



Benteler Reinsurance Company DAC  
Solvency and Financial Condition Report  
For Financial Year Ending 31<sup>st</sup> December 2018 (the “reporting  
period”)

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## Executive Summary

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Benteler Reinsurance Company DAC (“the Company” or “the undertaking”) is a captive reinsurance company domiciled in Ireland, forms part of the Benteler Group and is regulated by the Central Bank of Ireland.

The purpose of this report is to satisfy the public disclosure requirements under the European Union (Insurance & Reinsurance) Regulations 2015 including the applicable European Commission Delegated Regulations and European Commission Implementing Regulations.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Benteler Group and its subsidiaries. As a captive reinsurance company, it is an efficient mechanism for the Benteler Group to retain risk, which they can afford to retain due to the size of their balance sheet and levels of sustainable profitability. In addition, the Company has played an important role in managing the insurance market’s perception of the Benteler Group and its exposures. The very establishment of a captive sends a strong message to the insurance market that the Benteler Group:

- has analysed its exposures and determined what level of risk it is prepared to retain
- is prepared to commit its own capital to support that retention of risk
- has taken a long-term decision to retain risk and may have a growing appetite for risk retention

These factors lead insurers to understand that there will be competition for premium not just from their competitors but also from within the Benteler organisation in the form of the captive. The Company will not simply provide reinsurance coverage to the Benteler Group, the intention is that its presence will complement the Group’s risk management framework and strategy. With its only customer being the Benteler Group the Company is in a strong position to adapt and grow as its customer needs to grow.

This report provides the reader with a more in depth look at the Company’s business and performance, systems of governance, risk profile and solvency and capital positions.

The Company made a profit of €663,702 during the period. The Company has also complied with all aspects of the Solvency II Regulations.

There have been no material changes to Company’s business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period.

*Where there is, limited detail provided in a particular section, a proportionate approach has been taken due to the scale, nature and complexity of the Company.*

## Section A: Business and Performance

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### A.1 Business

- (a) The name and legal form of the undertaking is Benteler Reinsurance Company Designated Activity Company.
- (b) The name and contact details of the supervisory authority responsible for financial supervision of the undertaking is the Insurance Supervision Division of the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Ireland. Telephone: +353 1 224 6000.
- (c) The name and contact details of the external auditor of the undertaking is Mr. Rob Hamill (Audit Partner), Mazars Chartered Accountants and Statutory Audit Firm, Harcourt Centre, Block 3 Harcourt Road, Dublin 2, Ireland. Telephone +353 1 449 6468
- (d) The undertaking is 100% owned by Benteler Business Services GmbH, a Benteler group company.
- (e) Details of the undertaking's position within the legal structure of the Benteler Group is summarised overleaf;
- (f) The Company's material geographical areas where it carries out its business are Europe, North America and South America and a summary of all licenced lines of business are:

Marine Transit &  
Storage

Property &  
Business  
Interruption

Liability

Credit

- (g) Other than the payment of large claims, the Company has had no significant business or other events that have occurred over the reporting period that have had a material impact on the Company.

## A.1 Underwriting Performance

The underwriting performance of the Company is negative with an underwriting profit reported of €1,129,871 over the reporting period, compared to a loss of (€693,432) over the previous reporting period. As all lines of business are considered material an analysis of the performance is summarised as follows:

### 2018 €' 000

Line of Business	Total	Liability	Property	Marine	Credit
Underwriting Income 2018	1,130	63	1,138	(180)	109
Net Operating Expenses	(415)				
Investment Return	(51)				
Profit Before Tax	(664)	63	1,138	(180)	109

### 2017 €' 000

Line of Business	Total	Liability	Property	Marine	Credit
Underwriting Income 2017	(693)	1,675	325	17	(2,710)
Net Operating Expenses	(417)	-	-	-	-
Investment Return	(33)	-	-	-	-
Profit Before Tax	(1,143)	1,675	325	17	(2,710)

### 2018 €' 000

Region	Total	Europe	N America	S America	Other
Net Earned Premium	5,107	1,085	2,436	1,329	257
Claims Incurred	(3,627)				
Commissions and Fees	(351)				
Investment Return	(51)				
Underwriting Profit	1,079	1,085	2,436	1,329	257

### 2017 €' 000

Region	Total	Europe	N America	S America	Other
Net Earned Premium	5,065	1,076	2,416	1,318	255
Claims Incurred	(5,417)				
Commissions and Fees	(342)				
Investment Return	(3)				
Underwriting Profit	(697)	1,076	2,416	1,318	255

### A.3 Investment Performance

- (a) The Company maintains its investments in cash equivalents and short-term and long-term deposits with EU regulated credit institutions and intercompany loans with the Company's ultimate holding company Benteler International AG with a maturity of less than 1 year. The return on these investments over the reporting period was (€51,069) compared to (€32,653) over the previous reporting period.

The below table summarises the deposits by counterparty together with interest income as reported in the financial statements.

€' 000	2018	2017	Variance
<b>Cash at Bank</b>			
Bank A	23,754	4,625	19,129
Bank B	4,048	17,103	(13,055)
Bank C	-	2,500	(2,500)
Bank D		-	
<b>Intercompany</b>			
Benteler Group Company	3,756	3,849	(93)
<b>Interest Income</b>	(51)	(33)	(18)

- (b) No gains or losses were recognised directly in equity.
- (c) the Company had no investments in securitisation, during the reporting period or previous reporting period.

### A.4 Performance of other activities

There have been no other significant activities undertaken by the Company other than its captive reinsurance activities.

### A.5 Any other information

There have been no other material developments regarding the business and performance of the Company during the reporting period.

## Section B: System of governance

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### B.1 General Information on the System of Governance

(a) As a captive reinsurance entity, the Company has no direct employees and all key functions, whilst outsourced, are the responsibility of the Board – refer to further paragraphs within this section for additional information on outsourcing. The Board consists of very senior individuals within the Benteler Group and an independent director who is a very experienced reinsurance professional. Given the size, nature and complexity of the Company, the establishment of Board Sub-committees has not been necessary.

The Company is classified as a Low Risk Impact firm under the Central Bank of Ireland's risk-based framework for the supervision of regulated firms, known as PRISM (Probability Risk and Impact System). The Company is subject to the Central Bank of Ireland's Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015.

The Company's Board has ultimate responsibility for the oversight of the business and sets its strategy and risk appetite. The Board also has responsibility for ensuring that an adequate and effective system of internal controls is maintained in the Company. The Company is committed to high standards of Corporate Governance. The Company takes a risk based approach to the system of governance taking into consideration the nature, scale and complexity of its business.

The Board has three directors who meet formally at least twice annually and there is additional interaction between members of the Board throughout each financial year:

- **Mr Ronan Ryan**, Non-Executive Director
- **Mr Ruediger Lohoff**, Non-Executive Director and Chairman
- **Mr Manfred Swysen**, Non-Executive Director

A suite of policy documentation and checklists supports the corporate governance regime of the business ensuring robust procedures and a strong internal control environment at all times. Oversight controls around key business processes and outsourced activities are a focus of the work undertaken by the Internal Audit function.

The Board of Directors also undertakes completion of an annual Board performance questionnaire. The results of the questionnaire are tabled at the next Board meeting for discussion and consideration.

(b) No material changes in the system of governance have taken place over the reporting period.

