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

Single Solvency & Financial Condition Report (Single SFCR)
as at 20 February 2019



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

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Executive Summary

The result of The West of England Ship Owners Mutual Insurance Association (Luxembourg) (the “Club”), for the year ending 20 February 2019, achieved in a difficult market environment, is indicative of the resilience of the Club’s financial strength.

Group
Solvency
ratio
237%

S&P rating
A-
Stable
Outlook

Solvency II
eligible
own funds:
**USD
392m**

3 year
average
combined
ratio:
105.9%

Free Reserves were maintained in excess of USD 300 million at USD 306.4 million, a modest decline of USD 2.1 million compared to the all-time high of 20 February 2018 (USD 308.5 million). Standard and Poor’s also re-affirmed the Club’s A- rating in November 2018 reflecting their view that the Club will be able to sustain its “extremely strong” level of capitalisation.

This Solvency & Financial Condition Report (“SFCR”) at 20 February 2019 provides further detail on the capital strength of the Club and its increased Group Solvency II ratio of 237%. The eligible own funds increased to USD 391.6 million (Group Basic Own Funds of USD 308.9 million and Ancillary Own Funds of USD 82.7 million), providing a considerable buffer over the Group Solvency Capital Requirement (“SCR”) of USD 165.4 million.

The Club’s solvency level reflects its increased financial strength and its maintained moderate risk appetite consistent with its objective of preserving its Members’ capital. This capital strength positions the Club well to meet the changing insurance requirements of its Membership through its robust governance and risk management processes and its continued commitment to high quality service.

This SFCR was approved by the Board of Directors of the Association on 8 July 2019. 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 basis¹ and Luxembourg GAAP (“Lux GAAP”) basis² while all Solo entity and ISRe financial statements are produced on a Lux GAAP basis only.

¹ 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.

² 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 or 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 markets. The Club's market share is over 7% of the IG's mutual P&I market.

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 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 headquarter was 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 insures some 800 fleets, representing more than 3,700 insured vessels and approximately 93 million gross tonnes (GT) of owned entities.

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.

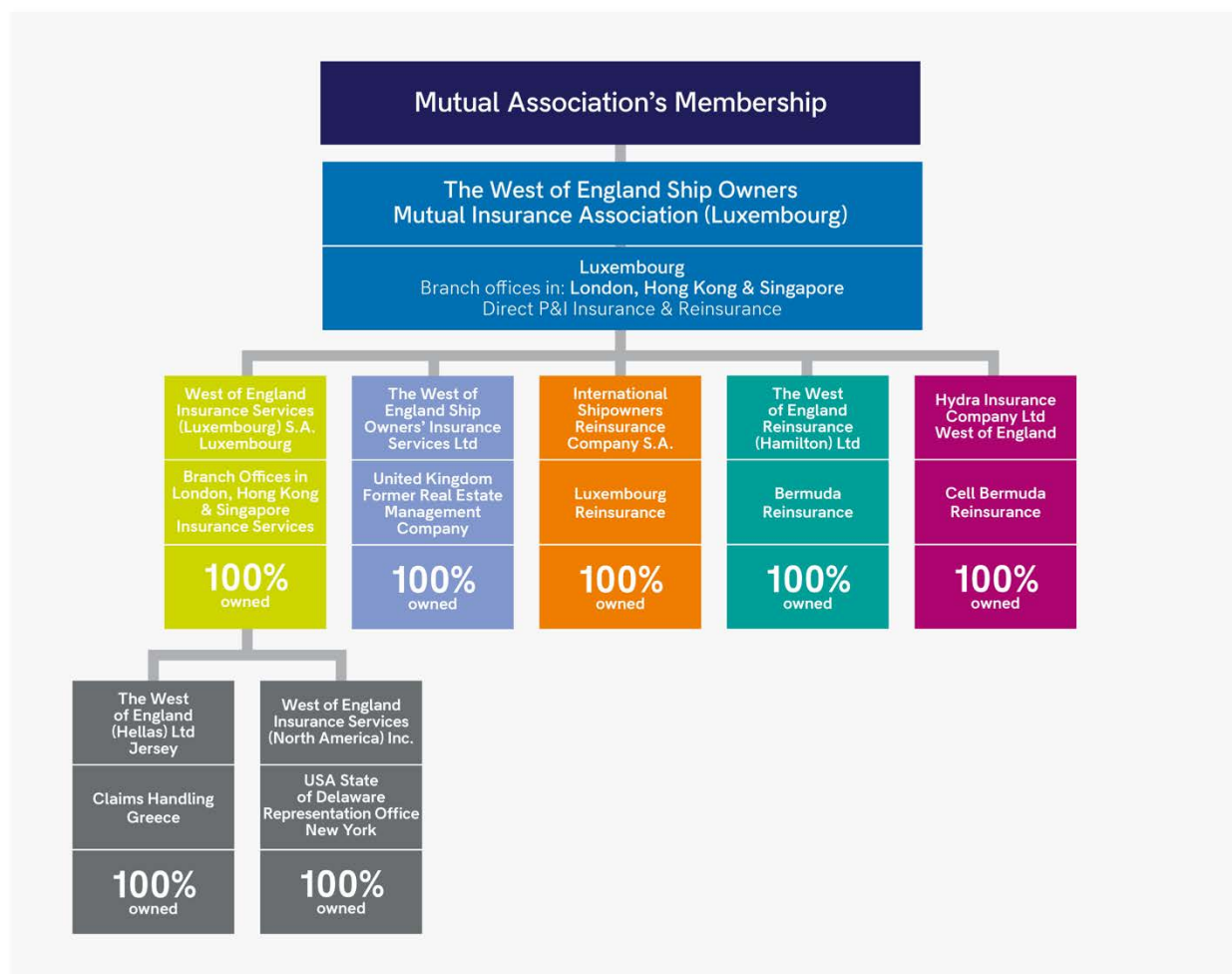
The Club has been interactively rated A- by S&P since November 2016, with a stable outlook, a rating that was re-affirmed in November 2018.

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 11.7% of the voting rights.

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 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").

In the context of Brexit, both the UK branch of the Association and the UK branch of Services have entered into the Temporary Permission Regime (TPR).

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 Jersey, West of England (Hellas) Ltd (“Hellas”), which acts as representative office in Piraeus for claims adjusting. It also established a fully owned subsidiary in the United States of America, West of England Insurance Services (North America) Inc., which assists Services in promoting the Club’s interests in North America.

The Club fully owns International Shipowners Reinsurance Company S.A. (“ISRe”) which reinsures some 80% of the Club’s net insurance risks, essentially on a quota-share basis, and manages the investment portfolio on behalf of the Group through a pooling agreement. ISRe is also headquartered in Luxembourg and, as such, is supervised by the CAA.

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

Subsidiary	Purpose
The West of England Reinsurance (Hamilton) Ltd.	Hamilton reinsures some 10% of the business of its parent mainly on a quota-share basis.
A segregated “Cell” in Hydra Insurance Company Ltd. (“Hydra”)	Hydra is a captive reinsurer comprising 13 individual cells, each one owned by one of the Clubs of the International Group (“IG”). Hydra retains a portion of risk under the IG Pool and the Group Excess Loss Reinsurance Programme and 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 (Tower Bridge Court) prior to 2006. It then owned and managed the Club’s property in London. Since Tower Bridge Court was sold in July last year, the Company is effectively dormant and has no activity.

