Coverys International Insurance Company DAC (“CIIC” or the “Company”)

Solvency and Financial Condition Report (“SFCR”)
for the financial year ended 31 December 2024

Executive Summary

Introduction

This document has been compiled by Coverys International Insurance Company DAC (hereafter “CIIC” or “the Company”) and is publicly disclosed in accordance with the Solvency II regulatory regime for EU insurance companies. Solvency II aims to unify the European insurance market and enhance consumers’ protection by primarily addressing the amount of capital that companies must hold to reduce their insolvency risk.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management for the year ended on 31 December 2024. The Company’s Board of Directors has the ultimate responsibility for all these matters, supported by governance and control functions in place.

Company Background

Coverys International Insurance Company DAC is a company incorporated in Ireland and authorised by the Central Bank of Ireland (the “Central Bank”) on 26 April 2022 to carry out the following classes of non-life insurance business under the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015) (the "Solvency II Regulations"):

Class 13 – General Liability

The Company is a non-life insurance undertaking specialising in underwriting within the professional lines segment by providing delegated underwriting authorities (‘DUAs”) to a network of managing `general agents (“MGAs”). The Company previously worked exclusively with Group-owned Managing General Agents for the distribution of its products. During the year, the Company as part of its continued evolution decided to expand its distribution to include non-group owned MGAs as well.

Business and Performance

The Company’s financial year end is 31 December each year. The Company incurred a loss from underwriting activity of €587k (2023 €1,771k) for the financial year ended 31 December 2024.

The Company’s assets are prudently invested, providing access to funds at short notice considering the liquidity requirements of the business and the nature and timing of the insurance liabilities.

Shareholders’ funds amounted to €12,660k (2023 €10,327k) at 31 December 2024. No dividend was distributed during 2024 (2023 Nil). The Company’s Solvency II Capital Requirement ratio is currently dictated by its Minimum Capital Requirement (“MCR”) which was 293% (2023: 238%) as of 31 December 2024.

System of Governance

The Company is subject to "Corporate Governance Requirements for Insurance Undertakings 2015". The Company is designated as a Low Impact insurance undertaking under the Central Bank's Probability Risk Impact System ("PRISM"), therefore the Company is not required to comply with the additional requirements outlined for High impact undertakings.

The Company has established and maintains an effective system of governance with clearly delegated authorities, responsibilities and reporting lines. CIIC has assessed its system of governance and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of the Company.

Refer to Section B for further information on the Company's System of Governance.

Risk Profile

The Solvency Capital Requirement ("SCR") metric is used to assess the Company's ability to meet all its regulatory capital obligations under both normal and stressed conditions. The Company has determined the Solvency II Standard Formula as defined by EIOPA to be suitable for its business and implements it for the calculation of the SCR.

The following table outlines the risks to which the Company is exposed at year end 2024 along with prior year comparative figures.

Basic Solvency Capital Requirement	2024	2023
Market risk	958,382	790,045
Counterparty default risk	594,824	462,813
Non-life underwriting risk	1,077,377	564,340
Diversification	(662,029)	(466,725)
BSCR	**1,968,554**	**1,350,475**
Operational risk	67,183	34,315
SCR	**2,035,738**	**1,384,789**

The SCR continues to be lower than the MCR for the year. Therefore, the MCR's 'absolute floor' (i.e. €4 million) as per Regulation 140(2) of the Solvency II Regulations is used to calculate the solvency position of the Company.

Valuation for Solvency Purposes

The SFCR was prepared in accordance with Article 290 of Commission Delegated Regulation (EU) 2015/35, as amended, and Commission Implementing Regulation (EU) 2023/895, and the values disclosed within this document are according to the Solvency II regime. As a result, values may differ from those reported in the Audited Financial Statements due to different valuation methods.

An analysis of the valuation of assets, technical provisions, and other liabilities per Solvency II and per FRS 102 The Financial Reporting Standards applicable in the UK and Republic of Ireland ("FRS 102") valuation is given in section D.1, D.2 and D.3 respectively. These sections provide detail on the difference between the two valuations, any judgements and assumptions made.

Capital Management

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the yearly Own Risk and Solvency Assessment ("ORSA"), contains a four-year projection of funding requirements and helps focus actions for future funding.

The Company's solvency position is as follows:

Solvency	Capital requirement		Eligible capital		Solvency ratio	
	€'000 2024	€'000 2023	€'000 2024	€'000 2023	% 2024	% 2023
SCR	2,036	1,385	11,721	9,618	576%	695%
MCR	4,000	4,000	11,721	9,517	293%	238%

A. BUSINESS AND PERFORMANCE

A.1. Business

A.1.1. Name and legal form of the undertaking

Coverys International Insurance Company Designated Activity Company is a limited liability company with share capital.

The Company was authorized on 26 April 2022 by the Central Bank of Ireland to carry out the business of non-life insurance in accordance with the provisions of the European Union (Insurance & Reinsurance) Regulations 2015. The Central Bank has designated CIIC as a Low Impact undertaking under its risk-based framework for the supervision of regulated firms (PRISM$_{TM}$).

The Company is incorporated in the Republic of Ireland and is a private company limited by shares. Company Number: C680074

Registered address: The Victorians, 15-18 Earlsfort Terrace, Dublin 2, D02 YX28.

A.1.2. Name of the Supervisory Authority responsible for the financial supervision of the undertaking

The Company is regulated by the Central Bank of Ireland ("Central Bank"). The Central Bank can be contacted at: Central Bank of Ireland, PO Box 559, New Wapping Street, North Wall Quay, Dublin 1, Ireland.

A.1.3. External auditor of the undertaking

The independent auditors of the Company are PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

A.1.4. Holders of Qualifying Holdings in the Undertaking

The Company is a wholly owned subsidiary of Coverys Ireland Holdings Limited, a company incorporated in the Republic of Ireland. Registered address: The Victorians, 15-18 Earlsfort Terrace, Dublin 2, D02 YX28.

A.1.5. Legal Structure of the Group

The Company's ultimate parent undertaking is Medical Professional Mutual Insurance Company ("MPMIC"), a company registered in Massachusetts, USA. MPMIC's registered address is One Financial Center, 13th Floor, Boston, MA 02111.

A.1.6. Related Undertakings

The Company does not have any related undertakings that it has control of or an obligation to report results on.

A.1.7. Material Lines of Business and Geographical Areas

The Company writes Class 13 insurance business through delegated underwriting authority provided to Managing General Agents ("MGAs"). During the year, the Company underwrote Professional Indemnity insurance policies, which include Public Liability and Employers Liability coverage, as well as Medical Malpractice Liability insurance. The Company operates within the European Economic Area, with a current presence in Italy and Ireland.

A.1.8. Significant business events during the reporting period

During the financial year ending 31 December 2024, the Company issued €2.5m fully paid Ordinary Shares, with a nominal value of €1.00 per share, to Coverys Ireland Holdings Limited.

The company previously worked exclusively with Group-owned Managing General Agents ("MGAs") for the distribution of its products. During the year, the company as part of its continued evolution decided to expand its distribution to include non-group owned MGAs as well.

