc	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual	
US	SC/DEOK59KJJZVF5N12D351US00002	Specific code	West of England Claims Services (North America) Inc.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Corporation	Non-mutual	
SE	LEI/213800HQ67XMOLE7LL50	LEI	Nordisk Marinforsikring AB	Non life insurance undertaking	Aktiebolag	Non-mutual	Swedish Financial Supervisory Authority
GG	SC/DEOK59KJJZVF5N12D351GG00001	Specific code	Astaara Company Limited	Other	Limited Company	Non-mutual	

# S.32.01.22

## Undertakings in the scope of the group

Country	Identification code of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation Method used and under method 1, treatment of the undertaking
		% capital share	% used for the establishment	% voting rights	Other criteria	Level of influence*	Proportional share used	Yes/No*	Date of decision if	
C0010	C0020	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LU	LEI/DEOK59KJJZVF5N12D351							Included in the scope		Method 1: Full Consolidation
LU	LEI/J66LB8B3GB34QW4VRZ57	100%	100%	100%		Dominant	100%	Included in the scope		Method 1: Full Consolidation
BM	SC/DEOK59KJJZVF5N12D351BM00001	100%	100%	100%		Dominant	100%	Included in the scope		Method 1: Full Consolidation
BM	SC/DEOK59KJJZVF5N12D351BM00002	100%	100%	100%		Dominant	100%	Included in the scope		Method 1: Full Consolidation
LU	LEI/549300OYTGVEQMHETR10	100%	100%	100%		Dominant	100%	Not included in the scope		Method 1: Full Consolidation
GB	SC/DEOK59KJJZVF5N12D351GB00001	100%	100%	100%		Dominant	100%	Not included in the scope		Method 1: Full Consolidation
JE	SC/DEOK59KJJZVF5N12D351JE00001	100%	100%	100%		Dominant	100%	Not included in the scope		Method 1: Full Consolidation
US	SC/DEOK59KJJZVF5N12D351US00001	100%	100%	100%		Dominant	100%	Not included in the scope		Method 1: Full Consolidation
US	SC/DEOK59KJJZVF5N12D351US00002	100%	100%	100%		Dominant	100%	Not included in the scope		Method 1: Full Consolidation
SE	LEI/213800HQ67XMOLE7LL50	44%	44%	44%		Significant	44%	Not included in the scope		Method 1: Adjusted equity method
GG	SC/DEOK59KJJZVF5N12D351GG00001	30%	30%	30%		Significant	30%	Not included in the scope		Method 1: Adjusted equity method

## Association Solo

### Basic Information - General

Undertaking name	The West of England Ship Owners Mutual Insurance Association (Luxembourg)
Undertaking identification code	LEIDEOK59KJJZVF5N12D351
Type of undertaking	Non-Life Undertaking
Country of authorisation	LU
Language of reporting	en
Reporting reference date	20/02/2021
Currency used for reporting	USD
Accounting standards	Lux GAAP
Method of Calculation of the SCR	Standard Formula
Matching adjustment	Matching adjustment Not Used
Volatility adjustment	Volatility Adjustment Not Used
Transitional measure on the risk-free interest rate	Transitional measure on the risk-free interest rate Not Used
Transitional measure on technical provisions	Transitional measure on technical provisions Not Used

### Disclosed Templates

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses by Line of Business
S.05.02.01	Premiums, Claims and Expenses by Country
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life Insurance Claims
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

## S.02.01.02

## Balance sheet (USD '000)

		Solvency II value
		C0010
<b>Assets</b>		
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	5,552
Property, plant & equipment held for own use	R0060	10,630
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	300,321
<i>Property (other than for own use)</i>	R0080	11,105
<i>Holdings in related undertakings, including participations</i>	R0090	167,745
<i>Equities</i>	R0100	20
<i>Equities - listed</i>	R0110	-
<i>Equities - unlisted</i>	R0120	20
<i>Bonds</i>	R0130	96,744
<i>Government Bonds</i>	R0140	36,358
<i>Corporate Bonds</i>	R0150	60,386
<i>Structured notes</i>	R0160	-
<i>Collateralised securities</i>	R0170	-
<i>Collective Investments Undertakings</i>	R0180	24,676
<i>Derivatives</i>	R0190	30
<i>Deposits other than cash equivalents</i>	R0200	-
<i>Other investments</i>	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	1,087
<i>Loans on policies</i>	R0240	-
<i>Loans and mortgages to individuals</i>	R0250	-
<i>Other loans and mortgages</i>	R0260	1,087
Reinsurance recoverables from:	R0270	612,337
<i>Non-life and health similar to non-life</i>	R0280	612,337
<i>Non-life excluding health</i>	R0290	612,337
<i>Health similar to non-life</i>	R0300	-
<i>Life and health similar to life, excluding health and index-linked and unit-linked</i>	R0310	-
<i>Health similar to life</i>	R0320	-
<i>Life excluding health and index-linked and unit-linked</i>	R0330	-
<i>Life index-linked and unit-linked</i>	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	10,307
Reinsurance receivables	R0370	4,194
Receivables (trade, not insurance)	R0380	8,932
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	88,816
Any other assets, not elsewhere shown	R0420	94
<b>Total assets</b>	<b>R0500</b>	<b>1,042,270</b>