Offices and Headcount

At 20 February 2019, the Club employed 143 staff, or 140 full time equivalents with the following breakdown:

Location	Description	Primary Functions	Staff
Luxembourg	Head Office	<ul style="list-style-type: none"> Representation of the Board Compliance, Legal and Company Secretariat Investments 	4
London	Services Branch	<ul style="list-style-type: none"> Underwriting, Claims Management Accounting and Corporate Finance 	81
Hong Kong	Services Branch	<ul style="list-style-type: none"> Underwriting and Claims Management 	34
Singapore	Services Branch	<ul style="list-style-type: none"> Underwriting and Claims Management 	7
Piraeus	Representative Office – West of England (Hellas) Limited	<ul style="list-style-type: none"> Claims Adjusting 	13
New York	Representative Office – West of England Insurance Services (North America) Inc.	<ul style="list-style-type: none"> Promoting the Club and its insurance services in North America 	1
Total			140

Business Overview

The year ending 20 February 2019 has demonstrated the resilience of the Club's financial strength, with Free Reserves maintained in excess of USD 300 million at USD 306.4 million, a modest decline of USD 2.1 million compared to the all-time high of 20 February 2018 (USD 308.5 million).

This result was achieved in a challenging market environment with premium rates across the market having reduced to a level that is not considered sustainable.

Members' claims have, at an attritional level, again developed within the Club's expectations. However, 2018, like 2017, suffered from adverse large claims experience and, although severe claims were fewer in number than 2017 (six in excess of USD 3m in 2018 compared to 10 in 2017 at the same stage), they were higher in magnitude. The Club's comprehensive reinsurance programme responded so that any deterioration of these larger losses will not be to the detriment of the Club's balance sheet. The Pool also suffered from a greater frequency of incidents than expected following a number of notifications in the latter part of the year.

This isolated large claims' experience has produced a technical loss of USD 26.0 million and a combined ratio of 114% for the year ended 20 February 2019. The Club remains cautious in its expectations of claims developments and consequently has increased its reserving strength on the balance sheet.

The Club maintained a low risk profile and balanced strategic investment allocation and posted an investment return of +3.9%, the tenth consecutive year of a positive investment return. Excluding direct property holdings, the Club's portfolio of financial assets returned 2.2% despite equity markets facing a severe bout of volatility during Q4 2018. The diversification and high quality of the Fixed Income portfolio contributed the majority of the return.

Notwithstanding the difficult claims and investment environments the strength of the balance sheet and the Club's robust financial health were enhanced, with capital continuing to be well in excess of the S&P "AAA" rating levels and the requirements of Solvency II.

The financial strength of the Club (Consolidated and Solo) and ISRe is reflected in its strong Solvency II ratios:

Entity	Solvency II Ratio inc. Tier 2 Capital		Solvency II Ratio excl. Tier 2 Capital		Coverage of Minimum Capital Requirement (MCR)	
	2019	2018	2019	2018	2019	2018
Club Consolidated	237%	211%	187%	161%	427%	371%
Club Solo	323%	294%	273%	244%	1,093%	976%
ISRe	162%	153%	162%	153%	374%	348%

A.2 Underwriting Performance

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

	Club Consolidated (Market value basis)		Club Consolidated (Lux GAAP)		Club Solo		ISRe	
	2019	2018	2019	2018	2019	2018	2019	2018
Gross Premium	219,726	213,797	219,726	213,797	219,726	213,797	92,969	89,620
Net Earned Premium	181,080	176,301	181,080	176,301	66,797	63,579	92,969	89,620
Incurred Claims	(169,668)	(169,143)	(169,668)	(169,143)	(28,806)	(30,179)	(101,959)	(98,596)
Operating Expenses	(37,438)	(35,392)	(37,302)	(35,444)	(35,611)	(33,947)	(465)	(500)
Net Underwriting Result	(26,026)	(28,234)	(25,890)	(28,286)	2,380	(547)	(9,455)	(9,476)
Combined Ratio	114%	116%						

Gross premium for 2018/19 increased by approximately 2.8% to USD 219.7 million. For several years now, the International Group and other P&I providers have seen insurance rates per vessel declining in an extremely competitive environment. At recent renewals, given Clubs' strong capital levels, attention from Members and their brokers was on price rather than service or qualitative factors and it is widely considered that market premium is no longer commensurate with the risk.

The adverse claims performance described in the business overview is reflected in the Club's underwriting result, showing a deficit of USD 26.0 million for the financial year ended, which represents a combined ratio of 114%. The three-year average combined ratio now amounts to 105.9%, in excess of the Board objective of better than 100%. The Club took a measured approach at renewal seeking to increase rates for Members with poor records and maintained a conservative growth strategy in light of current unsustainable P&I rates prevailing in the market.

A.3 Investment Performance

The Club's overall investment return for the year ending 20 February 2019 was a positive USD 23.9 million, net of tax and charges and inclusive of a capital gain arising from the disposal of Tower Bridge Court, part of which was recognised directly in Free Reserve.

For the financial year under review, the portfolio of financial assets (excluding the capital gain on the sale of Tower Bridge Court) returned a gain of 2.2% or USD 14.4 million net of fees, driven by Fixed Income holdings (+3.0%). Equities posted a minor loss of 0.9%, recovering in early 2019 after the volatility spike suffered during Q4 2018.

The Club has continued to maintain a conservative investment strategy, consistent with the risk appetite set and regularly reviewed by the Board. This strategy is driven by the longer-term objective of maintaining low volatility, appropriate liability matching and therefore overall stability of the capital position. The portfolio is primarily invested in high quality and liquid securities.

Return expectations are consistent with this low risk profile in a continuing environment of subdued interest rates, where central banks are shifting from a gradual normalisation of their monetary policies to an extension of supportive measures following the recent global economic slowdown.

As at 20 February 2019, the market value of the Club's financial assets was some USD 694.4 million (2018 USD 635.5 million). The portfolio structure and net returns were as follows:

	Weight		Net Return	
	2019	2018	2019	2018
Contingency Cash portfolio	19.6%	22.4%	+0.8%	+1.5%
Liability Matching portfolio	58.0%	57.7%	+3.0%	+0.4%
Growth portfolio - Liquid	18.4%	19.9%	+0.8%	+10.4%
Growth portfolio - Illiquid	4.0%	N/a	+2.7%	N/a
Total	100%	100%	+2.2%	+2.6%

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Contingency Cash Portfolio	+0.8%	+1.5%	+1.5%	+1.5%	+0.7%	+0.2%	+1.7%	+6.0%
Liability Matching Portfolio	+3.0%	+0.4%	+3.2%	+0.8%	+3.2%	+0.8%	+3.2%	+0.8%
Growth portfolio - Liquid	+0.8%	+10.4%	+1.9%	+3.2%	+1.9%	+3.2%	+1.9%	+3.2%
Growth portfolio - Illiquid	+2.7%	N/a	+0.6%	N/a	+0.6%	N/a	+0.6%	N/a
Total	+2.2%	+2.6%	+2.6%	+1.5%	+2.1%	+1.0%	+2.8%	+2.1%

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 2019. On a solo basis, and in addition to the investment return presented above in section A.3, the Club received a material dividend from its subsidiary The West of England Ship Owners' Insurance Services Limited, following the disposal of the Club's London property Tower Bridge Court.

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 0.7 million (2018 deficit of USD 8.2 million). The breakdown of the Income and Expenditure result by entity is as follows (in USD '000):

	Club Consolidated (Market value basis)		Club Consolidated (Lux GAAP)		Club Solo		ISRe	
	2019	2018	2019	2018	2019	2018	2019	2018
Underwriting Result	(26,026)	(28,234)	(25,890)	(28,286)	2,380	(547)	(9,455)	(9,476)
Investment Return	28,601	21,227	71,599	14,825	45,279	1,784	9,712	9,727
Taxes	(3,251)	(1,210)	(7,111)	(1,210)	(995)	(450)	(257)	(251)
Surplus / (Deficit)	(676)	(8,217)	38,598	(14,671)	46,664	787	-	-

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 stakeholders.