- (c) Due to the scale, nature and complexity of the Company, with no full-time employees, the Company has not required the establishment of a remuneration policy.
- (d) As a captive reinsurance entity it is common to have material transactions with its shareholders. The Company has provided the Benteler International AG with an intercompany loan. The amount of the loan at the end of the reporting period is €3,755,845. Loans are advances at market interest rates. The rate at 31 December 2018 was 0.00% (2017: 0.00%). The Company may request repayment of the loan, in whole or in part, on demand without qualification. The loan, all interest accrued thereon and all other outstanding amounts shall become immediately due and payable to the Company if the borrower defaults in its obligations to pay interest or repay the loan, or becomes insolvent or goes into liquidation. The Company has also provided reinsurance to several insurance companies covering the Benteler Group and its subsidiaries.

## **B.2 Fit and Proper Requirements**

- (a) The Company has adopted a Fitness and Probity Policy which sets out the due diligence checks that must be performed in accordance with the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The Company recognises the importance and value of the fit and proper requirements and it has a system in place to review the ability, competence, skills and integrity of candidates for a position on the Board or for other Key Functions.

*Selection and recruitment process for Key Function Holders (referred to as Pre-Approval Control Functions or PCF's):*

- A written job description outlining the duties and responsibilities for the role.
  - An assessment of the level of fitness and probity required for the role.
  - Advertisement of the position.
  - Interview process to match suitable candidates to the specific role.
  - Capture fitness and probity due diligence referred to below.
  - Upon Central Bank of Ireland approval, letter of appointment issued and training provided.
- (b) The processes for assessing the fitness and the propriety of the persons in PCF positions is summarised as follows:
- Interview and application
  - The Company conducts its own fitness and probity due diligence before proposing a person for appointment to a PCF. The due diligence required is referenced within the Central Bank of Ireland's Guidance on Fitness and Probity Standards. The following is captured:

- Evidence of a relevant professional qualification.
  - Confirmation of continuous professional development.
  - Evidence of professional membership of an organisation (where applicable).
  - Reference checks.
  - Review record of previous experience, including a review of curriculum vitae.
  - Record of experience gained outside the State (where applicable) –consider the extent to which the person can demonstrate competency that relates specifically to the function within the State.
  - Review of list of directorships and concurrent responsibilities.
  - Checks are also undertaken with the Regulator, Companies House and a judgment debt check is performed.
  - Signed Fitness and Probity declarations.
  - Individual Questionnaire
- A PCF holder from the Company will review the Individual Questionnaire, complete a declaration on behalf of the Company and submit the Individual Questionnaire to the Central Bank of Ireland for assessment.
  - As part of the continuing obligations, annual declarations are sought from all PCF's, each PCF file is reviewed, and an annual PCF return is submitted to the Central Bank of Ireland via the online reporting system.

### **B.3 Risk Management System**

- (a) The Company has established a number of risk management policies including: Risk Appetite Statement which includes an escalation procedure, Operational Risk Policy and Capital Risk and Capital Management Policy. The Company defines operational risk as the risk of loss arising from people, processes or systems, or external events. This includes risks such as regulatory risk and such operational risks of fraud risk, IT risk, market risk and reputational risk. It excludes quantifiable risks. Quantifiable risks are set out in the Company's Risk Appetite Statement. The Risk Appetite Statement is subject to a detailed annual review by the Board. The Company aims for zero operational risk loss events, and whilst such risk cannot be eliminated completely, the strategy is to minimise such risk through a robust governance framework, systems and controls.
- (b) The risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of the Company via:
- review and ongoing maintenance of risk related policies by the Board
  - adherence with and annual review of the Company's Risk Appetite Statement
  - adequately resourced critical functions of risk management, compliance and actuarial staffed by experienced professionals
  - adequately resourced internal audit function with a regular review cycle



- business continuity planning
- succession plan for key roles
- monthly underwriting and financial reporting

The management and monitoring of risks to the business is an on-going process which is integrated into the overall organisational structure of the Company. The Own Risk and Solvency Assessment process referred to in the following section is a key component in the Company's risk management and decision making processes.

The primary strategic objective and purpose of the Company is to support the risk management and risk transfer programs of the Benteler Group and its subsidiaries. This objective has remained core to the business of the Company and there are no plans to change this business strategy.

## B.4 Own Risk and Solvency Assessment (“ORSA”)

### ORSA Process

In line with the Company’s ORSA policy, a full ORSA is performed each year. A full or partial ORSA would also be performed in the event of a known or expected event that could cause the risk profile of the Company to change.

The objective of the ORSA process is to enable the Board to assess capital adequacy in light of the assessment of its risks and the potential impacts of its risk environment and enable it to make appropriate strategic decisions. The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company’s capital and risk sensitivities so that the output can be used in shaping future strategy and risk appetite.

### Risk Identification

The first step in the ORSA process was to consider and identify which risks should be assessed. The 2014 - 2017 ORSA processes were built upon.

### Financial Projections

The Profit and Loss Account and Balance Sheet of the Company were projected for each of the next 5 years. The accounts were projected on a GAAP basis and converted to Solvency II balance sheets to calculate the solvency capital requirements.

Using the projected Balance Sheet, the Company’s capital requirements were also calculated for each of the next 5 years on a Solvency II basis. The Board was then able to use these projections to see the medium-term position of the Company in relation to their capital requirements over the period. An outline of the results of these financial projections can be found below.

### Stress & Scenario Testing

The third step of this ORSA process was for the Board and Management to examine the impact of a range of stresses and scenarios on the Company’s solvency position. These included both quantitative and qualitative scenarios, and a reverse stress test approach to identify how severe a loss would have to be to result in a breach of solvency. The proposed stresses and scenario tests were circulated to the Board for consideration, with additions made following Board feedback.

A more detailed description of the approach taken for this exercise and an overview of its results is presented below.

### Qualitative Discussion of Risks 2018

The 2015 – 2018 ORSA Processes involved more qualitative discussion of risks than in 2014. A qualitative consideration of Operational Risk was also added.

### Board and Management Discussion and Review

The final step in the ORSA Process was the presentation of the Draft Projections, Stress and Scenario Tests to the Board and Management. This prompted further discussion and review of the Scenario and Stress Tests, with further scenarios being considered at the request of the Board.

### Board Sign-off

Following this final iteration, the final ORSA Report was reviewed and approved by the Board.

### Integration into Decision-making process

The results of the ORSA projections were used to inform, inter alia, retrocession purchasing, limit and retention structure and investment policy including the level of inter-company lending. Recent examples include:

- Assessment of the solvency impact and balance sheet protection offered by the Excess of Loss retrocession protection prior to renewal;
- Assessment of the optimal level of inter-company lending in terms of capital charge and risk;
- Assessment of the optimal buffer of available capital over the SCR in the context of the Group's stated support for the Company.

## Results

The following table summarises the Company's forecast base case SCR / MCR position, using the Standard Formula, over a 4-year projection period ending:

€' 000	2019	2020	2021	2022
<b>SCR</b>	11,843	12,059	12,121	12,134
<b>Available Capital SCR</b>	20,923	21,683	22,474	23,271
<b>SCR Coverage Ratio</b>	177%	180%	185%	192%
<b>SCR Margin</b>	9,080	9,624	10,354	11,137
<b>MCR</b>	2,955	3,010	3,033	3,036
<b>Available Capital MCR</b>	20,923	21,683	22,474	23,271
<b>MCR Coverage Ratio</b>	708%	720%	741%	767%
<b>MCR Margin</b>	17,968	18,673	19,441	20,235

## B.5 Internal control

### Internal Control System

The principal control framework for the Company is its controls set at Board level. These controls include the Board approved policies, reports, terms of reference, schedule of matters, minutes of board meetings. The policies describe the Boards approach to key areas of the business. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the Compliance Officer. In practice, other Directors and key role holders also participate in the management of the system. The Company's internal controls are part of its compliance framework. Various measures are incorporated into systems and processes to control day-to-day activities. The Company implements adequate controls to ensure compliance and to highlight any significant breakdown in controls or inadequacy of process.