There were no other significant business or other events that occurred over the reporting period that merit disclosure.

A.2. Underwriting Performance

The Company wrote €1,487k (2023: €757k) in gross premium through delegated underwriting authorities. In line with the Company's reinsurance strategy, CIIC reinsured 80% of its risk on a quota share basis.

The Company writes various liability products, all defined as General Liability (Class 13). For the purposes of capital reporting these are categorised as:

Class of Business per Local GAAP	Solvency II Line of Business
General Liability	General Liability

The Company has determined that the Euro ("EUR") is the functional currency.

Underwriting activities generated an underwriting loss of €587k (2023: €1,771k) for the financial year ended 31 December 2024. No claims were paid during the year. A net Outstanding Loss Reserve ("OSLR") provision of €16k (2023: €1k) was booked during the financial year based on a number of notifications received. Additionally, a net IBNR provision of €95k (2023: €35k) was booked based on expected loss ratios applied to the gross earned premium.

The table below illustrates the underwriting results for year-end 31 December 2024 along with prior year comparatives (based on Irish GAAP):

General Liability EEA	31/12/2024 EUR'000	31/12/2023 EUR'000
Gross premiums written (Direct)	1,487	757
Change in Unearned premium Reserves (Direct)	(413)	(254)
Earned premium direct	1,074	503
Outward reinsurance premiums ceded	(1,190)	(606)
Change in Unearned premium reserves (Ceded)	330	204
Net earned premium	214	101
Net Claims incurred	(72)	(36)
Operating expenses	(768)	(1,847)
Allocated investment return	39	11
Net Underwriting Loss	**(587)**	**(1,771)**

A.3. Investment Performance

A.3.1. Income and expenses arising by asset class

The Company has an investment strategy which complies with the requirements of "the prudent person principle".

As at 31 December 2024 the Company's investment portfolio comprised the following material asset classes:

	Asset Class		% of Portfolio	
	€'000 2024	€'000 2023	% 2024	% 2023
UCITs (Payden Global Short Fund)	17,464	10,799	100%	100%
Total	17,464	10,799	100%	100%

An increase in asset value is represented by a net addition in investment of €6,213k (2023: €2,100k) and positive investment returns of €463k (2023: €249k).

The table below sets out the investment returns by asset class:

Asset Class	EUR'000 31/12/2024	EUR'000 31/12/2023
UCITs (Payden Global Short Fund)	463	249
Total	**463**	**249**

The Company's investment yielded a positive return of €463k (2023: €249k) during the year due improved market sentiment towards the year-end, driven by anticipations of inflation reduction and potential interest rate cuts.

A.3.2. Gains and losses recognised directly in equity

No gains and losses have been recognised directly in equity.

A.3.3. Investments in securitisation

There are no investments in securitisation.

A.4. Performance of Other Activities

There have been no other significant activities undertaken by the company other than its insurance and related activities.

A.5. Any Other Information

There are no other material matters in respect of the business and performance of the Company.

B. SYSTEM OF GOVERNANCE

B.1. General information on the system of governance

B.1.1. Structure and responsibilities of the Board of Directors

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

CIIC has established and maintains an effective system of governance with clear delegated authorities, responsibilities and reporting lines. The system of governance is subjected to regular review to ensure that it remains appropriate, reflects current requirements and changes in the organization.

The Company's Board of Directors ("the Board") carries overall responsibility for the effective, prudent and ethical oversight of the business and sets its business strategy and risk appetite. The Board meets on a quarterly basis, or more frequently as required.

The current composition of the Board is as follows:

Name	Position	PCF
M. Casella	Non-Executive Director (NED)	PCF-2A
J. Collins	Independent NED & Chair of the Audit Committee	PCF-2B & PCF-4
A. Cummins	Independent NED& Chair of the Risk Committee	PCF-2B & PCF-5
R. Aluwihare	Executive Director & CEO	PCF-1 & PCF-8
C. Lippert	Executive Director & Head of Underwriting	PCF-1 & PCF-18

T Mills resigned from his role as Non-Executive Director on 17 May 2024. Steven Spano resigned from his role as Non-Executive Director and Chair of the Board on 28 February 2025. A candidate for the position of Chair has been formally identified and submitted to the Central Bank of Ireland ("Central Bank") for approval, with the review process currently underway.

On 6 March 2025, the Company's Board formally approved a change to the composition of the Audit Committee whereby all remaining 5 members of the Board are also members of the Audit Committee, as permitted by section 19.1 of the Corporate Governance Requirements for Insurance Undertakings 2015.

The Board is responsible for the effective, prudent and ethical oversight of the Company. The Board is responsible for setting and overseeing:

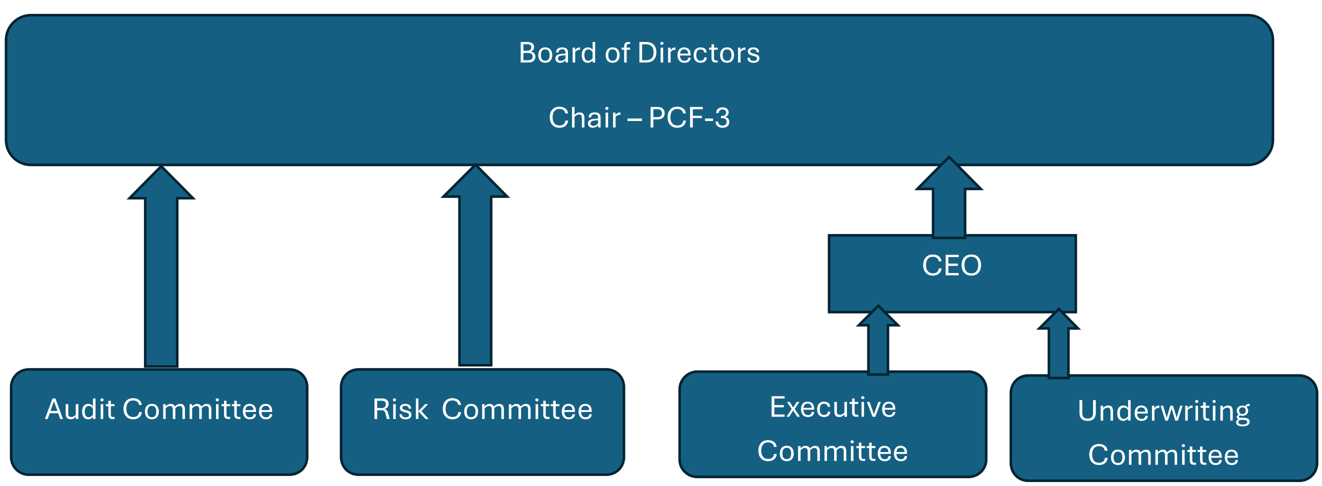
- the business strategy for the Company,
- a robust and transparent organizational structure with effective communication and reporting channels,

- the amounts, types and distribution of capital adequate to cover the risks of the Company,
- the strategy for the on-going management of material risks,
- an adequate and effective internal control framework, that includes well-functioning actuarial, risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework,
- compliance with solvency capital requirements and minimum capital requirements.