## S.02.01.02

## Balance sheet (USD '000)

		Solvency II value
		C0010
<b>Liabilities</b>		
Technical provisions – non-life	R0510	727,680
<i>Technical provisions – non-life (excluding health)</i>	R0520	727,680
<i>Technical provisions calculated as a whole</i>	R0530	-
<i>Best Estimate</i>	R0540	707,711
<i>Risk margin</i>	R0550	19,969
<i>Technical provisions - health (similar to non-life)</i>	R0560	-
<i>Technical provisions calculated as a whole</i>	R0570	-
<i>Best Estimate</i>	R0580	-
<i>Risk margin</i>	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
<i>Technical provisions - health (similar to life)</i>	R0610	-
<i>Technical provisions calculated as a whole</i>	R0620	-
<i>Best Estimate</i>	R0630	-
<i>Risk margin</i>	R0640	-
<i>Technical provisions – life (excluding health and index-linked and unit-linked)</i>	R0650	-
<i>Technical provisions calculated as a whole</i>	R0660	-
<i>Best Estimate</i>	R0670	-
<i>Risk margin</i>	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
<i>Technical provisions calculated as a whole</i>	R0700	-
<i>Best Estimate</i>	R0710	-
<i>Risk margin</i>	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	-
Derivatives	R0790	48
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	56,710
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	17,996
Subordinated liabilities	R0850	-
<i>Subordinated liabilities not in Basic Own Funds</i>	R0860	-
<i>Subordinated liabilities in Basic Own Funds</i>	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
<b>Total liabilities</b>	R0900	804,435
<b>Excess of assets over liabilities</b>	R1000	237,836

## S.05.01.02

## Premiums, claims and expenses by line of business (USD '000)

## Non-Life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted 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
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Premiums written													
Gross - Direct Business	R0110	-	-	-	-	-	241,779	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	177
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	-	-	-	-	-	168,766	-	-	-	-	-	-
Net	R0200	-	-	-	-	-	73,013	-	-	-	-	-	177
Premiums earned													
Gross - Direct Business	R0210	-	-	-	-	-	243,017	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	20
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	-	-	-	-	-	168,592	-	-	-	-	-	-
Net	R0300	-	-	-	-	-	74,425	-	-	-	-	-	20
Claims incurred													
Gross - Direct Business	R0310	-	-	-	-	-	354,937	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	27
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	-	-	-	-	-	338,531	-	-	-	-	-	-
Net	R0400	-	-	-	-	-	16,406	-	-	-	-	-	27
Changes in other technical provisions													
Gross - Direct Business	R0410	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted	R0430												
Reinsurers'share	R0440	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0500	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred	R0550	-	-	-	-	-	56,364	-	-	-	-	-	-
Other expenses	R1200												
Total expenses	R1300												



## S.05.01.02

## Premiums, claims and expenses by line of business (USD '000)

## Non-Life

		Line of business for: accepted non-proportional reinsurance				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	C0140	C0150	C0160	
Premiums written						
Gross - Direct Business	R0110					241,779
Gross - Proportional reinsurance accepted	R0120					177
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	
Reinsurers' share	R0140	-	-	-	-	168,766
Net	R0200	-	-	-	-	73,190
Premiums earned						
Gross - Direct Business	R0210					243,017
Gross - Proportional reinsurance accepted	R0220					20
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	
Reinsurers' share	R0240	-	-	-	-	168,592
Net	R0300	-	-	-	-	74,445
Claims incurred						
Gross - Direct Business	R0310					354,937
Gross - Proportional reinsurance accepted	R0320					27
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	
Reinsurers' share	R0340	-	-	-	-	338,531
Net	R0400	-	-	-	-	16,433
Changes in other technical provisions						
Gross - Direct Business	R0410					-
Gross - Proportional reinsurance accepted	R0420					-
Gross - Non- proportional reinsurance accepted	R0430	-	-	-	-	
Reinsurers'share	R0440	-	-	-	-	-
Net	R0500	-	-	-	-	-
Expenses incurred	R0550	-	-	-	-	56,364
Other expenses	R1200					-
Total expenses	R1300					56,364