The Compliance Officer is responsible for ensuring that all Company policies are fit for purpose. The relevant area of the business is responsible for ensuring that their procedures are up to date and reflect how the business operates. All amendments are submitted to the Board for approval. There is a compliance monitoring programme in place to review all of its regulatory requirements. This is completed by the Compliance Officer on a regular basis and forms part of the compliance report to the Board.

The Company has established the four key independent control functions required under the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015 - actuarial, internal audit, compliance and risk management. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Where any functions or activities are outsourced, the Company expects that any outsourcing entity manages its control framework to the same standards as the Company and to adhere

to the Company's policies and procedures and to employ fit and proper people in its controlled functions. The Company has a Service Level Agreement in place with each outsourced entity with Key Performance Indicators set to ensure regular reporting to the Board. Attestations are also received from the Service Provider in respect to the ongoing fitness and probity of its Key Control Functions. Any significant or material event that occurs requires immediate reporting to the Board.

### Compliance Function

The Board supports the Compliance Function and shall make available such resource as is necessary. It provides access to all relevant documentation and information from the business for the Compliance Function to fulfil its role.

A Compliance Officer is appointed through a formal outsourcing arrangement with Allied Risk Management Limited who have responsibility for the Compliance Function. The Compliance Officer ensures the Company's continuing compliance in relation to its regulatory and legal obligations. It aims to minimise the risks to the Company of material financial loss or reputational damage arising from the potential failure to comply with legal or regulatory requirements. The Compliance Officer liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Compliance Officer has responsibility for the implementation of the Company's Compliance strategy and effective compliance processes and is responsible for the monitoring, managing and reporting of compliance risks to which the Company is exposed. It ensures that arrangements are sufficiently robust, proportionate, effective and efficient. The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficiency through Compliance monitoring.

Compliance auditing occurs to check that the Company are adhering to its obligations. Compliance reports are issued to the Board assessing the effectiveness and adequacy of compliance within the Company. The activities of the Compliance function are subject to periodic review by Internal Audit.

On an ongoing basis, the Compliance Officer strives to ensure that there is an organisational culture in place which promotes a high standard of integrity and regulatory compliance.

## B.6 Internal Audit Function

The Internal Audit Function is governed by the Company's internal audit policy and is an integral part of the Company's internal control framework. It is implemented on an outsourced basis with Control Solutions Limited.

- The function provides independent and objective assurance services through a formal outsourcing arrangement in respect of the Company's processes with due regard to the adequacy of the governance, risk management and internal control framework;
- Audits are conducted with a Board approved Internal Audit Plan;
- The Head of Internal Audit reports to the Board which oversees the risk based Audit Plan and outcomes thereof;
- Internal Audit Reports can highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them;
- Internal Audit prepare an annual report for the Board which provides a chosen assessment of the effectiveness of the Company's systems of risk management and internal controls during the reporting period.

It is the responsibility of the Internal Audit Function to independently, but proportionately, assess the effectiveness of the internal control system, governance and risk management systems and to provide to the Board an evaluation of the adequacy of such systems and controls. The Head of Internal Audit has a duty to highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them.

It is the objective of the Internal Audit Function to provide independent assurance that risk management processes are operating effectively and in accordance with required legislation and regulation. To ensure that effective controls are in place to mitigate risks or reduce those risks to an acceptable level in accordance with the Company's defined risk appetite.

The Internal Audit Function has unrestricted access to senior management and the Board. It is independent from the day-to-day operations of the business which allows it maintain its independence and objectivity from the activities it reviews. The current structure enables the Head of Internal Audit to provide an independent opinion regarding a system, process or control.

## B.7 Actuarial function

The Actuarial Function is outsourced to Allied Risk Management. Allied Risk Management's actuaries attend every board meeting and receive regular updates on claim activity. The Company's Technical Provisions are subject to quarterly review with a report presented annually detailing the Actuarial Function's Best Estimate claims reserves and Solvency II Technical Provisions.

The responsibilities of the Actuarial Function, in line with guidance from the Central Bank of Ireland and the Society of Actuaries, include, but are not limited to implementing/overseeing the following:

- coordinate the calculation of technical provisions;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- Oversee the calculation of technical provisions in the cases set out in Article 82;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements; and
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and assessment

## B.8 Outsourcing

The Company has an outsourcing policy the purpose of which is to establish the requirements for identifying, justifying, and implementing outsourcing arrangements for the Company's critical or important operational functions or activities. This policy has been approved by the Board. The Board ensures that an outsourcing arrangement shall not diminish the Company's ability to fulfil its regulatory obligations.

The Outsourcing Policy sets out the following:

- Definition of outsourcing
- Outsourcing risks
- Risk mitigation
- Board and management responsibility

- Assessment and due diligence on Outsourced Service Provider
- Essential requirements for inclusion in Service Level Agreements
- Management and oversight of Outsourced activities
- Reporting requirements
- Table of Outsourced Service Providers
- Business continuity and contingency planning

The Company only enters into an Outsourcing arrangement where there is a sound commercial basis for doing so and where it can be effectively managed. A full due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. In undertaking this assessment, the Company adhere to the Central Bank of Ireland Notification Process for (Re)Insurance Undertakings when Outsourcing Critical or Important Function or Activities under Solvency II Regulations.

The following is a list of the critical or important functions the Company has outsourced and the jurisdiction in which the Outsourced Service Providers are located:

Outsourced Activity	Outsourced Provider	Jurisdiction
<b>Actuarial Function</b>	Allied Risk Insurance & Reinsurance Services Limited	Ireland
<b>Internal Audit Function</b>	Control Solutions Limited	Ireland
<b>Compliance Function</b>	Allied Risk Management Limited	Ireland
<b>Risk Management Function</b>	Allied Risk Management Limited	Ireland

#### **B.9 Assessment of the adequacy of the system of governance**

Considering the nature, scale and complexity of the risks inherent in the business, the Company is very satisfied with its assessment of the adequacy and appropriateness of its system of governance.

#### **B.10 Any other disclosures**

There is no other material information regarding the system of governance of the Company.



## Section C: Risk Profile

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### C.1 Risk Profile

The Group's insurance brokers have been leveraged in terms of providing risk management technical expertise, and the Company has received regular risk assessment presentation from its brokers. The most recent workshop took place in September 2017.

Specific risk management measures relating to the Company's underwriting risks are referred to below.

The Company uses the Solvency II Standard Formula as its measure of economic capital in the quantitative assessment of risk presented below.

#### (a) Underwriting Risk

The Company writes varying limits on its Property, Liability, Marine/Transit and Credit reinsurance programs.

##### *Liability*

Changes in automotive manufacture have increased the likelihood of claims – more models use common systems than previously, thus increasing the potential claim cost.

The Company has reduced its net limit for liability with the purchase of a per risk retrocession protection.