The role and responsibilities of the Board are clearly documented in the Board Manual (including Matters Reserved and Delegated) which they review on an annual basis.

B.1.2. Board and Management Committee Structure

The Company is managed via a committee structure, with said committees reporting either to the Board or to the CEO, who in turn reports to the Board. Terms of Reference, have been drawn up, which set out the respective roles and responsibilities for each committee. The Company's high-level governance and corporate structure is laid out below:



<u>Audit Committee</u>

The Audit Committee reports to the Board and its main roles and responsibilities include:

- Review the integrity of the Company's financial statements and ensuring that they give a "true and fair view" of the financial status of the insurance undertaking.
- Review the Company's assessment of its capital requirements as determined for the purposes of Central Bank regulation.

- Monitor the contents of the Company's Annual Report and Financial Statements and Annual Return to the Central Bank and recommend to the board whether to approve same.
- Monitor the effectiveness, independence and objectivity of the external auditors.
- Monitor the effectiveness of the Company's Internal Audit Function in the context of the Company's overall risk management system.
- Review any significant matters raised by the internal and external auditors.
- Monitoring the effectiveness and adequacy of the Company's internal controls, internal audit and IT systems.

Risk Committee

The Company recognises the need to develop and maintain a proactive Risk Management Strategy that not only meets Central Bank standards, but is aligned to the size, business mix and complexity of the Company's operations. The Risk Committee is considered an integral part of this strategy and will oversee the risk management function.

The role of the Risk Committee is to advise the Board on risk appetite and tolerance for future strategy, taking into account the Board's overall risk appetite, the current financial position of the Company and the Company's capacity to manage and control risk with the agreed strategy. The risk committee oversees the risk management function, which is managed on a day to day basis by the CRO.

The responsibilities of the Risk Committee include:

The Risk Committee will:

- advise the Board on risk appetite taking into account the current financial situation of the Company, the strategy of the company and having regard to the work of the Audit Committee and the external auditor;
- advise the Board on the risk tolerances for the strategy of the Company, taking account of the board's overall risk appetite, the current financial position of the Company and, drawing on the work of the audit committee and the external auditor, the capacity of the Company to manage and control risks with the agreed strategy;
- liaise regularly with the CRO to ensure the development and maintenance of an effective risk management framework;
- oversee the implementation of the risk management framework (which is managed on a day to day basis by the CRO);
- review, evaluate and advise the Board on the effectiveness of strategies and policies in maintaining adequate internal capital and own funds to cover the risks of the Company;

- review the policies that the Company proposes or has implemented regarding compliance with all applicable national laws and regulations and monitor the effectiveness of those policies, and recommend any appropriate changes to such policies to the Board; and
- promote a risk awareness culture within the Company and risk management.

Underwriting Committee

The Underwriting Committee reports to the CEO, who in turn reports to the Board. The main roles and responsibilities of the Underwriting Committee include:

- monitor the progress and delivery of the underwriting plan and the adequacy of the control environment;
- review premium against plan;
- oversight and approval of Delegated Underwriting Authorities with Managing General Agents;
- review underwriting performance metrics;
- review claims activities and trends; and
- review underwriting and claims procedures and controls.

Executive Committee

The Executive Committee reports to the CEO, who in turn reports to the Board. The main roles and responsibilities of the Executive Committee include:

- Formulate strategy, develop and recommend strategic and operating plans, and manage the business by reference to those plans.
- Review and recommend the business mix.
- Recommend the allocation of budget resources among competing interests.
- Executive oversight of enterprise risk.
- Review outsourcing dashboard on a monthly basis.
- Review and make recommendations to the Board on the reinsurance strategy and reinsurance matters.
- Review and make recommendations to the Board in relation to the solvency strategy, and monitor all reporting under Solvency II.

B.1.3. Independent Control Functions

The Company has established the four key control functions in line with Solvency II requirements: risk management, actuarial, compliance and internal audit. These functions, each possessing distinct responsibilities, are tasked with providing oversight of and challenge to the business and for providing assurance to the Board in relation to the Company's control framework.

Risk Management Function

The Company has appointed a Chief Risk Officer who is responsible for the Risk Management Function. Refer to section B.3.2 of this report for further information on the implementation of the Risk Management Function.

Compliance Function

The Company has appointed a Head of Compliance who is responsible for the Compliance Function. The Head of Compliance role is being outsourced to an employee of KPMG on an interim basis.

Refer to section B.4.2 of this report for further information on the Compliance Function.

Actuarial Function

In line with the requirements of Solvency II, and the Central Bank's 'Domestic Actuarial Regime and Related Governance Requirements under Solvency II", the Company has appointed a Head of Actuarial Function ("HoAF"). The HoAF role is outsourced to Forvis Mazars.

Refer to section B.6 of this report for further information on the Actuarial Function.

Internal Audit Function

Deloitte Ireland LLP has been engaged on an outsourced basis to perform the role of Head of Internal Audit and is responsible for the Internal Audit Function.

Refer to section B.5 of this report for further information on the Internal Audit Function.

B.1.4. Material changes in the system of governance

Material changes to the system of governance that took place during the reporting period are described in section B.1.1.

B.1.5. Remuneration policy and practices

The Company has established a remuneration policy for directors and employees. The objectives of the remuneration policy are to ensure:

- that remuneration policy and practices are aligned with the Company's business and risk management strategy and risk appetite, objectives, risk management practices and long-term interests and performance of the Company;
- that the policy applies to the Company as a whole in a proportionate and risk focused way, taking into account the respective roles of the personnel responsible for key functions or who make or participate in making decisions that affect the whole, or a substantial part of the Company's business, including members of the Board;
- that the remuneration policy does not foster practices adverse to the policyholders' interests;
- that a clear, transparent and effective governance structure around remuneration is in place;
- that the Company can attract and retain highly qualified Board members and employees with skills required to effectively manage the Company;
- that Board members and employees are compensated appropriately for the services they provide to the Company; and
- that the remuneration motivates Board members and employees to perform in the best interests of the Company and its stakeholders.

Directors who do not perform executive functions in the Company or in Group companies, receive a fixed sum as remuneration.

Directors who also perform executive functions in Group companies or perform duties as part of an outsourced service provision, will not receive individual remuneration from the Company.

The Company provides a range of benefits to employees including a discretionary bonus scheme, a defined contribution pension plan and a group health insurance scheme.

The remuneration policy is designed to improve the performance and the value of the Company and to motivate, retain and attract qualified employees.

B.1.6. Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the board of directors

In March 2024, the Company allotted 2,500,000 shares of €1.00 each to its parent CIH at a subscription price of €1.00 per share which are paid up in full.

The Company did not enter into any transactions with key management personnel in the Coverys Group during the year ended 31 December 2024.

The Company has a quota share reinsurance arrangement in place with its ultimate parent, MPMIC, which includes a mechanism for the recovery of a portion of related expenses.

B.2. Fit and Proper requirements

B.2.1. Requirements for skills, knowledge and expertise

On 1 October 2010, Part 3 of the Central Bank Reform Act 2010 introduced a harmonised statutory system for the regulation by the Central Bank of persons performing Controlled Functions ("CF") and Pre-Approval Controlled Functions ("PCF") in regulated financial service providers.