## S.05.02.01

## Premiums, claims and expenses by Country (USD '000)

## Non-Life

		Home country	Top 5 countries (by amount of gross premiums written) - non life obligations				Total for top 5 countries and home country	
			GB		HK			SG
			C0080	C0090	C0090	C0090		C0140
Premiums written								
Gross - Direct Business	R0110	-	171,515	61,812	8,452	241,779		
Gross - Proportional reinsurance accepted	R0120	-	177	-	-	177		
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-		
Reinsurers' share	R0140	-	118,537	44,626	5,603	168,766		
Net	R0200	-	53,155	17,186	2,849	73,190		
Premiums earned								
Gross - Direct Business	R0210	-	172,886	61,787	8,344	243,017		
Gross - Proportional reinsurance accepted	R0220	-	20	-	-	20		
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-		
Reinsurers' share	R0240	-	118,448	44,617	5,527	168,592		
Net	R0300	-	54,457	17,170	2,817	74,445		
Claims incurred								
Gross - Direct Business	R0310	-	250,059	105,464	(586)	354,937		
Gross - Proportional reinsurance accepted	R0320	-	27	-	-	27		
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-		
Reinsurers' share	R0340	-	242,813	96,348	(629)	338,531		
Net	R0400	-	7,273	9,117	43	16,433		
Changes in other technical provisions								
Gross - Direct Business	R0410	-	-	-	-	-		
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-		
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	-	-		
Reinsurers' share	R0440	-	-	-	-	-		
Net	R0500	-	-	-	-	-		
Expenses incurred	R0550	2,604	37,872	13,063	2,825	56,364		
Other expenses	R1200						-	
Total expenses	R1300						56,364	



## S.17.01.02

## Non-Life Technical Provisions (USD '000)

		Segmentation for:								
		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' comp. 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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0081	C0082
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060	-	-	-	-	-	16,228	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	(13,793)	-	-	-
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	-	30,021	-	-	-
Claims provisions										
Gross - Total	R0160	-	-	-	-	-	691,484	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	626,130	-	-	-
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	-	65,354	-	-	-
Total Best estimate - gross	R0260	-	-	-	-	-	707,713	-	-	-
Total Best estimate - net	R0270	-	-	-	-	-	95,376	-	-	-
Risk margin	R0280	-	-	-	-	-	19,968	-	-	-
Amount of the transitional on Technical Provisions										
TP as a whole	R0290	-	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-	-
Technical provisions - total										
Technical provisions - total	R0320	-	-	-	-	-	727,681	-	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	612,337	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	-	-	-	115,344	-	-	-

## S.17.01.02

## Non-Life Technical Provisions (USD '000)

		Segmentation for:							Total Non-Life obligation	
		Direct business and accepted proportional reinsurance			accepted non-proportional reinsurance					
		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		
										C0020
Technical provisions calculated as a whole		R0010	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole		R0050	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060	-	-	(9)	-	-	-	-	-	16,219
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	-	-	-	(13,793)
Net Best Estimate of Premium Provisions	R0150	-	-	(9)	-	-	-	-	-	30,012
Claims provisions										
Gross - Total	R0160	-	-	7	-	-	-	-	-	691,492
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	-	-	-	626,130
Net Best Estimate of Claims Provisions	R0250	-	-	7	-	-	-	-	-	65,362
Total Best estimate - gross	R0260	-	-	(2)	-	-	-	-	-	707,711
Total Best estimate - net	R0270	-	-	(2)	-	-	-	-	-	95,374
Risk margin	R0280	-	-	0	-	-	-	-	-	19,969
Amount of the transitional on Technical Provisions										
TP as a whole	R0290	-	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-	-
Technical provisions - total										
Technical provisions - total	R0320	-	-	(1)	-	-	-	-	-	727,680
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	-	-	-	612,337
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	(1)	-	-	-	-	-	115,343