The Club's Board and committees mainly comprise Member Directors but also independent Directors representing specific areas of expertise.

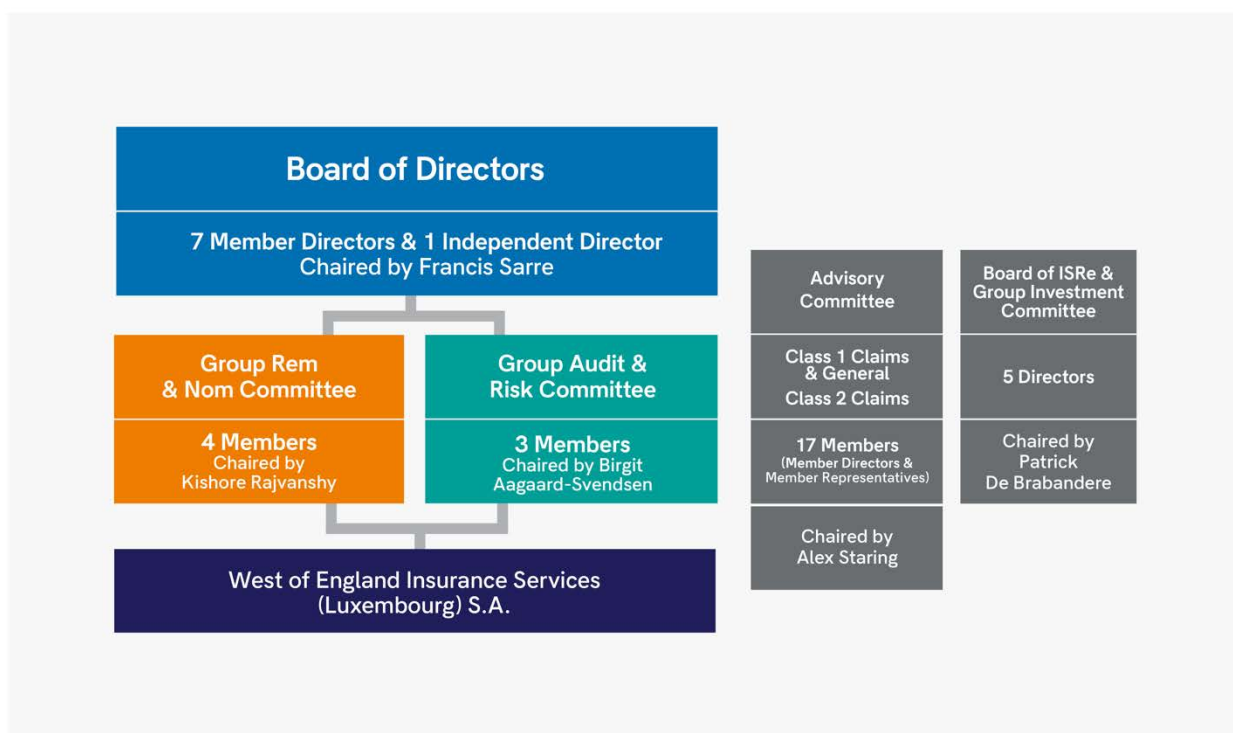
The Club's Board currently has 8 Non-Executive Directors, 7 drawn from Members of the Club and 1 independent. These Directors represent the mutual interests of the Club and come from a broad range of backgrounds and regions, mainly within operational, legal and financial disciplines.

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

- Group Nomination & Remuneration Committee: currently 4 Member Directors;
- Group Audit & Risk Committee: currently 1 Independent Director (as Chairman of the Committee) and 2 Member Directors;
- Advisory Committee: currently 17 members.

An Advisory Committee was set up to allow a broad and diversified representation of the Membership. This Advisory Committee which first met in May 2018 and whose primary area of focus is Claims has currently 17 members, including 5 Directors and 12 Member representatives.

The monitoring and control of the investment portfolio and investment risks is operated through the Board of ISRe acting as Group Investment Committee of the Club. The Board of ISRe is currently composed of 5 Directors including 1 Independent Director and 1 Executive Director.



The Board of West of England (Hamilton) has currently 6 Directors.

The Board and Committees meet at least three times a year to conduct and monitor business. The Board is responsible for deciding business and financial strategy, and supervising results. This includes the setting of risk tolerances, capital adequacy, underwriting objectives, reinsurance programme, and investment strategy.

The Board also reviews and approves the Own Risk and Solvency Assessment (ORSA) and other relevant corporate policies.

The Club's Board has appointed West of England Insurance Services (Luxembourg) S.A. to execute its business and financial strategy and manage its affairs.

The Club's Managers

Services is responsible for all day-to-day operations. This comprises negotiating policy renewals and the underwriting of new business, claims adjusting and claim handling, reinsurance purchase and management, risk management, business continuity, internal control, finance and all other aspects of the 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 a strong alignment of interest between the Members and their Managers.

The Services Board meets monthly at which key financial or business data is reviewed while risk tolerances and indicators are reviewed quarterly by a Risk Committee.

Services' structure consists of seven 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 and Business Continuity, including IT and Enterprise Risk Management;
- Underwriting, including Loss Prevention;
- Claims Management;
- Finance, including Actuarial and Data Quality;
- Investments;
- Compliance;
- 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 II³.

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;
- All existing Directors (non-executive and independent Directors) of the Club;
- The General Manager of the Club.

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

- Actuarial Function;
- Risk Management Function;
- Compliance Function;
- Internal Audit Function.

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

The Club has adopted a "three lines of defence" approach to risk management. Underwriting, Claims Handling and Finance represent the first line of defence, while Actuarial, Risk Management and Compliance represent the second and Internal Audit the third.

The Club has established a management process for Enterprise Risk Management (ERM) as part of the second line of defence which is the responsibility of the Chief Operating Officer (COO).

ERM policy is set by the Club's Board and monitored on its behalf by the Group Audit & Risk Committee. Day-to-day implementation and executive oversight is performed by the Services' Board and its executive Directors through a dedicated Risk Committee.

³ Reference: EIOPA-BoS-14/253.

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

Stakeholder	Role & Responsibilities
Club's Board	<ul style="list-style-type: none"> • Approve ERM policy statement and framework; • Approve risk appetite and tolerances.
Club Board's Group Audit & Risk Committee	<ul style="list-style-type: none"> • Review the scope and effectiveness of the ERM; • Monitor actual risk against agreed thresholds and benchmarks, note exceptions and corrective actions proposed by Managers and Internal Auditor; • Monitor emerging risks; • Note corrective actions proposed by External and Internal Auditors.
Chief Operating Officer (COO)	<ul style="list-style-type: none"> • Lead the ERM policy statement and chair the Manager's Risk Committee; • Implement and operate the ERM process for the identification, assessment, management and monitoring of risks, including the cascading of risk tolerances and identification of other relevant benchmarks; • Embed the ERM process into the Club information systems and decision making process; • Monitor actual risk against tolerances, report on breaches; • Identify emerging risks.
Managers' Risk Committee (COO, Underwriting Director, Claims Director, General Manager and CFO)	<ul style="list-style-type: none"> • Update, propose to the Executive Committee and oversee implementation of the ERM policy statement and framework; • Review risk areas and risk exposure, monitor progress and breaches against tolerances and limits; • Review Events Log and breaches of tolerances; • Identify emerging risks.
Internal Auditor	<ul style="list-style-type: none"> • Perform audits, follow-up progress plans and present findings to the Club's Group Audit & Risk Committee; • Report to the Group Audit & Risk Committee; • Identify emerging risks.

The Managers' Risk Committee has identified and assessed a number of 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 Group Audit and Risk Committee and the Board of the Club. Additionally, any change to the Risk Register has to be approved by the Group Audit and Risk Committee and the Board of the Club.