##### *Property*

There has been a recent programme of improvements in fire prevention across the group's facilities. The group's insurance brokers have assessed facilities for exposure to damage from hail, snow and exposure to bushfires amongst others. This increasing awareness of and focus on risk management at the level of individual properties within the group has obvious benefits for the Company in terms of reducing the likelihood of significant property losses

##### *Marine*

Experience has been good in this class and limits are low relative to the other lines written by the Company. The relatively low limits reduce the risk exposure from this class.

##### *Trade Credit*

The fronting insurer undertakes its own risk management. The nature of credit insurance is such that the value is not only the insurance protection but also the access to the credit insurers knowledge base on the buyers worldwide.

A quantitative breakdown of the underwriting risk as measured by the Solvency II Standard Formula is as follows:

€'000 SCR	2018	2017
Premium Risk	2,642	6,123
Reserve Risk	4,941	4,070
Diversification Credit	(940)	(1,326)
<b>Premium and Reserve Risk</b>	<b>6,643</b>	<b>8,867</b>
Premium and Reserve Risk	6,643	8,867
Catastrophe Risk	6,632	6,872
Non-life lapse	498	1,483
Diversification Credit	(3,266)	(4,631)
<b>Non-life Underwriting Risk SCR</b>	<b>10,507</b>	<b>12,591</b>

Lapse risk has been included in a literal interpretation of the Solvency II technical specifications. However, this is not considered to be a risk for the Company whatsoever.

Catastrophe Risk exposure comes from all lines of business but is capped by the contract limits.

€'000 SCR	2018	2017
Non-Proportional Casualty	5,145	5,145
Non-Proportional Credit and Suretyship	775	786
Non-Proportional Property Reinsurance	4,105	2,713
Proportional Marine	255	255
Catastrophe Risk – Diversification Credit	(3,648)	(2,027)
<b>Catastrophe Risk – Diversified</b>	<b>6,632</b>	<b>6,872</b>

### *Underwriting Risk Mitigation*

The Company has reduced its net limit for liability with the purchase of an aggregate XOL retrocession cover mirroring the underlying reinsurance programme. It is noted that this protection offers no capital relief – nonetheless the Board considers it prudent risk management and it provides strong balance sheet protection.

### *(b) Market risk*

The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market currency risk, interest rate risk, credit risk and liquidity risk.

The Company's principal transactions are carried out in Euro and its business exposure to foreign exchange risks is minimal. Due to the limited exposure, the Company considers it unnecessary to attempt to mitigate foreign exchange fluctuations.

Interest rate risk is that the value of future cashflows of a financial investment will fluctuate due to changes in interest rates.

The Company has significant exposure to the parent group through the intercompany loan to Benteler International AG. Such a loan must be on commercial terms. The Board is comfortable with the counterparty risk of Benteler International AG.

The balance of the Company's investment assets are with an international bank and a Money Market Fund which are all well-rated.

#### *Spread Risk & Concentration Risk*

The loan to Benteler International AG is considered in this module, as are any term deposits or investment assets other than cash or demand deposits. The SCR charge for the intercompany loan is high, reflecting the high proportion of the Company's assets represented by the loan and Benteler International AG's lack of a credit rating.

In simple terms, the concentration risk charge for the loan is approximately 73% of the loan amount, whilst the spread risk charge is 7.5% of the loan amount. However, the charge does benefit from some diversification within the Concentration Risk module as the assets are spread between the intercompany loan, the Deposits and the Money Market Fund. Moreover, when the Money Market Fund is assessed on a 'look through' approach to the underlying holdings this provides further diversification.

#### *Currency Risk*

The Standard Formula currency risk charge is 25% of the mismatch in currency exposure.

The company is exposed to a Standard Formula currency risk charge through policies denominated in USD. The company has no assets on its balance sheet denominated in USD but has liabilities of USD 6,839k on the Solvency II Balance Sheet, as IBNR and the Premium Provision are allocated in proportion to the geographical split of the underlying policies.

This gives a currency risk charge of EUR 1.892M.

#### *(c) Credit risk*

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation, thus causing the company to incur a financial loss.

	Loans to group undertakings and debtors arising out of insurance operations	Financial investments and cash at bank
€'000	€	€
2018	3,756	27,802
2017	4,908	24,228

The following table provides information regarding the aggregated credit risk exposure of financial assets:

Credit Ratings 2018	Loans to group undertakings and debtors arising out of reinsurance operations	Financial investments and cash at bank
AAA	-	-
A+	1%	14%
A	2%	-
AA-	5%	57%
BBB+	-	29%
Unrated	92%	-
	<b>100%</b>	<b>100%</b>

Credit Ratings 2017	Loans to group undertakings and debtors arising out of reinsurance operations	Financial investments and cash at bank
AAA	-	71%
A+	2%	10%
A	2%	-
AA-	2%	-
BBB+	-	19%
Unrated	94%	-
	<b>100%</b>	<b>100%</b>

The unrated financial assets are loans to group undertakings.

#### (d) Liquidity risk

The Company has investments and cash at bank of €31,558,114 (2017: €28,077,425) of which €18,558,114 (2017: €25,577,425) is available on demand and is in excess of the Company's total liabilities of €15,487,272 (2017: €12,614,279). As such, the Company has determined that liquidity risk does not represent a significant risk to its business.

#### *Operational risk*

The Company's operational risk is considered low but is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including but not limited to the following risks:

- outsourcing
- business continuity planning
- reputational
- compliance and regulatory

As a reinsurance captive writing a small number of treaties operational risk is very low. The Company does not handle many transactions, the Company does not deal with the general public and the underlying risk is in the same group. The Company is in the process of reviewing its outsourcing agreements to address some operational risks, including cyber-risk and business continuity risk (which although considered low are to be referenced and addressed in the revised outsourcing agreements).

The Company is managed by Allied Risk Management, a professional captive management company with over twenty years' experience in captive management. The Company has a full suite of governance policies and processes which further limit operational risk.

The introduction of Solvency II with its governance requirements (including the requirement for Internal Control, Internal Audit, Actuarial and Risk functions) assists in further reducing operational risk.

#### (e) Other material risks

There are no other material risks identified by the Company.

## C.2 (A) Risk Measures

The Company uses the Solvency II Standard Formula as its measure for the quantitative assessment of risk as more detailed in the previous paragraphs. The Company also has an established Risk Appetite Statement to assess risks in the Company and a description of the measures used therein are as follows: there have been no material changes over the reporting period:

<b>Green</b>	Green represents the <b>Risk Appetite</b> of the Company, it represents the level of risk the Company is willing and able to accept to satisfy its strategic objectives
<b>Amber</b>	Amber represents <b>Risk Tolerances</b> and acceptable variances which will be brought to the attention of Board and will require monitoring
<b>Red</b>	Red represents the <b>Limit</b> for each risk, (where possible) it indicates when action needs to be taken to stop or change a situation which is may result in an unacceptable level of risk to the Company

## C.2 (B) The Nature of Material Risk Exposures

The material risks that the Company is exposed to the risk of adverse claims experience across all lines of business together with a potential bank default. This is addressed under Underwriting Risk above and Technical Provisions below. There have been no material changes over the reporting period.

## C.2 (C) Investments in Accordance with the ‘Prudent Person Principle’

The Company is required to invest all assets and particularly assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the ‘prudent person principle’. The prudent person principle defines that the assets must be invested in a manner acceptable to a ‘prudent person’ – that is that the decisions are generally accepted as being sound for the average person.

The Company maintains its assets in cash equivalents, short-term and long-term deposits with EU regulated credit institutions and intercompany loans with the company’s ultimate holding company Benteler International AG with a maturity of less than 1 year.