# S.19.01.21

## Non-life insurance claims (USD '000)

### Total Non-life business

Accident year / Underwriting year	Z0010	Underwriting Year
--------------------------------------	-------	----------------------

### Gross Claims Paid (non-cumulative)

(absolute amount) \$000s

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0350
Prior	R0100											16,440
N-9	R0160	23,834	42,023	25,598	25,096	8,498	2,152	1,831	1,991	816	21	
N-8	R0170	42,582	39,417	26,375	9,971	4,430	18,404	851	3,859	1,028		
N-7	R0180	20,477	32,621	22,645	25,539	5,697	3,788	3,708	2,658			
N-6	R0190	24,701	48,779	28,178	37,418	3,161	6,386	2,923				
N-5	R0200	14,842	36,756	34,451	20,095	33,236	9,562					
N-4	R0210	22,279	30,045	49,315	17,659	1,176						
N-3	R0220	54,222	62,627	33,438	15,351							
N-2	R0230	56,400	57,030	28,296								
N-1	R0240	34,035	42,319									
N	R0250	42,455										

		In Current year	Sum of all years (cumulative)
		C0360	C0360
Prior	R0100	16,440	593,827
N-9	R0160	21	131,858
N-8	R0170	1,028	146,916
N-7	R0180	2,658	117,132
N-6	R0190	2,923	151,546
N-5	R0200	9,562	148,942
N-4	R0210	1,176	120,475
N-3	R0220	15,351	165,639
N-2	R0230	28,296	141,726
N-1	R0240	42,319	76,353
N	R0250	42,455	42,455
Total	R0260	162,230	1,836,869

### Gross undiscounted Best Estimate Claims Provisions - Development year

(absolute amount) \$000s

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0350
Prior	R0100											81,817
N-9	R0160	-	-	-	-	-	10,344	6,462	3,470	2,346	1,300	
N-8	R0170	-	-	-	-	29,616	5,934	2,191	(4,046)	(5,122)		
N-7	R0180	-	-	-	28,789	20,590	13,285	8,943	4,739			
N-6	R0190	-	-	93,487	46,528	41,769	33,820	28,282				
N-5	R0200	-	105,468	66,220	50,992	26,245	16,273					
N-4	R0210	171,860	107,741	35,274	14,051	11,362						
N-3	R0220	185,885	108,636	62,886	49,005							
N-2	R0230	172,071	118,616	109,514								
N-1	R0240	155,720	111,240									
N	R0250	304,948										

		Year end (discounted data)
		C0360
Prior	R0100	79,308
N-9	R0160	1,260
N-8	R0170	(4,965)
N-7	R0180	4,594
N-6	R0190	27,414
N-5	R0200	15,774
N-4	R0210	11,013
N-3	R0220	47,503
N-2	R0230	106,156
N-1	R0240	107,829
N	R0250	295,597
Total	R0260	691,484



**S.23.01.01**
**Own funds (USD '000)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35 \$000s</b>						
Ordinary share capital (gross of own shares)	R0010	-	-		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	237,836	237,836			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
<b>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</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
<b>Total basic own funds after deductions</b>	<b>R0290</b>	<b>237,836</b>	<b>237,836</b>	<b>-</b>	<b>-</b>	<b>-</b>

**S.23.01.01**
**Own funds (USD '000)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	237,483			237,483	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
<b>Total ancillary own funds</b>	<b>R0400</b>	<b>237,483</b>			<b>237,483</b>	<b>-</b>
<b>Available and eligible own funds</b>						
<b>Total available own funds to meet the SCR</b>	<b>R0500</b>	<b>475,319</b>	<b>237,836</b>	<b>-</b>	<b>237,483</b>	<b>-</b>
<b>Total available own funds to meet the MCR</b>	<b>R0510</b>	<b>237,836</b>	<b>237,836</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total eligible own funds to meet the SCR</b>	<b>R0540</b>	<b>299,506</b>	<b>237,836</b>	<b>-</b>	<b>61,671</b>	<b>-</b>
<b>Total eligible own funds to meet the MCR</b>	<b>R0550</b>	<b>237,836</b>	<b>237,836</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SCR</b>	<b>R0580</b>	<b>123,341</b>				
<b>MCR</b>	<b>R0600</b>	<b>30,835</b>				
<b>Ratio of Eligible own funds to SCR</b>	<b>R0620</b>	<b>243%</b>				
<b>Ratio of Eligible own funds to MCR</b>	<b>R0640</b>	<b>771%</b>				