The Risk Register which was further enhanced in 2018 identifies and describes successively:

- Risk factors: cause, potential consequences and ownership.
- Mitigating processes to curb the cause and/or the consequences of a given risk.
- Residual or net risks: impacts of risk after mitigating processes are in place.
- A "Risk Owner" responsible for managing each risk.

The following table provides a comprehensive summary of the Risk Register's key risks:

Risk Register	Risk Description
Strategy - Inappropriate or lack of strategy, poor execution of business plan	<ul style="list-style-type: none"> • Misalignment of objectives and initiatives with the P&I market dynamics, Club's available capital and economic environment. • Failure to align human resources, technology and infrastructures on strategy, business requirements, technical standards & economic environment.
Underwriting - Inappropriate risk selecting and pricing	<ul style="list-style-type: none"> • Poor risk selection. • Inadequate pricing of risk.
Underwriting - Inappropriate underwriting process activities	<ul style="list-style-type: none"> • Inappropriate or inadequate governance over underwriting activities. • Inappropriate design or lack of framework under which underwriting activities are performed.
Reinsurance - Inappropriate or ineffective reinsurance arrangements	<ul style="list-style-type: none"> • Failure to purchase cost effective or properly structured third party reinsurance covers. • Failure to select financially secure third party reinsurers.
Compliance - Breach of relevant regulatory or legislative requirements	<ul style="list-style-type: none"> • Serious breach of regulatory and filing requirements. • Inappropriate or lack of policies and procedures reflecting the Club's legal environment.
Claims - Adverse litigation to the Club	<ul style="list-style-type: none"> • Poor selection of suitably qualified providers. • Inappropriate or inadequate assessment of legal contracts. • Non-compliance of correspondents with regulations applicable to the Club and its business.
Claims - Inappropriate claims handling and management	<ul style="list-style-type: none"> • Defences and settlement opportunities are compromised. • Deteriorated loss ratio. • Inadequate reserving on declared claims. • Misleading loss ratio.
Financial Fraud	<ul style="list-style-type: none"> • Loss arising from inadequate or failed internal processes or external events relative to payments made by the Club.
Reserving - Inadequate reserving	<ul style="list-style-type: none"> • Inaccurate reserving; • Inconsistent projections of financial results; • Misleading loss ratio.
Investments - Investment underperformance and mismatch of assets & liabilities	<ul style="list-style-type: none"> • Inadequate investment strategy & guidelines relative to: <ul style="list-style-type: none"> — available capital and risk tolerance limits, — expected investment return over the 3-year business plan, — claims payments.
Pensions - Inadequate management of pensions liabilities	<ul style="list-style-type: none"> • Insufficient funding and/or inadequate investment policy of the Pension Scheme.
Liquidity - Insufficient liquidity	<ul style="list-style-type: none"> • Balance sheet not liquid enough
Financial Reporting - Financial misstatement, including tax risk	<ul style="list-style-type: none"> • Inaccurate or delayed reporting.
Operations - Deficient IT management or key infrastructure	<ul style="list-style-type: none"> • Ineffective IT management. • Disruption or failure or lack of key infrastructure.
Operations - Data quality and security	<ul style="list-style-type: none"> • Deficient data management.
Operations - Personnel, culture, conduct and competence	<ul style="list-style-type: none"> • Loss of key staff. • Deficient succession planning. • Poor training. • Improper culture and lack of ethics.
Counterparties - Default of third parties	<ul style="list-style-type: none"> • Weak investment or business counterparties increasing exposure to non-payment risk.

The Risk Register is considered quarterly by those managers and officers involved in the risk control process and reviewed by the Managers' Risk Committee.

Relevant information to assess the risks and the mitigation processes may include the findings of the Internal Auditor's reports or events that have arisen in the course of the business. For that purpose, the Managers' Risk Committee maintains an 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 ranked in terms of their impact and probability inherent and residual.

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 taking into account mitigating processes in place, the gross risk position translates into a net position whose impact and/or frequency is lower.

Whenever possible, a risk tolerance or quantitative limit has been assigned to each risk. These individual risk limits are deemed to be consistent with the Club's overall risk appetite.

Some risk indicators refer to financial and technical management like solvency position, underwriting performance and combined ratio while others refer to more granular operational areas like staff turnover.

To assess its capital and solvency position, the Club has adopted for primary guidance the Solvency II Standard Formula and rating agency's capital models. The Risk Register has a broader scope and encompasses risk areas which are not included in the Standard Formula framework such as liquidity and compliance risks. These risks are mitigated by specific management rules and guidelines which do not lead to capital add-ons or additional solvency buffers.

In addition to the Standard Formula calculations, the Club projects claims and investment scenarios, including stress tests, to assess its forward-looking capital strength as part of its Own Risk & Solvency Assessment.

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.

Own Risk & Solvency Assessment ("ORSA")

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

ORSA and Forward Looking Assessment of Own Risks (FLAOR) is an integral part of the Business Planning process 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.

The ORSA is prepared by the senior management of Services and approved by the Club's Board which has the 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 for calculating its Solvency II capital requirements.

Compliance Function

The Compliance Function is performed in accordance with Article 46(2) of the Solvency II Directive 2009/138 and Article 270 of the Delegated Regulation 2015/35.

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.

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 section B.3., is an integral part of the Club's internal control environment.

B.5 Internal Audit

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 Group Audit & Risk Committee of the Board of the Club.

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 (formerly Moore Stephens) 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 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 work is performed in conjunction with an external consulting firm, which ensures there is sufficient challenge and review.

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 a number of service providers. For that purpose, the Club has issued an Outsourcing Policy to ensure that outsourcing risks are managed and that the level of services is maintained 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
Actuarial Services	Willis Towers Watson	UK	Technical reserves
Investments	Brown Brothers Harriman	Luxembourg	Investment accounting and compliance
Investments	<ul style="list-style-type: none">• 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 adequate 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. 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.
38.4%	30.3%	18.4%	10.1%	1.7%	1.1%

Asia	Middle East / Africa	Americas	Greece	Other Europe
39.7%	7.2%	5.1%	20.7%	27.3%

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 2019 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 net of reinsurance cost are as follows:

Entity	Gross Premium (USD '000)	Net Premium (USD '000)
Club Consolidated (Market value basis)	219,726	181,080
Club Consolidated (Statutory)	219,726	181,080
Club Solo	219,726	66,797
ISRe	92,969	92,969

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. 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, currently measured as a 1-year Value at Risk with a 95% confidence level⁴, 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 less liquid assets 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. Following the disposal of Tower Bridge Court, the Club maintained an exposure to Real Assets, favouring lower risk strategies within the risk spectrum of Real Assets (Core strategies, highly diversified in term of market segments and geographical exposure).

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.

4 VaR = Value at Risk. VaR estimates how much a set of investments might lose, given normal market conditions, in a set time period such as a day, a week, a month or a year. VaR is typically used by firms and regulators in the financial industry to assess the amount of assets needed to cover possible losses or to estimate potential losses with a certain level of probability. For example, if a portfolio has a 1-day 95% VaR of \$1 million, there is a 5% probability that the portfolio will fall in value by more than \$1 million over a 1-day period everything being equal. In other words, a loss of \$1 million or more on this portfolio is expected not more than on 1 day out of 20 days.

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 2019, the Club wholly owns a residential property in Hong Kong. The freehold premises at Tower Bridge Court, London was disposed in July 2018, with part of the proceeds reinvested in Real Estate and Infrastructure investment funds.

Property risks are mitigated by applying a cautious valuation policy, and by investing in 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 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 at 20 February 2019 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	158,274	158,274 (1)	496,710 (1)	-
Reinsurance Debtors	3,058	3,058	13,657	15,892
Membership Recoverables	40,708	40,708	40,708	-
Other Debtors	1,706	1,706	1,121	260
Banks	100,948	100,948	43,916	36,850

(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.