On 1 December 2011, the Central Bank issued the Fitness & Probity Standards under Section 50 of the Central Bank Reform Act 2010 with which all persons performing Controlled Functions or Pre-Approval Controlled Functions should, at a minimum, comply. The Fitness and Probity Standards were updated in December 2023. The core function of the Fitness and Probity Regime is to ensure that individuals in key and customer facing positions within a Regulated Financial Service Provider are competent and capable, honest, ethical and of integrity and also financially sound.

The Central Bank's Guidance on the Fitness & Probity Standards (2023) and the Guidance on the Individual Accountability Framework (April 2024) further assist companies in complying with their obligations brought in by Solvency II (European Union (Insurance and Reinsurance) Regulations 2015 S.I. 485 of 2015), the Central Bank Reform Act 2010 and the Central Bank (Individual Accountability Framework) Act 2023 ("IAF Act"). The Company also implemented the relevant requirements under the Senior Executive Accountability Regime ("SEAR") introduced by the IAF Act.

The Company has adopted a Fitness and Probity Policy (reviewed by the Board on an annual basis) with the purpose of ensuring that:

- persons holding key positions within the Company are assessed in terms of their fitness and probity in relation to a proposed role and on an ongoing basis;
- effective procedures are in place to undertake this assessment, including obtaining an agreement in writing from persons holding CF and PCF roles to comply with the F&P Standards and to notify the Company without delay if for any reason they no longer comply with the F&P Standards;
- the results of such an assessment are documented;
- the Board is satisfied on reasonable grounds that it can conclude that persons holding CFs and PCF roles, comply with the Fitness and Probity Standards;
- the Company can certify on an annual basis that such persons meet the Fitness and Probity Standards in respect of all CF and/or PCF roles held in relation to the Company by that person;

- responsibility is assigned to ensure fitness and probity is monitored on a continuous basis; and
- approval is sought from the Central Bank prior to the appointment of persons performing PCF roles.

B.2.2. Fitness and probity assessments of PCF role holders

The Policy outlines the procedures that must be followed for assessing the fitness and probity of persons performing CFs and PCFs while also stipulating the requirements for instances when either of these functions are outsourced to a regulated or unregulated entity.

It also focuses on the documentation, controls and governance that are required to be in place to ensure compliance with the abovementioned Standards.

This is achieved in the main by obtaining documentary evidence of professional qualifications, CPD and/or compliance with the Minimum Competency Code, references, record of previous experience; as well as self-certifications from the person performing or proposed to perform a CF or PCF role. The Company also carries out independent checks in relation to directorships, sanctions, disqualifications, judgments and bankruptcies.

B.3. Risk management system including the own risk and solvency assessment

B.3.1. Risk management system

To facilitate a structured approach to risk-taking, an Enterprise Risk Management (‘ERM’) system is embedded in the Company’s system of governance. The ERM system is designed to support decision-making procedures by providing consistent, reliable and timely risk information and protecting capital from risks that exceed established risk tolerances.

The Board delegates oversight of the risk management framework to the Risk Committee. From an executive perspective, the risk committee has oversight of the risk management framework. The Risk Committee makes recommendations to the Board on current risk exposures, risk appetite and future risk strategy, as well as overseeing the risk management function.

CIIC utilises a risk management tool, Decision Focus, to operationalize key elements of the risk management framework including the risk register, the risk incident and near miss process and the Risk and Control Self-Assessment process.

In order to facilitate risk-taking in an informed and disciplined manner, the Company manages individual risks through a continuous cycle of identification, assessment, management, monitoring and reporting with regular review. Documentation of this cycle ensures corporate knowledge is preserved and assurance of due process provided to the Board. The steps of the risk management cycle are outlined below.

Identify

The risk management cycle begins with identifying the risks which CIIC is exposed to. This is done in collaboration with the relevant staff and teams with responsibility for each business area. As the risk environment is constantly evolving, an important aspect is continual re-assessment to ensure any new or emerging risks are also identified. Key Risk identification and assessment processes include:

- Maintenance of the Risk Register / Risk Assessment Process;
- Ongoing communication with risk owners including formal quarterly meetings
- Stress and Scenario Framework;
- Outsourcing Risk Assessments; and
- Monitoring of Emerging risks through consultation and monitoring external development.

Assess

A key component of the risk control cycle is the Risk Assessment process.
Once risks are identified, they are analysed to determine the likelihood of occurrence and potential impact. This step involves the following:

- review of historical risk assessments
- review of risk incidents/near misses
- detailed conversations with each of the key stakeholders and risk/control owners

The analysed risks are then compared against the company's risk appetite and thresholds. This helps in determining which risks are acceptable and which require mitigation strategies or adjustments.

Manage

Having identified risk categories, risk events and capturing these alongside risk appetite in the risk register, it is possible to establish the control environment.

The design of the control environment has the following desired outcomes:

- Provide a control framework that mitigates the risk events for each risk category to within the risk appetite approved by the CIIC board.
- Provide comfort to the CIIC board that the procedures and controls in place are effective and appropriate and ensure compliance with laws and regulations.
- Ensure that controls are being signed off by the correct people in the business.

Monitor/Report

Risk and control owners assess the design and operational effectiveness of their risks and controls and evidence their review through the formal Risk and Control Self Assessment Process. This process is documented and evidenced through Decision Focus.

Validation

The CRO validates the risk and control self assessment on a quarterly basis by taking an area of business and reviewing the risks and controls to ensure they remain effective. A paper is prepared and presented to the Risk Committee evidencing the work carried out.

The CROprovides independent and constructive challenge to the first line of defence. The CRO reports control performance and the comparison of residual risk against risk appetite each quarter. Therefore, if sufficient controls fail such that the risk event is flagged as red (and if there are no compensating controls), this implies that CIIC is operating outside risk appetite.

The internal audit function performs independent risk-based assessments to provide assurance to the audit committees that the control environment is operating as expected.

The Board formally reviews the relevant risk appetite statements, risk appetite levels and emerging / strategic risk at least annually to test that the risk assessment and control environment is operating appropriately.

Risk Reporting

The risk management reporting framework ensures reporting and escalation is timely and effective, to enable senior management to view how the CIIC risk profile has changed over the course of time and whether risks are being managed in line with CIIC's risk appetite.

Risk reporting must:

- Present an accurate, clear and timely picture of existing and emerging risk issues, risk exposures and risk management activities to highlight threats to achievement of business objectives and support the optimisation of performance.
- Provide demonstrable evidence that CIIC is managing its risks, which provides assurance to the management, non-executives, regulators, investors and other stakeholders; and
- Support executive management in meeting their responsibilities by facilitating the escalation of matters in a timely manner.

The risk management function provides three types of risk reporting:

- Risk management reporting to executive management committees to assist them perform their first line of defense oversight of the risk events for which they are responsible.
- Risk management reporting to the risk committee to assist this committee perform its second line of defense oversight of the whole risk management framework from an executive perspective.
- Risk management reporting to the CIIC Board to assist them to fulfil their management oversight responsibilities.