**Reconciliation reserve**

		C0060
<b>Reconciliation reserve</b>		
Excess of assets over liabilities	R0700	237,836
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	-
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
<b>Reconciliation reserve</b>	<b>R0760</b>	<b>237,836</b>
<b>Expected profits</b>		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	(30,012)
<b>Total Expected profits included in future premiums (EPIFP)</b>	<b>R0790</b>	<b>(30,012)</b>

**S.25.01.21**
**Solvency Capital Requirement - for undertakings on Standard Formula (USD '000)**

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	67,981		
Counterparty default risk	R0020	26,856		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	40,966		
Diversification	R0060	(33,694)		
Intangible asset risk	R0070	-		
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>102,110</b>		

		Value
		C0100
<b>Calculation of Solvency Capital Requirement</b>		
Operational risk	R0130	21,231
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
<b>Solvency Capital Requirement excluding capital add-on</b>	<b>R0200</b>	<b>123,341</b>
Capital add-on already set	R0210	
<b>Solvency capital requirement</b>	<b>R0220</b>	<b>123,341</b>

**Other information on SCR**

Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

**S.28.01.01**
**Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (USD '000)**
**Linear formula component for non-life insurance and reinsurance obligations**

		C0010
MCRNL Result	R0010	20,067

**Background information**

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	95,376	73,013
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2	177
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

**Linear formula component for life insurance and reinsurance obligations**

		C0040
MCRL Result	R0200	-

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

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

**Overall MCR calculation**

		C0070
Linear MCR	R0300	20,067
SCR	R0310	123,341
MCR cap	R0320	55,504
MCR floor	R0330	30,835
Combined MCR	R0340	30,835
Absolute floor of the MCR	R0350	2,574
Minimum Capital Requirement	R0400	30,835

## ISRe

### Basic Information - General

Undertaking name	International Shipowners Reinsurance Company S.A.
Undertaking identification code	LEIJ66LB8B3GB34QW4VRZ57
Type of undertaking	Non-Life Undertaking
Country of authorisation	LU
Language of reporting	en
Reporting reference date	20/02/2021
Currency used for reporting	USD
Accounting standards	Lux GAAP
Method of Calculation of the SCR	Standard Formula
Matching adjustment	Matching adjustment Not Used
Volatility adjustment	Volatility Adjustment Not Used
Transitional measure on the risk-free interest rate	Transitional measure on the risk-free interest rate Not Used
Transitional measure on technical provisions	Transitional measure on technical provisions Not Used

### Disclosed Templates

S.02.01.02	Balance Sheet
S.05.01.02	Premiums, Claims and Expenses by Line of Business
S.05.02.01	Premiums, Claims and Expenses by Country
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life Insurance Claims
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity



**S.02.01.02**
**Balance sheet (USD '000)**

		Solvency II value
		C0010
<b>Assets</b>		
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	-
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	392,020
<i>Property (other than for own use)</i>	R0080	-
<i>Holdings in related undertakings, including participations</i>	R0090	-
<i>Equities</i>	R0100	-
<i>Equities - listed</i>	R0110	-
<i>Equities - unlisted</i>	R0120	-
<i>Bonds</i>	R0130	312,273
<i>Government Bonds</i>	R0140	117,358
<i>Corporate Bonds</i>	R0150	194,915
<i>Structured notes</i>	R0160	-
<i>Collateralised securities</i>	R0170	-
<i>Collective Investments Undertakings</i>	R0180	79,651
<i>Derivatives</i>	R0190	97
<i>Deposits other than cash equivalents</i>	R0200	-
<i>Other investments</i>	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
<i>Loans on policies</i>	R0240	-
<i>Loans and mortgages to individuals</i>	R0250	-
<i>Other loans and mortgages</i>	R0260	-
Reinsurance recoverables from:	R0270	-
<i>Non-life and health similar to non-life</i>	R0280	-
<i>Non-life excluding health</i>	R0290	-
<i>Health similar to non-life</i>	R0300	-
<i>Life and health similar to life, excluding health and index-linked and unit-linked</i>	R0310	-
<i>Health similar to life</i>	R0320	-
<i>Life excluding health and index-linked and unit-linked</i>	R0330	-
<i>Life index-linked and unit-linked</i>	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	-
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	319
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	27,494
Any other assets, not elsewhere shown	R0420	7
<b>Total assets</b>	<b>R0500</b>	<b>419,840</b>