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.

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

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.

Cyber Risk

Cyber risk is an area under increased scrutiny following a number of high-profile attacks and data losses worldwide. The growing capability and sophistication of cyber-criminals, together with the increasing dependence on electronic 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, business continuity planning and user education.

Through those 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 tested 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 losses 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 final 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 actuary 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 2019, the reserves booked in the accounts were:

	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	493,992	567,069	567,069	476,376	567,069	220,309	360,365
Best Estimate	466,389	n/a	n/a	466,389	n/a	204,112	n/a
Risk Margin	27,603	n/a	n/a	9,987	n/a	16,197	n/a
Net Technical Provisions	355,889	408,795	408,795	67,994	70,359	220,309	360,365

(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 2019 (in USD '000):

	Club consolidated			Club solo		ISRe	
Assets	Solvency II	Market Value basis	Lux GAAP	Solvency II	Lux GAAP	Solvency II	Lux GAAP
Pension benefit surplus	7,069	-	-	7,069	-	-	-
Property, plant and equipment (1)	12,704	497	497	-	-	-	-
Investments (2)	606,596	606,596	584,568	331,876	151,307	345,562	336,634
Reinsurance Recoverables (3)	138,103	158,274	158,274	408,383	496,710	-	-
Insurance Receivables	10,561	40,708	40,708	10,561	40,708	-	-
Reinsurance Receivables	3,058	3,058	3,058	3,058	13,657	-	15,892
Other Receivables (4)	1,559	1,559	1,559	1,072	1,088	164	164
Cash	100,948	100,948	100,948	43,916	43,916	36,850	36,850
Other Assets	820	820	820	108	108	-	-
Total	881,418	912,460	890,432	806,043	780,740	382,577	389,540

(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 | 2.6% |
| • RPI inflation assumption | 3.2% |
| • CPI inflation assumption | 2.1% |
| • Limited price indexation pension increases | 3.1% |
| • Mortality table | SAPS Light (S2LPA) with ages rated down by 1 year |

The pension benefit surplus is not included in the balance sheet in the financial statements as it is not required under Luxembourg 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.

With IFRS 16 entering in force on 1 January 2019, 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 on a daily basis by the Club's administrative agent and financial data providers.

Investments in collective investments undertakings rely on net asset values provided by financial data vendors, fund's promoters or fund's 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.

The 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).

D.2 Technical Provisions

At 20 February 2019 (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)
Technical Provisions	493,992	567,069	567,069	476,376	567,069	220,309	360,365
Best Estimate	466,389	n/a	n/a	466,389	n/a	204,112	n/a
Risk Margin	27,603	n/a	n/a	9,987	n/a	16,197	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. There is a clear contractual boundary for the vast majority of the Club's business at 20th February each year and consequently, under the principles of proportionality and materiality, the Club does not recognise any unearned premium. 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 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

The only material change to the calculation of technical provisions compared to the prior year was the inclusion within the Claims Provision of future premium cash-flows contained within the contract boundaries at the valuation date and which fall due after the valuation date. This change had no impact on the calculation of the basic own funds as it was a change in disclosure rather than a change in valuation.

D.3 Other Liabilities

At 20 February 2019 (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	33,193	-	-	-	-	33,193	-
Insurance, Reinsurance & Other Payables	44,725	39,018	39,018	24,087	59,457	1,831	1,831
Total Other Liabilities	77,918	39,018	39,018	24,087	59,457	35,024	1,831

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 sufficient 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 2019, 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	308,904	305,579	102,243
Ancillary Own Funds	2	193,972	193,972	-
Total		502,876	499,551	127,243
Eligible to cover SCR		391,603	361,480	127,243
Eligible to cover MCR		308,904	305,579	127,243

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 7.1 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 Members⁵. These calls fall within the definition of ancillary own funds described above.

⁵ The Club recently enacted several changes to Rules 44 and 45 to reflect a new terminology in the description of calls.

The total amount of Ancillary Own Funds included within the Club's own funds is based upon the methodology approved by the CAA in December 2015, as updated in July 2018. The amount of Tier 2 capital is equivalent to 150% 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 remains valid until 21 February 2020.

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.

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 7.1 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 150% 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 2019 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	284,345	120,968	27,344
Change in valuation in:			
• Pension benefit Surplus / Deficit	7,069	7,069	-
• Property, plant & equipment held for own use	12,207		
• Investments	22,028	180,569	8,928
• Reinsurance Recoverables (1)	(20,171)	(88,328)	-
• Insurance / Reinsurance Receivables	(30,147)	(40,746)	(15,892)
• Technical Provisions (1)	73,076	90,692	39,058
• Other Technical Provisions	-	-	100,998
• Deferred Tax Liabilities	(33,193)	-	(33,193)
• Reinsurance Payables	6,501	35,355	
• Payables	(12,207)		
Solvency II Excess of Assets over Liabilities	309,508	305,579	127,243

(1) Net of subrogation and salvages

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCRs 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 complied with all solvency regulatory requirements at all times 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	64,337	70,347	33,506
Counterparty Default Risk	16,498	23,791	8,007
Underwriting Non-Life Risk	140,394	34,426	79,753
Basic SCR	177,440	97,809	98,266
Operational Risk	13,992	13,992	6,123
Adjustment for Deferred Tax	(26,035)	-	(26,035)
SCR	165,397	111,801	78,355
Eligible Own Funds to cover SCR	391,603	361,480	127,243
Solvency ratio	237%	323%	162%
Eligible Own Funds to cover SCR – Tier 1 only	308,904	305,579	127,243
Solvency ratio – Tier 1 only	187%	273%	162%

Minimum Capital Requirement	72,367	27,950	34,039
Eligible Own Funds to cover MCR	308,904	305,579	127,243
Minimum Solvency ratio	427%	1,093%	374%

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 complied at all times 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	20/02/2019
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
Assets		
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	7,069
Property, plant & equipment held for own use	R0060	12,704
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	606,596
<i>Property (other than for own use)</i>	R0080	10,969
<i>Holdings in related undertakings, including participations</i>	R0090	-
<i>Equities</i>	R0100	20
<i>Equities - listed</i>	R0110	-
<i>Equities - unlisted</i>	R0120	20
<i>Bonds</i>	R0130	494,435
<i>Government Bonds</i>	R0140	244,478
<i>Corporate Bonds</i>	R0150	249,956
<i>Structured notes</i>	R0160	-
<i>Collateralised securities</i>	R0170	-
<i>Collective Investments Undertakings</i>	R0180	101,025
<i>Derivatives</i>	R0190	147
<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	138,103
<i>Non-life and health similar to non-life</i>	R0280	138,103
<i>Non-life excluding health</i>	R0290	138,103
<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	10,561
Reinsurance receivables	R0370	3,058
Receivables (trade, not insurance)	R0380	1,559
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	100,948
Any other assets, not elsewhere shown	R0420	820
Total assets	R0500	881,418

S.02.01.02

Balance sheet (USD '000)

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	493,992
<i>Technical provisions – non-life (excluding health)</i>	R0520	493,992
<i>Technical provisions calculated as a whole</i>	R0530	-
<i>Best Estimate</i>	R0540	466,389
<i>Risk margin</i>	R0550	27,603
Technical provisions - health (similar to non-life)	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	-
Technical provisions – life (excluding health and index-linked and unit-linked)	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	33,193
Derivatives	R0790	434
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	18,129
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	26,162
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	-
Total liabilities	R0900	571,910
Excess of assets over liabilities	R1000	309,508