B.3.2. Implementation of the Risk management system

The Company recognises the need to have appropriate governance, monitoring and reporting processes and procedures which enable the Company to identify, assess, manage, monitor and report the risks it is or might be exposed to.

Appropriate internal reporting procedures and feedback loops ensure that information on the risk management framework is actively monitored and managed by all relevant functions, committees and the Board.

A “three lines of defense” approach runs through the risk governance structure so that risks are clearly identified, owned and managed:

- **First Line:** Business management takes risks and are responsible for day-to-day risk management. Functional areas and outsourced service providers will collaborate with the Company’s Risk Management function on ownership of business processes, risks, controls and frameworks to ensure risks are identified, mitigated and monitored.
- **Second line:** Governance and control functions, Risk Management and Compliance, help business management manage and control specific types of risks.
- **Third line:** The Internal Audit function provides independent assurance and testing regarding the effectiveness of the ERM framework and risk controls.

The Risk Management Function monitors overall risks and escalates through the system of governance any such risks that exceed the Company's risk tolerance, as described in the next section. The Risk Management System is embedded in decision-making across the business including for capital, insurance, reinsurance and investment management.

The Compliance Function forms a key part of the Company's' internal control system to identify, assess, monitor and report on the compliance risk exposure of the Company. The Compliance Function shares its responsibilities with other Company Functions that are responsible for their specific areas.

The responsibilities of the Internal Audit function are set out in the Company's Board-approved Internal Audit Policy. The Internal Audit Function reports to the Audit Committee.

B.3.3. Own Risk and Solvency Assessment

ORSA process

Article 45 of the Solvency II Directive requires insurers, as part of their risk management system, to perform an ORSA at least annually. The Own Risk and Solvency Assessment ('ORSA') process is a fundamental element of the Enterprise Risk Management Framework in CIIC. The ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a (re)insurance undertaking faces or may face and to determine the own funds necessary to ensure that the undertaking's overall solvency needs are met at all times.

This will include analysis to determine solvency in both the short and longer term such that funds held are commensurate with the risks to which it may be exposed. The ORSA therefore represents the Company's own view of the risk profile of the business and the level of capital required to support it.

An ad hoc ORSA will be produced when there has been a material change to the risk profile or the environment within which CIIC is operating. An ad hoc ORSA is produced when the trigger conditions are met outside of the usual ORSA production cycle.

Key elements of the ORSA assessment include:

(a) Overall Solvency Needs, taking into account the specific risk profile, approved risk tolerance limits and the business strategy of the undertaking;

(b) Compliance, on a continuous basis, with the capital requirements and with the requirements regarding technical provisions; and

(c) The significance with which the risk profile of the undertaking deviates from the assumptions underlying the Solvency Capital Requirement.

Requirements in relation to Overall Solvency Needs relate to the identification, quantification and management of material risks facing the Company, both immediately and over the period of the business plan. These material risks, and the ability to withstand them in terms of economic and solvency capital, are considered through the use of adverse shock stresses and scenarios quantified both immediately and over the period of the business plan. Reverse stress testing is also considered in terms of how they are being monitored and managed appropriately by the Company.

The ORSA report also addresses the requirements noted above in relation to:

- Demonstration of 'Continuous Compliance' with solvency capital requirements;
- Demonstration of 'Continuous Compliance' with requirements regarding technical provisions; and
- Assessment of the significance with which the risk profile of the undertaking deviates from the assumptions underlying the Solvency Capital Requirement.

Governance of the ORSA process is set out within the Board-approved ORSA Policy.

The ORSA process is embedded within the Company's ERM framework and aligns with the capital management processes. The risk and capital assessments, and conclusions arising, are used within business decision-making processes, including the ongoing development of the Company's strategy, business planning, product development and capital management policy. The Board is responsible for directing and overseeing the ORSA process.

Stress Testing Framework

Stress and Scenario testing ('SST') encourages CIIC to think about what might happen, either now or at some stage in the future, so as to assess how it might impact the business. By considering SST in a structured way, it can generate ideas on how to grow the business, or how to position it so as to avoid potential losses (or maximise certain gains). It can help you identify new opportunities, or areas where current business models are threatened.

The CIIC risk function has the following framework in place to manage this process.

Stress & Scenario Tests

A suite of stresses and scenarios are maintained by the risk management framework, with assistance from all other functions, including the HoAF, to comprehend and quantify the risks to the Company operating in plausibly extreme, adverse situations. Business performance under these conditions is assessed to allow the company to ensure that the most appropriate control mechanisms are put in place should such situations occur.

Reverse Stress Testing

Reverse stress testing considers those scenarios that are most likely to render the current business model unviable. The reverse stress test is designed to encourage CIIC to test the business model and develop a greater understanding of the vulnerabilities in this model. This allows the Board to determine whether any triggers or mitigating actions should be put in place should the scenario develop. It is separate but complementary to other stress tests. The reverse stress test calculates the scenario required to decrease the SCR to 100%.

Emerging Risks

Each year, a list of strategic and emerging risks will be considered in Q1. The outcome of the review, including any actions, are summarised in the ORSA report.

Use of the ORSA results

The ORSA is an integral part of the business strategy and the Board shall take the ORSA into account on an on-going basis in the strategic decisions, operational and management processes of the Company.

The ORSA allows the Board to understand:

- The risk profile of the Company and the key drivers of the risk profile
- Risks that should be monitored more frequently
- Any material changes to the risk profile over the most recent period
- Risks not covered in the regulatory SCR
- What actions need to be taken if certain risks were to materialise
- Areas for improvement in risk management
- Whether there is sufficient available capital to support the current business plan
- Assist with regulatory supervision and help the Board to articulate their stewardship and governance of the Company.

B.3.4. ORSA review and approval process

The risk management process and ORSA is performed on an annual basis or when there is a material change in the Company's business plan. The risk monitoring is performed on an on-going basis and the Risk Register is annually reviewed and updated during the ORSA review process.

The Board requires that the ORSA process produces meaningful reports on the adequacy of the Company's capital and that it includes risk sensitivities that can be used in shaping strategy and risk appetite.

The Board reviews the ORSA report and considers appropriate action for the business such as:

- Decisions in relation to capital;
- Reassessment of risk profile and appetite;
- Additional risk mitigation actions;
- Reassessment of investment strategy; and
- Significant changes in other categories - Capital Shortage Risks/quality of capital etc.

Under the following circumstances, a non-scheduled ORSA shall be performed immediately (in addition to the scheduled ORSA):

- Significant change in the risk profile of the Company which can be defined as a major change to the business strategy or business activities
- Significant changes to non-financial matters - operational/regulatory risks and legal/strategic/group risks
- Significant changes in other categories - e.g. risks relating to capital shortage or a change in the quality of capital etc.

B.3.5. Overall Solvency Needs

The Company determines the solvency capital and assesses the overall solvency needs using the Solvency II standard formula.

A four-year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements position is produced using the standard formula on the basis of actuarial assumptions. The results are subjected to a range of scenario testing that is set by the Board and, where appropriate, potential management actions are noted and conclusions drawn. The Head of Actuarial Function additionally undertakes a review of the scenarios within the Company's ORSA.