## S.02.01.02

## Balance sheet (USD '000)

		Solvency II value
		C0010
<b>Liabilities</b>		
Technical provisions – non-life	R0510	280,090
<i>Technical provisions – non-life (excluding health)</i>	R0520	280,090
<i>Technical provisions calculated as a whole</i>	R0530	-
<i>Best Estimate</i>	R0540	261,589
<i>Risk margin</i>	R0550	18,501
<i>Technical provisions – health (similar to non-life)</i>	R0560	-
<i>Technical provisions calculated as a whole</i>	R0570	-
<i>Best Estimate</i>	R0580	-
<i>Risk margin</i>	R0590	-
Technical provisions – life (excluding index-linked and unit-linked)	R0600	-
<i>Technical provisions – health (similar to life)</i>	R0610	-
<i>Technical provisions calculated as a whole</i>	R0620	-
<i>Best Estimate</i>	R0630	-
<i>Risk margin</i>	R0640	-
<i>Technical provisions – life (excluding health and index-linked and unit-linked)</i>	R0650	-
<i>Technical provisions calculated as a whole</i>	R0660	-
<i>Best Estimate</i>	R0670	-
<i>Risk margin</i>	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
<i>Technical provisions calculated as a whole</i>	R0700	-
<i>Best Estimate</i>	R0710	-
<i>Risk margin</i>	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	27,827
Derivatives	R0790	156
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	-
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	674
Subordinated liabilities	R0850	-
<i>Subordinated liabilities not in Basic Own Funds</i>	R0860	-
<i>Subordinated liabilities in Basic Own Funds</i>	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
<b>Total liabilities</b>	R0900	308,747
<b>Excess of assets over liabilities</b>	R1000	111,093

## S.05.01.02

## Premiums, claims and expenses by line of business (USD '000)

## Non-Life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted 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
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Premiums written													
Gross - Direct Business	R0110	-	-	-	-	-	93,730	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0200	-	-	-	-	-	93,730	-	-	-	-	-	-
Premiums earned													
Gross - Direct Business	R0210	-	-	-	-	-	93,730	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0300	-	-	-	-	-	93,730	-	-	-	-	-	-
Claims incurred													
Gross - Direct Business	R0310	-	-	-	-	-	152,498	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0400	-	-	-	-	-	152,498	-	-	-	-	-	-
Changes in other technical provisions													
Gross - Direct Business	R0410	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non- proportional reinsurance accepted	R0430												
Reinsurers'share	R0440	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0500	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred	R0550	-	-	-	-	-	1,175	-	-	-	-	-	-
Other expenses	R1200												
Total expenses	R1300												

**S.05.01.02**
**Premiums, claims and expenses by line of business (USD '000)**
**Non-Life**

		Line of business for: accepted non-proportional reinsurance				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	C0140	C0150	C0160	
<b>Premiums written</b>						
Gross - Direct Business	R0110					93,730
Gross - Proportional reinsurance accepted	R0120					-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	
Reinsurers' share	R0140	-	-	-	-	-
Net	R0200	-	-	-	-	93,730
<b>Premiums earned</b>						
Gross - Direct Business	R0210					93,730
Gross - Proportional reinsurance accepted	R0220					-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	
Reinsurers' share	R0240	-	-	-	-	-
Net	R0300	-	-	-	-	93,730
<b>Claims incurred</b>						
Gross - Direct Business	R0310					152,498
Gross - Proportional reinsurance accepted	R0320					-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	
Reinsurers' share	R0340	-	-	-	-	-
Net	R0400	-	-	-	-	152,498
<b>Changes in other technical provisions</b>						
Gross - Direct Business	R0410					-
Gross - Proportional reinsurance accepted	R0420					-
Gross - Non- proportional reinsurance accepted	R0430	-	-	-	-	
Reinsurers'share	R0440	-	-	-	-	-
Net	R0500	-	-	-	-	-
Expenses incurred	R0550	-	-	-	-	1,175
Other expenses	R1200					-
Total expenses	R1300					1,175