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	-	-	-	-	-	219,726	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	-	-	-	-	-	38,646	-	-	-	-	-	-
Net	R0200	-	-	-	-	-	181,080	-	-	-	-	-	-
Premiums earned													
Gross - Direct Business	R0210	-	-	-	-	-	219,726	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	-	-	-	-	-	38,646	-	-	-	-	-	-
Net	R0300	-	-	-	-	-	181,080	-	-	-	-	-	-
Claims Incurred													
Gross - Direct Business	R0310	-	-	-	-	-	198,960	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	-	-	-	-	-	44,584	-	-	-	-	-	-
Net	R0400	-	-	-	-	-	154,376	-	-	-	-	-	-
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	-	-	-	-	-	53,414	-	-	-	-	-	-
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
Premiums written						
Gross - Direct Business	R0110					219,726
Gross - Proportional reinsurance accepted	R0120					-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-
Reinsurers' share	R0140	-	-	-	-	38,646
Net	R0200	-	-	-	-	181,080
Premiums earned						
Gross - Direct Business	R0210					219,726
Gross - Proportional reinsurance accepted	R0220					-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-
Reinsurers' share	R0240	-	-	-	-	38,646
Net	R0300	-	-	-	-	181,080
Claims incurred						
Gross - Direct Business	R0310					198,960
Gross - Proportional reinsurance accepted	R0320					-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-
Reinsurers' share	R0340	-	-	-	-	44,584
Net	R0400	-	-	-	-	154,376
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	-	-	-	-	53,414
Other expenses	R1200					-
Total expenses	R1300					53,414

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 C0140
			GB	HK	SG	
			C0080	C0090	C0090	
Premiums written						
Gross - Direct Business	R0110	-	149,476	61,587	8,662	219,726
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-
Reinsurers' share	R0140	-	21,857	15,250	1,539	38,646
Net	R0200	-	127,619	46,338	7,123	181,080
Gross - Direct Business	R0210	-	149,476	61,587	8,662	219,726
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-
Reinsurers' share	R0240	-	21,857	15,250	1,539	38,646
Net	R0300	-	127,619	46,338	7,123	181,080
Claims incurred						
Gross - Direct Business	R0310	-	143,325	49,206	6,429	198,960
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-
Reinsurers' share	R0340	-	26,374	16,932	1,278	44,584
Net	R0400	-	116,951	32,274	5,151	154,376
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	3,075	31,073	16,441	2,825	53,414
Other expenses	R1200					-
Total expenses	R1300					53,414

S.23.01.22

Own funds (USD '000)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
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	308,904	308,904	-	-	-
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	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be						
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	-	-	-	-	-
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	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	-	-	-	-	-
Total basic own funds after deductions	R0290	308,904	308,904	-	-	-
Ancillary own funds						
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	193,972	-	-	193,972	-
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	-	-	-	-	-
Total ancillary own funds	R0400	193,972	-	-	193,972	-
Own funds of other financial sectors						
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	-	-	-	-	-
Total own funds of other financial sectors	R0440	-	-	-	-	-

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	502,876	308,904	-	193,972	-
Total available own funds to meet the minimum consolidated group SCR	R0530	308,904	308,904	-	-	
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	391,603	308,904	-	82,699	
Total eligible own funds to meet the minimum consolidated group SCR	R0570	308,904	308,904	-	-	
Minimum consolidated Group SCR	R0610	72,367				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	427%				
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	391,603	308,904	-	82,699	-
Group SCR	R0680	165,397				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	237%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	309,508
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	604
Reconciliation reserve	R0760	308,904
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	(983)
Total Expected profits included in future premiums (EPIFP)	R0790	(983)

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	64,337		
Counterparty default risk	R0020	16,496		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	140,394		
Diversification	R0060	(43,789)		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	177,441		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	13,992
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(26,035)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	R0160	-
Solvency capital requirement, excluding capital add-on	R0200	165,397
Capital add-ons already set	R0210	-
Solvency capital requirement for undertakings under consolidated method	R0220	165,397
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	-
Minimum consolidated group solvency capital requirement	R0470	72,367
Information on other entities		
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	-
Overall SCR		
SCR for undertakings included via D and A	R0560	-
Solvency capital requirement	R0570	165,397

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	LEI/DEOK59KJJZVF5N12D351	LEI	The West of England Ship Owners Mutual Insurance Association (Luxembourg)	Non life insurance undertaking	association d'assurances mutuelles	Mutual	Commissariat aux Assurances
LU	LEI/J66LB8B3GB34QW4VRZ57	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	SC/DEOK59KJJZVF5N12D351LU00001	Specific code	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	

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
		% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence*	Proportional share used for group solvency calculation	Yes/No*	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
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	SC/DEOK59KJJZVF5N12D351LU00001	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

Association Solo

Basic Information - General

Undertaking name	The West of England Ship Owners Mutual Insurance Association (Luxembourg)
Undertaking identification code	LEI/DEOK59KJJZVF5N12D351
Type of undertaking	Non-Life Undertaking
Country of authorisation	LU
Language of reporting	en
Reporting reference date	20/02/2019
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
Assets		
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	7,069
Property, plant & equipment held for own use	R0060	-
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	331,876
<i>Property (other than for own use)</i>	R0080	10,969
<i>Holdings in related undertakings, including participations</i>	R0090	201,092
<i>Equities</i>	R0100	20
<i>Equities - listed</i>	R0110	-
<i>Equities - unlisted</i>	R0120	20
<i>Bonds</i>	R0130	96,970
<i>Government Bonds</i>	R0140	40,580
<i>Corporate Bonds</i>	R0150	56,390
<i>Structured notes</i>	R0160	-
<i>Collateralised securities</i>	R0170	-
<i>Collective Investments Undertakings</i>	R0180	22,791
<i>Derivatives</i>	R0190	33
<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	408,383
<i>Non-life and health similar to non-life</i>	R0280	408,383
<i>Non-life excluding health</i>	R0290	408,383
<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	10,561
Reinsurance receivables	R0370	3,058
Receivables (trade, not insurance)	R0380	1,072
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	43,916
Any other assets, not elsewhere shown	R0420	108
Total assets	R0500	806,043

S.02.01.02

Balance sheet (USD '000)

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	476,376
<i>Technical provisions – non-life (excluding health)</i>	R0520	476,376
<i>Technical provisions calculated as a whole</i>	R0530	-
<i>Best Estimate</i>	R0540	466,389
<i>Risk margin</i>	R0550	9,987
Technical provisions - health (similar to non-life)	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	-
Technical provisions – life (excluding health and index-linked and unit-linked)	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	98
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	18,129
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	5,861
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	-
Total liabilities	R0900	500,463
Excess of assets over liabilities	R1000	305,580

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	-	-	-	-	-	219,726	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	-	-	-	-	-	152,929	-	-	-	-	-	-
Net	R0200	-	-	-	-	-	66,797	-	-	-	-	-	-
Premiums earned													
Gross - Direct Business	R0210	-	-	-	-	-	219,726	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	-	-	-	-	-	152,929	-	-	-	-	-	-
Net	R0300	-	-	-	-	-	66,797	-	-	-	-	-	-
Claims Incurred													
Gross - Direct Business	R0310	-	-	-	-	-	198,960	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	-	-	-	-	-	185,447	-	-	-	-	-	-
Net	R0400	-	-	-	-	-	13,513	-	-	-	-	-	-
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	-	-	-	-	-	51,070	-	-	-	-	-	-
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					219,726
Gross - Proportional reinsurance accepted	R0120					-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-
Reinsurers' share	R0140	-	-	-	-	152,929
Net	R0200	-	-	-	-	66,797
Premiums earned						
Gross - Direct Business	R0210					219,726
Gross - Proportional reinsurance accepted	R0220					-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-
Reinsurers' share	R0240	-	-	-	-	152,929
Net	R0300	-	-	-	-	66,797
Claims incurred						
Gross - Direct Business	R0310					198,960
Gross - Proportional reinsurance accepted	R0320					-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-
Reinsurers' share	R0340	-	-	-	-	185,447
Net	R0400	-	-	-	-	13,513
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	-	-	-	-	51,070
Other expenses	R1200					-
Total expenses	R1300					51,070