## C.3 The Nature of Material Risk Concentrations

The Benteler group has operations throughout the world and as such the Company is not exposed to geographical concentrations of risk. The Company writes a diversity of business

lines, although accumulations can occur, where a transit and property loss could arise from the same event.

As noted above, concentration risk arises from changes in automotive manufacture which have increased the likelihood of claims – more models use common systems than previously, thus increasing the potential claim cost.

Concentration risk is managed through the limit system, whereby the Company cannot lose more than the event or aggregate limit on any one claim or series of claims.

The Company has concentration risk in its investment portfolio with the exposure to the Benteler group through intercompany lending.

#### **C.4 Risk Mitigation Practices**

The strategy of the Company is to accept reinsurance on a first loss basis and will consider the purchase of reinsurance cover where appropriate. The Company has reduced its net limit for liability with the purchase an aggregate XOL retrocession cover mirroring the underlying reinsurance programme. It is noted that this protection offers no capital relief – nonetheless the Board considers it prudent risk management and it provides strong balance sheet protection.

The Company's main risk mitigation technique is to control its exposure through event and aggregate limits.

#### **C.5 Liquidity Risk**

The Expected Profit in Future Premiums calculated in accordance with Article 260(2) of the Delegated Acts is approx. €991k.

#### **C.6 Risk Sensitivities**

In its ORSA Process the Company considered a number of both quantitative and qualitative stress and scenarios, including reverse stress tests. These were as follows:

##### **Qualitative:**

An industry-wide large event.

##### **Reverse Stress tests:**

- Loss required to breach SCR – c. 6M
- Loss required to breach MCR – c. 16M

## Quantitative:

- **Large Property Loss**
  - Description:
    - A €5M property loss occurs in 2019 and is settled prior to year-end 2020.
  - Method:
    - The Company's Capital Requirements are projected with the loss included in reserves and paid before year-end 2020.
  - Outcome:
    - The SCR increases due to an increase in the Reserve Risk submodule and the Available Capital is reduced. The Company can withstand such a loss without breaching solvency.
- **Limit Liability Loss**
  - Description:
    - A €20M gross liability loss occurs in 2020, full recovery of €10M is recovered on the retrocession, and the claim is settled prior to year-end 2021.
  - Method:
    - The Company's Capital Requirements are projected with the loss included in reserves and paid before year-end 2021.
  - Outcome:
    - The SCR increases dramatically due to an increase in the Reserve Risk submodule and the Available Capital is reduced. Such a loss would result in the Company breaching solvency.
- **Credit Event**
  - Description:
    - A bank default of a current account amount of €5M in 2019.
  - Method:
    - The Company's Capital requirements are projected, and the SCR is reduced by the level of the default in 2019. Unlike a loss suffered, there is no corresponding increase in SCR.
  - Outcome:
    - The Company can withstand such a loss without breaching solvency.

## C.7 Any Other Disclosures

There is no other material information regarding the risk profile of the Company during the reporting period.



## Section D: Regulatory Balance Sheet

### D.1 (A) Assets

As at 31st December 2018, the Company held the following assets:

Benteler Reinsurance Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	0	0
Deferred Acquisition Costs	0	0
Intangible Assets	0	0
Deferred Tax Assets	277	277
Pension benefit surplus	0	0
Property, plant & equipment held for own use	0	0
Investments	17,050	17,050
Property (Other than Own Use)	0	0
Participations and related undertakings	0	0
Equities (Other than Participations)	0	0
Equities (Other than Participations) - Listed	0	0
Equities (Other than Participations) - Unlisted	0	0
Bonds	0	0
Government and Multilateral Banks	0	0
Corporate	0	0
Structured Notes	0	0
Collateralised Securities	0	0
Collective Investments Undertakings	4,048	4,048
Derivatives	0	0
Deposits other than cash equivalents	13,002	13,002
Other Investments	0	0
Mortgages and Loans Made	3,756	3,756
<i>Mortgages &amp; loans to individuals</i>	0	0
<i>Other Mortgages &amp; loans</i>	3,756	3,756
<i>Loans on Policies</i>	0	0
Reinsurance Recoverables	0	-506
<i>Reinsurance share of TP - non-life excluding health</i>	0	-506
<i>Reinsurance share of TP - health similar to non-life</i>	0	0
Deposits to cedants	0	0
Insurance & Intermediaries Receivables	331	236
Reinsurance Receivables	0	0
Receivables (trade, not insurance)	0	0
Own Shares	0	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0	0
Cash & Cash Equivalents	10,754	10,754
Any Other Assets, Not Elsewhere Shown	14	14
<b>Total assets</b>	<b>32,182</b>	<b>31,581</b>

As at 31st December 2017:

Benteler Reinsurance Assets (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Goodwill	-	-
Deferred Acquisition Costs	-	-
Intangible Assets	-	-
Deferred Tax Assets	360	360
Pension benefit surplus		
Property, plant & equipment held for own use		
Investments	19,604	19,604
Property (Other than Own Use)		
Participations and related undertakings		
Equities (Other than Participations)		
Equities (Other than Participations) - Listed		
Equities (Other than Participations) - Unlisted		
Bonds	2,501	2,501
Government and Multilateral Banks		
Corporate	2,501	2,501
Structured Notes		
Collateralised Securities		
Collective Investments Undertakings	17,103	17,103
Derivatives		
Deposits other than cash equivalents		
Other Investments		
Mortgages and Loans Made	3,849	3,849
<i>Mortgages &amp; loans to individuals</i>		
<i>Other Mortgages &amp; loans</i>	3,849	3,849
<i>Loans on Policies</i>		
Reinsurance Recoverables		(460)
<i>Reinsurance share of TP - non-life excluding health</i>		(460)
<i>Reinsurance share of TP - health similar to non-life</i>		
Deposits to cedants		
Insurance & Intermediaries Receivables	276	
Reinsurance Receivables	-	-
Receivables (trade, not insurance)	-	-
Own Shares	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash & Cash Equivalents	4,625	4,625
Any Other Assets, Not Elsewhere Shown	14	14
<b>Total assets</b>	<b>28,728</b>	<b>27,992</b>

## Recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

## Initial Measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Realised and unrealised gains and losses arising from changes in the fair value of investments are presented in the non-technical profit and loss account in the period in which they arise. Dividend and interest income is recognised when earned. Investment management and other related expenses are recognised when incurred.

## D.1 (B)

Under Solvency II best estimate valuation, the reinsurance share of technical provision is calculated by discounting estimated future cashflows based on estimated duration of each possession (payment pattern), using the risk-free interest rate ensure with an adjustment for default.

There are no material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

## D.2 Technical Provisions

€' 000 2018

Line of Business	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
Non-proportional casualty reinsurance	5,570	817	(506)	<b>6,893</b>
Proportional marine, aviation and transport reinsurance	431	39	0	<b>470</b>
Non-proportional property reinsurance	3,192	784	0	<b>3,975</b>
<b>Total</b>	<b>9,193</b>	<b>1,639</b>	<b>(506)</b>	<b>11,338</b>

€' 000 2017

Line of Business	Gross Best Estimate Liability	Risk Margin	Recoverables from Reinsurance contracts and SPVs	Total Technical Provisions net of Recoverables
Non-proportional casualty reinsurance	4,431	1,296	(460)	<b>6,187</b>
Proportional marine, aviation and transport reinsurance	585	80		<b>665</b>
Non-proportional property reinsurance	-373	1,247		<b>874</b>
<b>Total</b>	<b>4,644</b>	<b>2,624</b>	<b>(460)</b>	<b>7,727</b>

Given the relative sparsity of claims in the Company's history, Bornhuetter Ferguson and Expected Loss Ratio methods were used to derive the claims provision for all classes. Appropriate benchmark loss development factors have been applied to supplement the Company's own experience.