**S.05.02.01**
**Premiums, claims and expenses by Country (USD '000)**
**Non-Life**

		Home country	Total for top 5 countries and home country
		C0080	C0140
<b>Premiums written</b>			
Gross - Direct Business	R0110	93,730	93,730
Gross - Proportional reinsurance accepted	R0120	-	-
Gross - Non-proportional reinsurance accepted	R0130	-	-
Reinsurers' share	R0140	-	-
Net	R0200	93,730	93,730
<b>Premiums earned</b>			
Gross - Direct Business	R0210	93,730	93,730
Gross - Proportional reinsurance accepted	R0220	-	-
Gross - Non-proportional reinsurance accepted	R0230	-	-
Reinsurers' share	R0240	-	-
Net	R0300	93,730	93,730
<b>Claims incurred</b>			
Gross - Direct Business	R0310	152,498	152,498
Gross - Proportional reinsurance accepted	R0320	-	-
Gross - Non-proportional reinsurance accepted	R0330	-	-
Reinsurers' share	R0340	-	-
Net	R0400	152,498	152,498
<b>Changes in other technical provisions</b>			
Gross - Direct Business	R0410	-	-
Gross - Proportional reinsurance accepted	R0420	-	-
Gross - Non-proportional reinsurance accepted	R0430	-	-
Reinsurers' share	R0440	-	-
Net	R0500	-	-
<b>Expenses incurred</b>	R0550	1,175	1,175
<b>Other expenses</b>	R1200		-
<b>Total expenses</b>	R1300		1,175



## S.17.01.02

## Non-Life Technical Provisions (USD '000)

		Segmentation for:								
		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' comp. 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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0081	C0082
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060	-	-	-	-	-	(13,989)	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	-	(13,989)	-	-	-
Claims provisions										
Gross - Total	R0160	-	-	-	-	-	275,578	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	-	-	-	-
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	-	275,578	-	-	-
Total Best estimate - gross	R0260	-	-	-	-	-	261,589	-	-	-
Total Best estimate - net	R0270	-	-	-	-	-	261,589	-	-	-
Risk margin	R0280	-	-	-	-	-	18,501	-	-	-
Amount of the transitional on Technical Provisions										
TP as a whole	R0290	-	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-	-
Technical provisions - total										
Technical provisions - total	R0320	-	-	-	-	-	280,090	-	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	-	-	-	280,090	-	-	-

## S.17.01.02

## Non-Life Technical Provisions (USD '000)

		Segmentation for:							Total Non-Life obligation
		Direct business and accepted proportional reinsurance			accepted non-proportional reinsurance				
		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	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060	-	-	-	-	-	-	-	(13,989)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	-	-	-	(13,989)
Claims provisions									
Gross - Total	R0160	-	-	-	-	-	-	-	275,578
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	-	-	-
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	-	-	-	275,578
Total Best estimate - gross	R0260	-	-	-	-	-	-	-	261,589
Total Best estimate - net	R0270	-	-	-	-	-	-	-	261,589
Risk margin	R0280	-	-	-	-	-	-	-	18,501
Amount of the transitional on Technical Provisions									
TP as a whole	R0290	-	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-	-
Technical provisions - total									
Technical provisions - total	R0320	-	-	-	-	-	-	-	280,090
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	-	-	-	-	-	280,090

# S.19.01.21

## Non-life insurance claims (USD '000)

### Total Non-life business

Accident year / Underwriting year	Z0010	Underwrit ing Year
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### Gross Claims Paid (non-cumulative)

(absolute amount) \$000s

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0350
Prior	R0100											693
N-9	R0160	19,008	22,192	14,499	15,401	7,289	1,783	2,254	1,584	575	(27)	
N-8	R0170	27,935	29,506	19,194	4,838	3,335	(1,080)	193	2,380	608		
N-7	R0180	16,381	24,561	14,711	17,209	2,374	2,866	1,353	1,485			
N-6	R0190	19,761	23,227	11,987	4,937	2,332	2,854	1,036				
N-5	R0200	11,874	25,081	19,622	15,443	18,520	3,019					
N-4	R0210	17,823	24,036	23,756	9,851	614						
N-3	R0220	34,933	40,298	14,937	10,833							
N-2	R0230	42,677	25,312	14,947								
N-1	R0240	27,228	20,466									
N	R0250	33,078										