S.05.02.01

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

Non-Life

			Top 5 countries (by amount of gross premiums written) - non life				Total for top 5 countries and home country
			Home country	obligations			country
			GB	HK	SG		
			C0080	C0090	C0090	C0090	C0140
Premiums written							
Gross - Direct Business	R0110	-	149,476	61,587	8,662	219,726	
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	
Reinsurers' share	R0140	-	103,964	43,153	5,812	152,929	
Net	R0200	-	45,512	18,435	2,850	66,797	
Premiums earned							
Gross - Direct Business	R0210	-	149,476	61,587	8,662	219,726	
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	
Reinsurers' share	R0240	-	103,964	43,153	5,812	152,929	
Net	R0300	-	45,512	18,435	2,850	66,797	
Claims incurred							
Gross - Direct Business	R0310	-	143,325	49,206	6,429	198,960	
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	
Reinsurers' share	R0340	-	133,276	46,257	5,914	185,447	
Net	R0400	-	10,049	2,948	515	13,513	
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	2,424	29,381	16,441	2,825	51,070	
Other expenses	R1200						
Total expenses	R1300					51,070	

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	-	-	-	-	-	(2,446)	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	(2,635)	-	-	-
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	-	189	-	-	-
Claims provisions										
Gross - Total	R0160	-	-	-	-	-	468,835	-	-	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	411,018	-	-	-
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	-	57,817	-	-	-
Total Best estimate - gross	R0260	-	-	-	-	-	466,389	-	-	-
Total Best estimate - net	R0270	-	-	-	-	-	58,007	-	-	-
Risk margin	R0280	-	-	-	-	-	9,987	-	-	-
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	-	-	-	-	-	476,376	-	-	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	408,383	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	-	-	-	67,994	-	-	-

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	-	-	-	-	-	-	-	(2,446)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	-	-	(2,635)
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	-	-	-	189
Claims provisions									
Gross - Total	R0160	-	-	-	-	-	-	-	468,835
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	-	-	-	411,018
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	-	-	-	57,817
Total Best estimate - gross	R0260	-	-	-	-	-	-	-	466,389
Total Best estimate - net	R0270	-	-	-	-	-	-	-	58,007
Risk margin	R0280	-	-	-	-	-	-	-	9,987
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	-	-	-	-	-	-	-	476,376
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	-	-	408,383
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	-	-	-	-	-	67,994

S.19.01.21

Non-life Insurance claims (USD '000)

Total Non-life business

Accident year / Underwriting year	Z0010	Underwriting 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											10,190
N-9	R0160	-	39,175	28,896	21,753	11,029	6,664	4,898	1,916	2,183	22	
N-8	R0170	19,581	51,045	68,520	17,970	8,593	8,914	5,614	3,243	588		
N-7	R0180	23,834	42,023	25,598	25,096	8,498	2,152	1,831	1,991			
N-6	R0190	42,582	39,417	26,375	9,971	4,430	18,404	851				
N-5	R0200	20,477	32,621	22,645	25,539	5,697	3,788					
N-4	R0210	24,701	48,779	28,178	37,418	3,161						
N-3	R0220	14,842	36,756	34,451	20,095							
N-2	R0230	22,279	30,045	49,315								
N-1	R0240	54,222	62,627									
N	R0250	56,400										

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											73,431
N-9	R0160	-	-	-	-	-	-	-	6,488	3,613	3,035	
N-8	R0170	-	-	-	-	-	-	15,051	6,394	6,350		
N-7	R0180	-	-	-	-	-	10,344	6,462	3,470			
N-6	R0190	-	-	-	-	29,616	5,934	2,191				
N-5	R0200	-	-	-	28,789	20,590	13,285					
N-4	R0210	-	-	93,487	46,528	41,769						
N-3	R0220	-	105,468	66,220	50,992							
N-2	R0230	171,860	107,741	35,274								
N-1	R0240	185,885	108,636									
N	R0250	172,071										

		In Current year	Sum of all years (cumulative)
		C0360	C0360
Prior	R0100	10,190	326,837
N-9	R0160	22	116,537
N-8	R0170	588	184,067
N-7	R0180	1,991	131,021
N-6	R0190	851	142,029
N-5	R0200	3,788	110,766
N-4	R0210	3,161	142,237
N-3	R0220	20,095	106,144
N-2	R0230	49,315	101,640
N-1	R0240	62,627	116,850
N	R0250	56,400	56,400
Total	R0260	209,027	1,534,526

		Year end (discounted data)
		C0360
Prior	R0100	67,437
N-9	R0160	2,787
N-8	R0170	5,832
N-7	R0180	3,186
N-6	R0190	2,013
N-5	R0200	12,201
N-4	R0210	38,360
N-3	R0220	46,830
N-2	R0230	32,395
N-1	R0240	99,769
N	R0250	158,026
Total	R0260	468,835

S.23.01.01

Own funds (USD '000)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 95 of Delegated Regulation 2019/35						
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	305,580	305,580			
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	-			-	
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-			-	
Deductions						
Deductions for participations in financial and credit institutions	R0230	-			-	
Total basic own funds after deductions	R0290	305,580	305,580			
Ancillary own funds						
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	193,972			193,972	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	
Other ancillary own funds	R0390	-			-	
Total ancillary own funds	R0400	193,972			193,972	
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	499,551	305,580		193,972	
Total available own funds to meet the MCR	R0510	305,580	305,580		-	
Total eligible own funds to meet the SCR	R0540	361,480	305,580		55,901	
Total eligible own funds to meet the MCR	R0550	305,580	305,580		-	
SCR	R0580	111,801				
MCR	R0600	27,950				
Ratio of Eligible own funds to SCR	R0620	323%				
Ratio of Eligible own funds to MCR	R0640	1093%				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	305,580
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	-
Reconciliation reserve	R0790	305,580
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	(189)
Total Expected profits Included in future premiums (EPIFP)	R0790	(189)

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	70,347		
Counterparty default risk	R0020	23,791		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	34,426		
Diversification	R0060	(30,755)		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	97,809		

		Value
Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	13,992
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	
Solvency Capital Requirement excluding capital add-on	R0200	111,801
Capital add-on already set	R0210	
Solvency capital requirement	R0220	111,801

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	15,326

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	58,007	66,797
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	15,326
SCR	R0310	111,801
MCR cap	R0320	50,310
MCR floor	R0330	27,950
Combined MCR	R0340	27,950
Absolute floor of the MCR	R0350	2,500
Minimum Capital Requirement	R0400	27,950

ISRe

Basic Information - General

Undertaking name	International Shipowners Reinsurance Company S.A.
Undertaking identification code	LEI/J66LB8B3GB34QW4VRZ57
Type of undertaking	Non-Life Undertaking
Country of authorisation	LU
Language of reporting	en
Reporting reference date	20/02/2019
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
Assets		
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	345,562
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	279,723
Government Bonds	R0140	117,062
Corporate Bonds	R0150	162,662
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	65,743
Derivatives	R0190	96
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	-
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	164
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	36,850
Any other assets, not elsewhere shown	R0420	-
Total assets	R0500	382,577

S.02.01.02

Balance sheet (USD '000)

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	220,309
Technical provisions – non-life (excluding health)	R0520	220,309
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	204,112
Risk margin	R0550	16,197
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	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	33,193
Derivatives	R0790	282
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	1,549
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
Total liabilities	R0900	255,333
Excess of assets over liabilities	R1000	127,243