The Premium Provision was calculated using Expected Loss Ratios based on the Company's own experience and benchmark data.

The main risk to the Technical Provisions is the emergence of a large claim or claims. In respect of the claims reserves this risk is considered reasonably low – an analysis of reporting delays for the Company has shown that these are short and liability claims have not emerged over time. In respect of the Premium Provision the volatility of the actual underwriting result is much higher for a captive reinsurer writing a relatively small number of risks compared to a commercial insurer.

A second risk to the adequacy of the Company's reserves is the deterioration of an existing claim or claims. The Company reviews all open claims on a regular basis and takes an appropriate approach to claim reserving.

For all lines of business, the Company uses the undiscounted Best Estimate Claims Provision as a floor for the Technical Provisions booked in its Financial Statements, with an appropriate margin for prudence added to this figure.

The Company does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Company does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Company does not apply the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC.

The Company does not apply the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

The Company does not have any recoverables from reinsurance contracts or Special Purpose Vehicles.

There have been no material changes in the relevant assumptions made in the calculation of technical provisions compared to the prior year Technical Provisions calculations.

### D.3 (A) Other liabilities

As at 31st December 2018, the Company recorded the following liabilities for solvency purposes;

Benteler Reinsurance Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	15,117	10,832
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	15,117	0
<i>Best Estimate</i>	0	9,193
<i>Risk Margin</i>	0	1,639
Gross Technical Provisions - Health (Similar to Non-Life)	0	0
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	0	0
<i>Best Estimate</i>	0	0
<i>Risk margin</i>	0	0
Other Technical Provisions	0	0
Contingent Liabilities	0	0
Provisions Other Than Technical Provisions	0	0
Pension Benefit Obligations	0	0
Deposits from Reinsurers	0	0
Deferred Tax Liabilities	0	496
Derivatives	0	0
Debts owed to credit institutions	0	0
Financial liabilities other than debts owed to credit institutions	0	0
Insurance & intermediaries payables	290	6
Reinsurance payables	0	0
Payables (trade, not insurance)	80	80
Subordinated liabilities	0	0
Subordinated liabilities not in BOF	0	0
Subordinated liabilities in BOF	0	0
Any other liabilities, not elsewhere shown	0	0
<b>Total liabilities</b>	<b>15,487</b>	<b>11,414</b>

As at 31st December 2017:

Benteler Reinsurance Liabilities (EUR 000's)	Current Accounting Bases	SII Valuation Principles
Gross Technical Provisions – Non-Life (Excluding Health)	12,264	7,267
<i>TP calculated as a whole (Best estimate + Risk margin)</i>	12,264	
<i>Best Estimate</i>		4,644
<i>Risk Margin</i>		2,624
Gross Technical Provisions - Health (Similar to Non-Life)		
<i>TP calculated as a whole (Best estimate + Risk margin)</i>		
<i>Best Estimate</i>		
<i>Risk margin</i>		
Other Technical Provisions		
Contingent Liabilities		
Provisions Other Than Technical Provisions		
Pension Benefit Obligations		
Deposits from Reinsurers		
Deferred Tax Liabilities		563
Derivatives		
Debts owed to credit institutions		
Financial liabilities other than debts owed to credit institutions		
Insurance & intermediaries payables	241	
Reinsurance payables		
Payables (trade, not insurance)	109	109
Subordinated liabilities		
Subordinated liabilities not in BOF		
Subordinated liabilities in BOF		
Any other liabilities, not elsewhere shown		
<b>Total liabilities</b>	<b>12,614</b>	<b>7,939</b>

### D.3 (B)

Differences between statutory and solvency II deferred tax balances was due to differences in underlying principles for assets and liabilities. The deferred tax liability is generated by the adjustments to technical provisions under Solvency II.

There are no other material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for its valuation in financial statements.

### D.4 Any Other Disclosures

There are no other disclosures for the Company under this section.

## Section E. Capital management

### E.1 (A)

The Company has a documented Capital Management Policy and there is no appetite for losses resulting from a breach of the solvency margin. In addition, the ORSA process is an integral part of the Company's Capital Management process. The outputs of the Actuarial Function Report are also used in the Company's decision-making process in respect of capital management.

The Company is a single shareholder entity whose shares are fully paid up. It has no debt financing, nor does it have any plans to raise debt or issue new shares in the short or medium term.

The Company's own funds are invested in cash, short term money market deposits or short-term loans to its parent group. There is no intention to change this methodology.

The medium-term capital management plan set by the Board is as follows:

- Own funds to be maintained at an agreed level in excess of the SCR (or MCR where relevant), per the Company's Risk Appetite Statement, as informed by the ORSA;
- No capital is planned to be issued in the short or medium term;
- No dividends are anticipated in the short or medium term; and
- Own fund items are to be invested in external bank deposits, cash or loaned to its parent group in accordance with the Board's approved counterparty limits as set out in the Company's Investment Policy.

### E.1 (B), (C) and (D) Own funds

Own Funds Item	Value at 31 December 2018	Value at 31 December 2017
	€' 000	€' 000
Tier 1 unrestricted	20,166	20,053
Tier 1 restricted	-	-
Tier 2 basic	-	-
Tier 2 ancillary	-	-
Tier 3	-	-
Tier 3 ancillary	-	-

A comparison of the breakdown of the Tier 1 capital at year-end 2018 and 2017 is below:

Own Funds Item	Value at 31 December 2018	Value at 31 December 2017
	€' 000	€' 000
Share Capital	650	650
Reconciliation Reserve	19,516	19,403
<b>Total Tier One Capital</b>	<b>20,166</b>	<b>20,053</b>



### E.1 (E)

The equity as shown in the undertaking's financial statements is EUR 4.690M less than the excess of assets over liabilities as calculated for solvency purposes; this difference is due mainly to (i) the technical provisions in the Financial Statements are calculated on a more prudent basis than the Solvency II Technical Provisions and (ii) the embedded profit in the UPR is available as capital for solvency purposes.

Reconciliation (EUR '000s)	2018	2017
<b>Available Capital per Financial Statements</b>	<b>16,695</b>	<b>16,114</b>
+/- Tax adjustment	-496	-563
- Risk Margin	-1,639	-2,624
- Solvency II Expense Provision	-161	-46
+ Prudence in Financial Statement reserves	4,497	3,384
+/- Discounting	385	405
+ Profit in UPR	886	3,383
<b>Total</b>	<b>20,166</b>	<b>20,053</b>

### E.1 (F)

The Company has no own-fund items subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC

### E.1 (G)

The Company has no items of ancillary own funds.

### E.1 (H)

The Company has no items deducted from own funds.