### Gross undiscounted Best Estimate Claims Provisions - Development year

(absolute amount) \$000s

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0350
Prior	R0100											23,116
N-9	R0160	-	-	-	-	-	8,050	4,397	2,485	1,706	917	
N-8	R0170	-	-	-	-	6,338	5,910	3,851	434	(829)		
N-7	R0180	-	-	-	15,660	10,449	6,552	3,756	1,879			
N-6	R0190	-	-	19,062	12,159	9,792	6,258	4,837				
N-5	R0200	-	61,964	43,603	28,228	12,469	9,256					
N-4	R0210	94,886	51,471	21,680	10,095	8,506						
N-3	R0220	97,367	53,597	33,703	25,786							
N-2	R0230	80,315	48,068	38,482								
N-1	R0240	87,270	72,096									
N	R0250	115,729										

		In Current year	Sum of all years (cumulative)
		C0360	C0360
Prior	R0100	693	414,870
N-9	R0160	(27)	84,558
N-8	R0170	608	86,911
N-7	R0180	1,485	80,942
N-6	R0190	1,036	66,134
N-5	R0200	3,019	93,558
N-4	R0210	614	76,083
N-3	R0220	10,833	101,002
N-2	R0230	14,947	82,937
N-1	R0240	20,466	47,694
N	R0250	33,078	33,078
Total	R0260	86,752	1,167,765

		Year end (discounted data)
		C0360
Prior	R0100	21,250
N-9	R0160	843
N-8	R0170	(762)
N-7	R0180	1,727
N-6	R0190	4,446
N-5	R0200	8,508
N-4	R0210	7,820
N-3	R0220	23,705
N-2	R0230	35,376
N-1	R0240	66,276
N	R0250	106,387
Total	R0260	275,578



**S.23.01.01**
**Own funds (USD '000)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35 \$000s</b>						
Ordinary share capital (gross of own shares)	R0010	25,000	25,000		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	86,093	86,093			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
<b>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</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
<b>Total basic own funds after deductions</b>	<b>R0290</b>	<b>111,093</b>	<b>111,093</b>	<b>-</b>	<b>-</b>	<b>-</b>

**S.23.01.01**
**Own funds (USD '000)**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
<b>Total ancillary own funds</b>	R0400	-			-	-
<b>Available and eligible own funds</b>						
<b>Total available own funds to meet the SCR</b>	R0500	111,093	111,093	-	-	-
<b>Total available own funds to meet the MCR</b>	R0510	111,093	111,093	-	-	
<b>Total eligible own funds to meet the SCR</b>	R0540	111,093	111,093	-	-	-
<b>Total eligible own funds to meet the MCR</b>	R0550	111,093	111,093	-	-	
<b>SCR</b>	R0580	105,413				
<b>MCR</b>	R0600	40,066				
<b>Ratio of Eligible own funds to SCR</b>	R0620	105%				
<b>Ratio of Eligible own funds to MCR</b>	R0640	277%				

**Reconciliation reserve**

		C0060
<b>Reconciliation reserve</b>		
Excess of assets over liabilities	R0700	111,093
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	25,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
<b>Reconciliation reserve</b>	R0760	86,093
<b>Expected profits</b>		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	13,989
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790	13,989

**S.25.01.21**
**Solvency Capital Requirement - for undertakings on Standard Formula (USD '000)**

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	44,109		
Counterparty default risk	R0020	10,882		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	100,539		
Diversification	R0060	(30,136)		
Intangible asset risk	R0070	-		
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>125,393</b>		

		Value
		C0100
<b>Calculation of Solvency Capital Requirement</b>		
Operational risk	R0130	7,848
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(27,827)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
<b>Solvency Capital Requirement excluding capital add-on</b>	<b>R0200</b>	<b>105,413</b>
Capital add-on already set	R0210	-
<b>Solvency capital requirement</b>	<b>R0220</b>	<b>105,413</b>

**Other information on SCR**

Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

**S.28.01.01**
**Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (USD '000)**
**Linear formula component for non-life insurance and reinsurance obligations**

		C0010
MCRNL Result	R0010	40,066

**Background information**

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	261,589	93,730
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

**Linear formula component for life insurance and reinsurance obligations**

		C0040
MCRL Result	R0200	-

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

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

**Overall MCR calculation**

		C0070
Linear MCR	R0300	40,066
SCR	R0310	105,413
MCR cap	R0320	47,436
MCR floor	R0330	26,353
Combined MCR	R0340	40,066
Absolute floor of the MCR	R0350	2,574
Minimum Capital Requirement	R0400	40,066