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	-	-	-	-	-	92,969	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130												
Reinsurers' share	R0140	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0200	-	-	-	-	-	92,969	-	-	-	-	-	-
Premiums earned													
Gross - Direct Business	R0210	-	-	-	-	-	92,969	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230												
Reinsurers' share	R0240	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0300	-	-	-	-	-	92,969	-	-	-	-	-	-
Claims Incurred													
Gross - Direct Business	R0310	-	-	-	-	-	112,652	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330												
Reinsurers' share	R0340	-	-	-	-	-	(2,865)	-	-	-	-	-	-
Net	R0400	-	-	-	-	-	115,517	-	-	-	-	-	-
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	-	-	-	-	-	1,012	-	-	-	-	-	-
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					92,969
Gross - Proportional reinsurance accepted	R0120					-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-
Reinsurers' share	R0140	-	-	-	-	-
Net	R0200	-	-	-	-	92,969
Premiums earned						
Gross - Direct Business	R0210					92,969
Gross - Proportional reinsurance accepted	R0220					-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-
Reinsurers' share	R0240	-	-	-	-	-
Net	R0300	-	-	-	-	92,969
Claims incurred						
Gross - Direct Business	R0310					112,652
Gross - Proportional reinsurance accepted	R0320					-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-
Reinsurers' share	R0340	-	-	-	-	(2,865)
Net	R0400	-	-	-	-	115,517
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	-	-	-	-	1,012
Other expenses	R1200					-
Total expenses	R1300					1,012

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
Premiums written			
Gross - Direct Business	R0110	92,969	92,969
Gross - Proportional reinsurance accepted	R0120	-	-
Gross - Non-proportional reinsurance accepted	R0130	-	-
Reinsurers' share	R0140	-	-
Net	R0200	92,969	92,969
Gross - Direct Business	R0210	92,969	92,969
Gross - Proportional reinsurance accepted	R0220	-	-
Gross - Non-proportional reinsurance accepted	R0230	-	-
Reinsurers' share	R0240	-	-
Net	R0300	92,969	92,969
Claims incurred			
Gross - Direct Business	R0310	112,652	112,652
Gross - Proportional reinsurance accepted	R0320	-	-
Gross - Non-proportional reinsurance accepted	R0330	-	-
Reinsurers' share	R0340	(2,865)	(2,865)
Net	R0400	115,517	115,517
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	1,012	1,012
Other expenses	R1200		-
Total expenses	R1300		1,012

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	-	-	-	-	-	3,429	-	-	-
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	-	-	-	-	-	3,429	-	-	-
Claims provisions										
Gross - Total	R0160	-	-	-	-	-	200,683	-	-	-
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	-	-	-	-	-	200,683	-	-	-
Total Best estimate - gross	R0260	-	-	-	-	-	204,112	-	-	-
Total Best estimate - net	R0270	-	-	-	-	-	204,112	-	-	-
Risk margin	R0280	-	-	-	-	-	16,197	-	-	-
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	-	-	-	-	-	220,309	-	-	-
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	-	-	-	-	-	220,309	-	-	-

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	-	-	-	-	-	-	-	3,429
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	-	-	-	-	-	-	-	3,429
Claims provisions									
Gross - Total	R0160	-	-	-	-	-	-	-	200,683
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	-	-	-	-	-	-	-	200,683
Total Best estimate - gross	R0260	-	-	-	-	-	-	-	204,112
Total Best estimate - net	R0270	-	-	-	-	-	-	-	204,112
Risk margin	R0280	-	-	-	-	-	-	-	16,197
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	-	-	-	-	-	-	-	220,309
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	-	-	-	-	-	-	-	220,309

S.19.01.21

Non-life Insurance claims (USD '000)

Total Non-life business

Accident year / Underwriting year	Z0010	Underwriting 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	C0360
Prior	R0100											2,341
N-9	R0160	20,268	29,350	20,682	46,122	-	-	-	-	-	-	
N-8	R0170	14,686	36,391	38,236	11,782	7,358	5,316	3,716	830	327		
N-7	R0180	19,008	22,192	14,499	15,401	7,289	1,783	2,254	1,584			
N-6	R0190	27,935	29,506	19,194	4,838	3,335	(1,080)	193				
N-5	R0200	16,381	24,561	14,711	17,209	2,374	2,866					
N-4	R0210	19,761	23,227	11,987	4,937	2,332						
N-3	R0220	11,874	25,081	19,622	15,443							
N-2	R0230	17,823	24,036	23,758								
N-1	R0240	34,933	40,298									
N	R0250	42,677										

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	C0360
Prior	R0100											20,913
N-9	R0160	-	-	-	-	-	-	-	3,584	-	-	
N-8	R0170	-	-	-	-	-	-	4,734	3,831	4,093		
N-7	R0180	-	-	-	-	-	8,050	4,397	2,485			
N-6	R0190	-	-	-	-	6,338	5,910	3,851				
N-5	R0200	-	-	-	15,660	10,449	6,552					
N-4	R0210	-	-	19,062	12,159	9,792						
N-3	R0220	-	61,964	43,603	28,228							
N-2	R0230	94,886	51,471	21,680								
N-1	R0240	97,367	53,597									
N	R0250	80,315										

		In Current year	Sum of all years (cumulative)
		C0360	C0360
Prior	R0100	2,341	180,376
N-9	R0160	-	116,422
N-8	R0170	327	118,643
N-7	R0180	1,584	84,010
N-6	R0190	193	83,922
N-5	R0200	2,866	78,104
N-4	R0210	2,332	62,244
N-3	R0220	15,443	72,019
N-2	R0230	23,758	65,618
N-1	R0240	40,298	75,231
N	R0250	42,677	42,677
Total	R0260	131,820	979,267

		Year end (discounted data)
		C0360
Prior	R0100	18,128
N-9	R0160	-
N-8	R0170	3,548
N-7	R0180	2,154
N-6	R0190	3,339
N-5	R0200	5,680
N-4	R0210	8,488
N-3	R0220	24,470
N-2	R0230	18,794
N-1	R0240	46,461
N	R0250	69,622
Total	R0260	200,683

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Own funds (USD '000)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	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	102,243	102,243	-	-	-
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	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0250	127,243	127,243	-	-	-
Ancillary own funds						
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	-	-	-	-	-
Total ancillary own funds	R0400	-	-	-	-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	127,243	127,243	-	-	-
Total available own funds to meet the MCR	R0510	127,243	127,243	-	-	-
Total eligible own funds to meet the SCR	R0540	127,243	127,243	-	-	-
Total eligible own funds to meet the MCR	R0550	127,243	127,243	-	-	-
SCR	R0580	78,355	-	-	-	-
MCR	R0600	34,038	-	-	-	-
Ratio of Eligible own funds to SCR	R0620	162%	-	-	-	-
Ratio of Eligible own funds to MCR	R0640	374%	-	-	-	-

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	127,243
Own shares (held directly and indirectly)	R0710	-
Forseizable 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	-
Reconciliation reserve	R0760	102,243
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	(3,429)
Total Expected profits included in future premiums (EPIFP)	R0790	(3,429)

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Solvency Capital Requirement - for undertakings on Standard Formula (USD '000)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	33,506		
Counterparty default risk	R0020	8,007		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	-		
Non-life underwriting risk	R0050	79,753		
Diversification	R0060	(23,001)		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	98,266		

		Value
		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	6,123
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(26,035)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	78,355
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	78,355

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	-

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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	34,039

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	204,112	92,969
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	34,039
SCR	R0310	78,355
MCR cap	R0320	35,260
MCR floor	R0330	19,589
Combined MCR	R0340	34,039
Absolute floor of the MCR	R0350	2,500
Minimum Capital Requirement	R0400	34,039