B.4. Internal Control System

B.4.1. Description of the internal control system

The Board of Directors is ultimately responsible for the internal control framework, including approval of the Company strategy and business planning. The Board of Directors, through the operation of the Audit, Risk and Underwriting committees ensures that the internal control framework is maintained to ensure the accuracy and timely reporting of financial and regulatory reporting.

The Internal Control Framework of the Company has three other elements, as previously detailed in section B3.2:

- First line of defense: "day-to-day" operations and associated controls
- Second line of defense: oversight from compliance and risk management functions

- Third line of defense: independent assessment, internal audit function (plus external audit).

B.4.2. Implementation of the Compliance Function

The Board of Directors has ultimate responsibility for its compliance objectives. To help achieve this aim the Board has established a Compliance Function, staffed by an appointed Head of Compliance to supplement not supplant, the responsibilities of the Board to and/or monitor compliance with legislation and applicable requirements. The role of Head of Compliance is outsourced to a KPMG employee via the terms of a written service level agreement.

The responsibilities of the Compliance Function include:

- assist the Board with ensuring ongoing compliance with legislation and applicable requirements;
- enhance the Company's awareness of compliance matters;
- monitor the Company's compliance with (re)insurance legislation and applicable requirements and guidelines;
- document any breaches identified, how they were addressed and whether any third-party reporting of the breach is required;
- ensure that the Board is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Company;
- advise the Board on compliance with applicable regulatory requirements; and
- provide reasonable assessment of the effectiveness and consistency of the internal processes used to prevent non-compliance with applicable regulatory requirements and protect the Company's reputation.

The Head of Compliance presents a Compliance Report to the Board at each board meeting which includes the following:

- Progress on the Compliance Plan.
- Compliance monitoring activity.
- Details of regulatory correspondence with the Central Bank.
- Details of regulatory developments.
- Compliance risk events.

The compliance activities are documented in an annual Compliance Plan prepared by the Compliance Function which is approved by the Board of Directors. The Head of Compliance is responsible for the implementation of the Compliance Plan and monitoring program and reports to the Board of Directors.

B.5. Internal audit function

B.5.1. Implementation of the internal audit function

The Company has outsourced its Internal Audit Function to Deloitte Ireland. The internal audit function possesses a remit to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance.

The responsibilities of the Internal Audit Function include:

- Establish, implement and maintain an audit plan setting out the audit work to be undertaken in the upcoming year;
- Take a risk-based approach in deciding its priorities;
- Report on progress against the audit plan to Audit Committee;
- Carry out reviews and submit a written report on its findings and recommendations to the Audit Committee.

The Board has delegated responsibility for overseeing the Internal Audit Function to the Company's Audit Committee.

B.5.2. Independence of the internal audit function

By outsourcing the internal audit function to a third party which is not engaged in any executive or operational function that relates to the day-to-day running of the Company, the Board ensures an appropriate separation of duties and independence.

B.6. Actuarial function

The role of the Actuarial Function is outsourced to a third-party provider, Forvis Mazars in Ireland, via the terms of a written service level agreement.

The responsibilities of the Head of Actuarial Function ("HoAF") include:

- Expressing an opinion on the Underwriting Policy
- Expressing an opinion on the Technical Provisions
- Expressing an opinion on the Reinsurance Arrangements
- Co-ordination of the calculation of the Technical Provisions ("TPs")
- Ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of the TPs
- Assessing the sufficiency and quality of data
- Expressing an opinion on the ORSA process

B.7. Outsourcing

The Company has established an Outsourcing Policy which sets out the requirements for identifying, justifying and implementing material outsourcing arrangements. This Policy has been adopted by the Company and includes the following:

- Definition of outsourcing and critical outsourcing;
- Roles and responsibilities
- Risk mitigation strategies;
- Board and management responsibility;
- Assessment of outsourcing options/due diligence;
- Business Continuity Management (BCM), including Exit Strategies;
- Contractual arrangements;
- Management and control of the outsourcing relationship;
- Regulatory notifications and reporting; and
- Intra-group outsourcing.

The Company's outsourcing arrangements are subject to annual review and the findings, along with the Outsourcing Policy, are reviewed by the Board.

The following is a list of the key and or important outsourced operational functions together with the jurisdiction in which the service providers of such functions or activities are located:

Description of Functions or Activities	Location	Outsourcing Oversight
Head of Actuarial Function (PCF-48)	EU	CEO
Head of Compliance (PCF-12)	EU	CEO
ICT Services	UK	CEO
Insurance Management support services	EU	CEO
Investment Management	UK	CEO
Third Party Claims Administration Services	EU	CEO
Underwriting	EU	CEO

Description of Functions or Activities	Location	Outsourcing Oversight
Fiscal Representatives	UK	CEO
Head of Internal Audit (PCF-13) and Internal Audit Function	EU	Audit Committee

B.8. Any other material information

Apart from those detailed in Section B1.1., no material changes regarding the system of governance of the Company took place.

B.8.1. Adequacy of the system of governance

The Company has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the Company's operations.

C. RISK PROFILE

The Company has established its risk management framework to ensure that all the current and future material risk exposures are identified, measured, managed, monitored and reported in accordance with the Company's risk appetite statement and key tolerance limits.

Risks are measured on an inherent and residual basis with the likelihood of the event and potential financial impact of the event the main measures. Key Risk Indicators are monitored to identify trends or changes in risk exposures. Inherent risk exposures are continually monitored and are mitigated through controls.

The Company's material risks are captured within the ORSA process and are considered to be appropriately reflected within the standard formula and Company's own solvency needs.

C.1. Underwriting risk

C.1.1. Key underwriting risks

Underwriting risk arises from two sources – premium risk (pricing) and adverse claims development (reserve risk).

Non-life underwriting risk at 31st December 2024 constitutes 41% (2023: 43%) of the undiversified SCR.

The key underwriting risks to which the Company is exposed to are set out below:

Non-life premium risk

For a non-life insurer, underwriting risk is the risk arising from non-life insurance obligations in relation to the perils covered and the processes used in the conduct of business.

CIIC's underwriting objective is to profitably grow the business by underwriting selected insurance risks within the risk appetite of the Company. The Company uses reinsurance arrangements to mitigate risk by capping risk exposure to within the Company's risk appetite.

Underwriting risk is mitigated by underwriting and legal environment due diligence and actuarial review of pricing and reserving prior to on-boarding of new business. Monitoring controls are in place to ensure that business is written in accordance with approved pricing and other underwriting criteria such as use of specific product wordings, underwriting risk appetite and referral of risks to the Company.

Until the Company reaches a portfolio of critical mass, it has a risk of exposure to large individual losses. This risk is mitigated by reinsurance arrangements to protect the Company's net retained exposure against a single risk or an accumulation of similar risks.

The Company has a risk that MGAs write business that is not in accordance with contractual arrangements. This risk is mitigated by due diligence of the outsourced arrangements and regular underwriting reviews and audits, together with underwriting platforms and/or guidelines that control limits sizes and premium, therefore the risk is low.