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

### E.2 (A)

2018

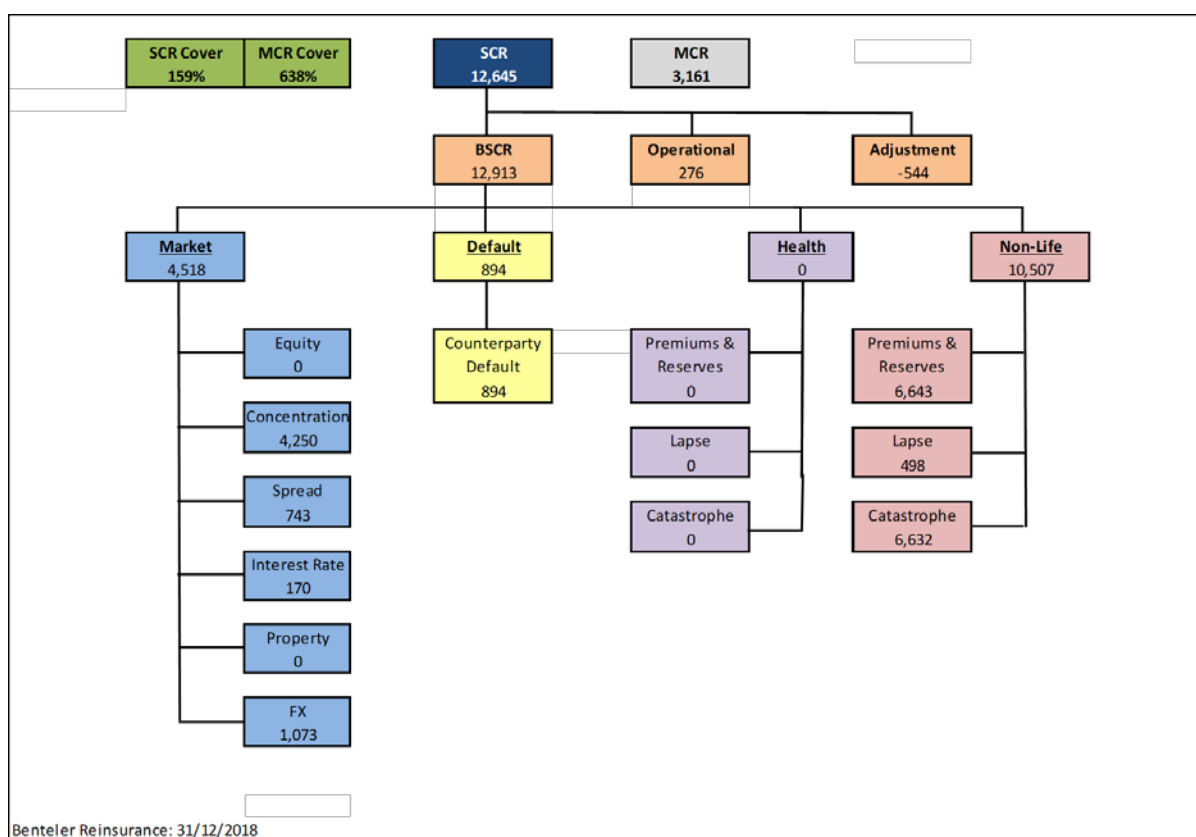
Solvency €'000	Capital requirement	Eligible capital	Solvency ratio
SCR	12,645	20,166	159.48%
MCR	3,161	20,166	637.91%

2017

Solvency €'000	Capital requirement	Eligible capital	Solvency ratio
SCR	13,548	20,053	148.0%
MCR	3,387	20,053	592.1%

### E.2 (B)

2018:



## E.2 (C)

The Company does not use simplified calculations for any risk modules or sub-modules of the Standard Formula.

## E.2 (D)

The Company does not use undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

## E.2(E)

The Company is not required to apply any undertaking-specific parameters in accordance with Article 110 of Directive 2009/138/EC and is not subject to any capital add-on.

## E.2 (F)

The MCR as calculated using premium volume is as follows (EUR 000):

### 2018:

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			$\alpha$	$\beta$	
Marine, Aviation & Transport	431	255	10%	14%	80
NRP - Property	3,192	2,957	19%	16%	1,064
NPR - Casualty	6,076	1,895	19%	16%	1,431
<b>Total</b>	<b>9,699</b>	<b>5,107</b>			<b>2,576</b>

### 2017:

Line of Business	Net Technical Provisions	Net Premium Written	Parameters		MCR NL
			$\alpha$	$\beta$	
Marine, Aviation & Transport	585	255	10%	14%	96
NRP - Property	-	2,827	19%	16%	450
NPR - Casualty	4,891	1,983	19%	16%	1,225
<b>Total</b>	<b>5,476</b>	<b>5,065</b>			<b>1,771</b>

Since the figure of EUR 2.576M is less than the floor of 25% of the SCR, the floor of 25% of the SCR is applied – i.e. EUR 3.161M.

There has been no material change in the Company's SCR or MCR over the reporting period other than change due to organic growth of the Company.

## E.3

The Company is not using the duration-based equity risk sub-module in the calculation of its SCR.

## E.4

An internal model is not used by the Company.

## **E.5**

There has been full compliance with Minimum Capital Requirement and the Solvency Capital Requirement.

## **E.6 Any Other Disclosures**

There is no other material information regarding the capital management of the Company.

## **Means of Disclosure**

**The Company does not own or maintain a website related to its business, nor is it a member of a trade association. The Company will provide an electronic copy of this report to any person who requests a copy of this report.**

## S.02.01.02

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S.05.01.02.01

**Premiums written**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net  
**Premiums earned**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net  
**Claims incurred**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net  
**Changes in other technical provisions**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non- proportional reinsurance accepted  
Reinsurers'share  
Net  
**Expenses incurred**  
**Other expenses**  
**Total expenses**

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
0	0	0	0	0	0	0	0	0	0	0	0					0
0	0	0	0	0	255	0	0	0	0	0	0					255
												0	2,400	0	2,957	5,357
0	0	0	0	0	0	0	0	0	0	0	0	0	505	0	0	505
0	0	0	0	0	255	0	0	0	0	0	0	0	1,895	0	2,957	5,107
0	0	0	0	0	0	0	0	0	0	0	0					0
0	0	0	0	0	255	0	0	0	0	0	0					255
												0	2,400	0	2,957	5,357
0	0	0	0	0	0	0	0	0	0	0	0	0	505	0	0	505
0	0	0	0	0	255	0	0	0	0	0	0	0	1,895	0	2,957	5,107
0	0	0	0	0	0	0	0	0	0	0	0					0
0	0	0	0	0	406	0	0	0	0	0	0					406
												0	1,706	0	1,515	3,221
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	406	0	0	0	0	0	0	0	1,706	0	1,515	3,627
0	0	0	0	0	0	0	0	0	0	0	0					0
0	0	0	0	0	0	0	0	0	0	0	0					0
												0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	48	0	0	0	0	0	0	0	305	0	414	766
																0
																766

**Premiums written**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net

**Premiums earned**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net

**Claims incurred**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net

**Changes in other technical provisions**  
Gross - Direct Business  
Gross - Proportional reinsurance accepted  
Gross - Non-proportional reinsurance accepted  
Reinsurers' share  
Net

**Expenses incurred**  
**Other expenses**  
**Total expenses**

Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
C0010	C0020	C0030	C0040	C0050	C0060	C0070	
	DE						
C0080	C0090	C0100	C0110	C0120	C0130	C0140	
0	0	0	0	0	0	0	0
0	255	0	0	0	0	255	255
0	5,357	0	0	0	0	5,357	5,357
0	505	0	0	0	0	505	505
0	5,107	0	0	0	0	5,107	5,107
0	0	0	0	0	0	0	0
0	255	0	0	0	0	255	255
0	5,357	0	0	0	0	5,357	5,357
0	505	0	0	0	0	505	505
0	5,107	0	0	0	0	5,107	5,107
0	0	0	0	0	0	0	0
0	406	0	0	0	0	406	406
0	3,221	0	0	0	0	3,221	3,221
0	0	0	0	0	0	0	0
0	3,627	0	0	0	0	3,627	3,627
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	766	0	0	0	0	766	766
							0
							766
							0