Non-life reserving risk

The Company establishes provisions for outstanding claims which represent the estimated ultimate cost of settling all claims (including direct and indirect claims settlement costs). The reserves include provisions for claims incurred but not reported (IBNR). IBNR is largely an estimate of loss and claim adjustment expenses associated with likely future claims activity based on historical industry benchmarking that establish a reliable pattern. This pattern is used to estimate IBNR amounts and the timing of those amounts.

The Company is exposed to the risk that reserves are insufficient to cover ultimate claim costs. This risk is mitigated by actuarial review, data accuracy guidelines and on-going monitoring and review of losses.

Material risk concentrations

The Company currently writes professional liability business in the Italian and Irish markets so is not widely diversified. Furthermore, the Company underwrites Professional Indemnity insurance policies, which include Public Liability and Employers Liability coverage, as well as Medical Malpractice Liability insurance. The Company operates within the European Economic Area, with a current presence in Italy and Ireland. The Company uses reinsurance protection to reduce the exposure of concentration risk within its underwriting portfolio. In the future, and subject to regulatory approval if required, the Company intends to diversify into other lines of business and other territories which will further reduce its concentration risk.

Reinsurance

The Company has identified the risk of insufficient reinsurance protection as a material risk. Reinsurance strategy and risk retention are reviewed on a regular basis to ensure that the existing programme structures and strategies continue to be appropriate for the Company's strategic objectives. A further mitigant is a gap analysis that is also carried out between the policy wordings and reinsurance coverage to ensure coverage is aligned to the risk appetite.

C.1.2. Assessment and risk mitigation techniques used for underwriting risks

The Company monitors and controls risks via various methods, including:

- Having in place clear underwriting and reserving philosophies and procedures and controls in relation to pricing and reserving;
- Assessing insurance risks with quality underwriting and claims expertise and information;

- Retaining risk within an approved risk appetite and solvency requirements;
- Transferring risk if required, through reinsurance/retrocession with high credit quality entities;
- Diversifying and limiting reinsurance risk through ongoing review and management;
- Monitoring changing environment and market conditions that affect risk;
- Reporting of actual positions against the Company's risk appetite metrics takes place on a quarterly basis as part of the Company's regulatory reporting process;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions;
- Opinion on the reasonableness and adequacy of the overall underwriting policy is provided by the Head of Actuarial Function on an annual basis.

C.1.3. Material risk concentrations

The Company currently writes professional liability business in the Italian and Irish markets so is not widely diversified. The Company uses reinsurance protection to reduce the concentration risk within its underwriting portfolio. In the future, and subject to regulatory approval if required, the Company intends to diversify into other lines of business and other territories which will further reduce its concentration risk.

C.1.4. Risk sensitivity for underwriting risk

The Company carried out stress and scenario testing as part of the ORSA process, which included stress testing for the material underwriting risks, and the projected solvency position over the business planning period was re-calculated following adverse stresses. Further detail in relation to stress testing and sensitivity analysis can be found in section C.8.

C.2. Market risk

C.2.1. Material market risks

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both value of assets held and value of liabilities. The objective of the Company in managing its market risk is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage risk and methods to measure it.

The Company's investment portfolio is managed by Payden & Rygel in accordance with the Company's Investment Policy and Investment Strategy. The investment manager reports quarterly to the Board. The solvency capital requirement for the Market risk is arrived at using the assumptions and calculations methods contained in the Standard Formula.

The table below outlines the material components of the market risk module as at 31 December 2024.

31/12/2024	EUR 2024	EUR 2023
SCR Interest rate	472,369	268,884
SCR Equity	5,935	580,008
SCR Spread	809,316	141,048
SCR Concentration	1,686	63,075
SCR Currency	47,892	113,244
Diversification within market risk module	(378,816)	(376,214)
Total market risk	**958,382**	**790,045**

Concentration risk: Market risk concentration may occur due to lack of diversification in the investment portfolio, which may lead to a large exposure in a foreign currency, asset class or issuer. A capital charge of €2k (2023: €63k) arises from the concentration risk associated with the Company's investments.

Spread risk: Spread risk is the sensitivity of the value of investments, primarily bonds and deposits in respect of the Company, to changes in the level or in the volatility of credit spreads. Spread risk is linked to the credit rating of assets held and the effect of a market change in the credit curve. An undiversified charge of €809k (2023: €141k) is applied for the spread risk associated with the Company's investment portfolio.

Interest rate risk: the risk that the Company is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates. A capital charge of €472k (2023: €269k) arises from the Company's exposure to interest rate fluctuations.

Currency risk: Currency risk arises from the Company's exposure to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets or liabilities arising from changes in underlying exchange rates. A capital charge of €48k (2023:€113k) arises from the exposure to investments held in foreign currencies. The exposure is mitigated by the application of forward derivatives in order to hedge the foreign exchange exposure.

Equity risk: Equity risk is the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities. The capital charge of €6K (2023: €580K) arises from the Company's investments.

C.2.2. Prudent person principle applied to market risks

The Company applies the prudent person principle when managing its market risk exposure by adhering to the requirements of the Board approved Investment Policy and Liquidity Policy. Surplus funds are invested in a high quality and conservative investment portfolio, taking into account the liquidity requirements of the business and the nature and timing of the insurance liabilities.

C.2.3. Assessment and risk mitigation techniques used for market risks

The Company monitors and controls market risks via various methods, including:

- Compliance with the Investment Policy and Asset Liability Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- Diversifying and limiting investment risk through ongoing review and management;
- Monitoring changing environment and market conditions that affect risk;
- Reporting of actual positions against the Company's risk appetite metrics takes place on a quarterly basis as part of the Company's regulatory reporting process;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions.

C.2.4. Risk sensitivity for market risks

See section C.8 for information on stress testing and sensitivity analysis for all the risk categories.

C.3. Credit risk

C.3.1. Material credit risks

Credit risk at 31 December 2024 constitutes 23% (2023: 25%) of the undiversified SCR.

Credit risk is the risk that the Company is exposed to lower returns or loss if another party fails to perform its financial obligations towards the Company. The counterparty default risk module in the Standard Formula is mainly driven by cash at bank and the reinsurer's share of technical provisions.

The material credit risks as at 31 December 2024 relate to the reinsurance arrangement with of MPMIC.

C.3.2. Prudent person principle applied to credit risks

The Company applies the prudent person principle when managing its credit risk exposure by taking into account the credit rating and reputation of each entity when selecting counterparties. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty.

C.3.3. Assessment and risk mitigation techniques used for credit risks

The Company monitors and controls credit risks via various methods, including:

- Minimum rating criteria for the placing of deposits and opening of bank accounts, in line with the Investment Policy and Asset Liability Policy;
- Monitoring the credit ratings of counterparties;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process;
- Retaining risk within an approved risk appetite and solvency requirements;
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions; and
- Opinion on the Company's reinsurance arrangements is provided by the Head of Actuarial Function on an annual basis.