<b>Premiums written</b>	
Gross	
Reinsurers' share	
Net	
<b>Premiums earned</b>	
Gross	
Reinsurers' share	
Net	
<b>Claims incurred</b>	
Gross	
Reinsurers' share	
Net	
<b>Changes in other technical provisions</b>	
Gross	
Reinsurers' share	
Net	
<b>Expenses incurred</b>	
<b>Other expenses</b>	
<b>Total expenses</b>	

[illegible]

## S.17.01.02

**Technical provisions calculated as a whole**  
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole  
**Technical provisions calculated as a sum of BE and RM**  
**Best estimate**  
Premium provisions  
Gross  
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default  
Net Best Estimate of Premium Provisions  
**Claims provisions**  
Gross  
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default  
Net Best Estimate of Claims Provisions  
**Total Best estimate - gross**  
**Total Best estimate - net**  
**Risk margin**  
**Amount of the transitional on Technical Provisions**  
Technical Provisions calculated as a whole  
Best estimate  
Risk margin  
**Technical provisions - total**  
Technical provisions - total  
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total  
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	35	0	0	0	0	0	0	0	-229	0	-1,303	-1,497
0	0	0	0	0	0	0	0	0	0	0	0	0	-506	0	0	-506
0	0	0	0	0	35	0	0	0	0	0	0	0	277	0	-1,303	-991
0	0	0	0	0	396	0	0	0	0	0	0	0	5,799	0	4,495	10,690
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	396	0	0	0	0	0	0	0	5,799	0	4,495	10,690
0	0	0	0	0	431	0	0	0	0	0	0	0	5,570	0	3,192	9,193
0	0	0	0	0	431	0	0	0	0	0	0	0	6,076	0	3,192	9,699
0	0	0	0	0	39	0	0	0	0	0	0	0	817	0	784	1,639
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	470	0	0	0	0	0	0	0	6,387	0	3,975	10,832
0	0	0	0	0	0	0	0	0	0	0	0	0	-506	0	0	-506
0	0	0	0	0	470	0	0	0	0	0	0	0	6,893	0	3,975	11,338



## S.19.01.21

### Total Non-Life Business

Accident year / Underwriting year	<b>Z0020</b>	Underwriting year [UWY]
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### Gross Claims Paid (non-cumulative) (absolute amount)

Year	Development year											In Current year	Sum of years (cumulative )
	0	1	2	3	4	5	6	7	8	9	10 & +		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	0	16	0	0	-5	0	1	0	0	0	0	0	0
N-9	0	121	0	-15	16	13	1,104	0	0			0	1,238
N-8	5,002	127	18	-90	-6	1	0	0				0	5,051
N-7	0	524	361	36	163	150	4					4	1,239
N-6	151	295	63	3	287	-7						-7	790
N-5	0	9,459	561	194	0							0	10,214
N-4	0	329	3,091	-25								-25	3,395
N-3	1,502	2,778	258									258	4,538
N-2	4	543										543	547
N-1	0											0	0
N													
Total												773	27,027

### Gross undiscounted Best Estimate Claims Provisions (absolute amount)

Year	Development year											Year end (discount ed data)
	0	1	2	3	4	5	6	7	8	9	10 & +	
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	0	0	0	0	0	0	0	111	0	0	0	0
N-9	0	0	0	0	0	0	165	67	119			117
N-8	0	0	0	0	0	314	207	165				162
N-7	0	0	0	0	477	344	313					306
N-6	0	0	0	893	390	294						286
N-5	0	0	780	721	403							392
N-4	0	4,135	990	755								730
N-3	3,576	1,615	1,035									1,007
N-2	4,524	4,724										4,651
N-1	3,118											3,041
N												
Total												10,690

## S.23.01.01

### Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of

Ordinary share capital (gross of own shares)  
Share premium account related to ordinary share capital  
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings  
Subordinated mutual member accounts

#### Surplus funds

Preference shares  
Share premium account related to preference shares  
Reconciliation reserve  
Subordinated liabilities

An amount equal to the value of net deferred tax assets

Other own fund items approved by the supervisory authority as basic own funds not specified above

### 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

#### Deductions

Deductions for participations in financial and credit institutions

#### Total basic own funds after deductions

#### Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand  
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand  
Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

#### Total ancillary own funds

#### Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

#### SCR

#### MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

#### Reconciliation reserve

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

#### Reconciliation reserve

#### Expected profits

Expected profits included in future premiums (EPIFP) - Life business

Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
650	650		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
19,516	19,516			
0		0	0	0
0				0
0	0	0	0	0
0				
0				
0	0	0	0	0
20,166	20,166	0	0	0
0			0	
0			0	
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0
0			0	0
20,166	20,166	0	0	0
20,166	20,166	0	0	
20,166	20,166	0	0	0
20,166	20,166	0	0	
12,645				
3,161				
1.5948				
6.3791				

C0060				
20,166				
0				
0				
650				
0				
19,516				
0				
991				
991				

## S.25.01.21

Market risk  
Counterparty default risk  
Life underwriting risk  
Health underwriting risk  
Non-life underwriting risk  
Diversification  
Intangible asset risk  
**Basic Solvency Capital Requirement**

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
4,518		
894		
0		
0		
10,507		
-3,006		
0		
12,913		

### Calculation of Solvency Capital Requirement

Operational risk  
Loss-absorbing capacity of technical provisions  
Loss-absorbing capacity of deferred taxes  
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

### Solvency capital requirement excluding capital add-on

Capital add-on already set

### Solvency capital requirement

### Other information on SCR

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

C0100
276
0
-544
0
12,645
0
12,645
0
0
0
0
0

### S.28.01.01

#### Linear formula component for non-life insurance and reinsurance obligations

		C0010	
MCRNL Result		2,576	
	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 expenses insurance and proportional reinsurance		0	0
Income protection insurance and proportional reinsurance		0	0
Workers' compensation insurance and proportional reinsurance		0	0
Motor vehicle liability insurance and proportional reinsurance		0	0
Other motor insurance and proportional reinsurance		0	0
Marine, aviation and transport insurance and proportional reinsurance		431	255
Fire and other damage to property insurance and proportional reinsurance		0	0
General liability insurance and proportional reinsurance		0	0
Credit and suretyship insurance and proportional reinsurance		0	0
Legal expenses insurance and proportional reinsurance		0	0
Assistance and proportional reinsurance		0	0
Miscellaneous financial loss insurance and proportional reinsurance		0	0
Non-proportional health reinsurance		0	0
Non-proportional casualty reinsurance		6,076	1,895
Non-proportional marine, aviation and transport reinsurance		0	0
Non-proportional property reinsurance		3,192	2,957

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

		C0040	
MCRRL Result		0	
	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		0	
Obligations with profit participation - future discretionary benefits		0	
Index-linked and unit-linked insurance obligations		0	
Other life (re)insurance and health (re)insurance obligations		0	
Total capital at risk for all life (re)insurance obligations			0

#### Overall MCR calculation

		C0070	
Linear MCR		2,576	
SCR		12,645	
MCR cap		5,690	
MCR floor		3,161	
Combined MCR		3,161	
Absolute floor of the MCR		1,200	

		C0070	
Minimum Capital Requirement		3,161	