C.3.4. Material risk concentrations

Credit Risk concentration is associated with any single exposure or group of exposures with the potential to produce large losses to threaten the Company's core operations. It may arise either from a single counterparty concentration or industry concentration. CIIC has a concentration risk relating to the current reinsurance arrangement with MPMIC. It is noted that this is mitigated through the following mechanisms:

- Credit risk is actively managed at CIIC to ensure early detection of issues at MPMIC
- Retrocession arrangements at MPMIC supports the mitigation of its own concentration risk
- CIIC has a robust solvency buffer to ensured that it has sufficient capital reserves to withstand delays or defaults in reinsurance recoveries.
- CIIC conduct stress tests to simulate scenarios where the parent is unable to meet its reinsurance obligations and assess the financial impact

C.3.5. Risk sensitivity for credit risk

See section C.8 for information on stress testing and sensitivity analysis for all the risk categories.

C.4. Liquidity risk

C.4.1. Material liquidity risks

Liquidity risk refers to the risk that undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due.

The liquidity management process is defined within the Company's Asset Liability Management and Liquidity Risk Policy. The Company manages liquidity risk by continuously monitoring and forecasting the actual cash flows and matching the maturity profiles of assets and liabilities. Liquidity management ensures that the Company has sufficient access to funds necessary to cover reinsurance claims.

The Company's Asset Liability Management & Liquidity Risk Policy sets out overarching principles in terms of maintaining a liquid portfolio so that appropriate levels are maintained to discharge liabilities as they fall due. The Company has considered the risk of a lack of liquidity available to pay insurance liabilities in its risk register.

The Company's cash in-flow is generated from premium income. Its cash out-flow consists mainly of acquisition expenses, reinsurance premium, claims payments and administration expenses. To the extent that underwriting cash flows are not sufficient to cover operating cash outflow in any year, the Company may recall funds from its investment portfolio. Additionally, the Company's ultimate parent has formally guaranteed to inject capital should the Company's solvency cover ratio fall below 180%.

C.4.2. Prudent person principle applied to liquidity risks

The Company applies the prudent person principle when managing its liquidity risk by:

- ensuring that the investment portfolio is composed predominantly of marketable securities at all times.
- ensuring a sizeable level of funding is maintained as cash in bank accounts at all times taking account of the quarterly cash flow forecasts prepared to predict required liquidity levels over both the short and medium term.

C.4.3. Assessment and risk mitigation techniques used for liquidity risks

The Company monitors and controls risks via various methods, including:

- Compliance with the Liquidity and Concentration Policy as approved by the Company's Board of Directors;
- Retaining risk within an approved risk appetite and solvency requirements;
- The CFO monitors cash movements and performs cash flow forecasting which are regularly reported to the Company;
- Written and paid bordereaux are received on a monthly basis. Upon receipt of premium, investments are made in line with the Company's Investment and Asset Liability Policy;
- Reporting of cash, investment and liquidity positions takes place monthly as part of the Company's management accounts reporting process.

C.4.4. Material risk concentrations

It is the Company's policy to have access to adequate liquidity to meet its funding requirements. Funding requirements will include expected and the possibility of unexpected and potentially adverse business conditions. Core funding is assessed via the Company's Minimum Solvency Requirement (MCR), its Solvency Capital Requirement (SCR) and its ORSA.

C.4.5. Risk sensitivity for liquidity risk

See section C.8 for information on stress testing and sensitivity analysis for all the risk categories.

C.4.6. Amount of expected profit included in future premiums as calculated in accordance with Article 260(2)

The expected profit included in future premiums is calculated as the difference between the technical provisions without a risk margin and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future are not received. The technical provisions excluding risk margin are equal to the best estimate of premium and are calculated based on the claim exposure linked to the UPR. The expected profit included in future premiums is then €30k as at 31 December 2024. (2023: NIL)

C.5. Operational risk

C.5.1. Material operational risks

Operational risk is the risk of loss resulting from failed internal processes, people and systems or from external events. Operational risks which can result in losses include internal fraud, external fraud, system failures and disregard of company policies.

The Company seeks to limit all operational risk through the implementation of a robust system of internal controls and procedures.

Operational risks are also addressed in the capital requirement as an addition to the Basic SCR to the extent that they have not been explicitly covered in other risk modules. The operational risk capital charge as at 31 December 2024 is €67k. (2023: €34k)

C.5.2. Assessment and risk mitigation techniques used for operational risks

The Company monitors and controls operational risks via various methods, including:

- Identifying and analysing risk through a disciplined risk assessment process;
- Mitigating or avoiding risks that do not fit within the Company's business objectives;
- Implementing a robust system of internal controls and procedures;
- Segregation of duties;
- Monitoring and internal reporting;
- Setting a strategic prudent risk appetite in excess of 180% the in-force solvency requirement, be it the SCR or the MCR ;
- Commitment of effective corporate governance.

C.6. Other material risks

The Company has included a range of non-quantifiable risks in its ORSA process. Documented associated actions exist for each of these risks and they are reviewed on a semi-annual basis by the Board of Directors. Sample risks include:

- Regulatory and compliance risks;
- Loss of key personnel;
- Outsourcing risks.

The Company has no appetite for regulatory risk. It is the objective of the Company to remain at all times in compliance with Insurance Acts and Regulations, and with Guidelines issued by the Central Bank of Ireland and other applicable legislation in accordance with good corporate governance and codes of conduct.

The Board is satisfied that the Company has an adequate succession plan in place.

Additionally, performance of outsourced providers is reviewed on a quarterly basis and such reviews are intended to provide effective oversight of each outsourcing arrangement.

The Board considers that these non-quantifiable risks that are not captured by the standard model are covered by the application of a specified strategic solvency target.

C.6.1. Stress testing and sensitivity analysis for material risks and events

In terms of its solvency needs, the natural starting point is the MCR as determined by the Standard Formula. CIIC is utilising the MCR for 2024 and will continue to utilise the MCR for 2025. The Central Bank, as part of the authorisation process, has determined that CIIC must maintain a 180% solvency coverage ratio.

The ORSA process for 2024 has considered CIIC's strategy and business plans in the context of its risk appetite and having conducted a wide range of stress and scenario tests, confirms that the focus on the identified top risks, as well as the current strategic and management agenda, remains appropriate. Of the stress tests and scenarios considered, only the most extreme events with the lowest probability of occurrence would reduce the level of assets below the level of liabilities and so directly threaten CIIC's ability to meet its obligations to policyholders. However, some scenarios, including an extreme and prolonged recession, would reduce funds below the level of the MCR and SCR and so would require recovery plans to be implemented.

It is noted that during March 2024, the company issued €2.5m of shares to its parent company. The initial capital injections are sufficient to support the current planning horizon as the Company develops a longer term strategy and growth plans for the business.

The capital available to the Company is of very high quality, predominantly consisting of Tier 1 own funds consisting of ordinary share capital..

CIIC monitors its capital position on a quarterly basis with robust KPIs in place. Should CIIC identify a potential capital shortfall, options are available to them in the form of a capital issuance, a capital injection and the execution of the Solvency Coverage Guarantee Deed which allows CIIC to request additional capital in the event that its solvency coverage drops below 180%, up to a limit of €14.8m, and only during the first 8 years from authorisation. From a risk perspective, these options significantly reduce the capital risk to CIIC.

C.7. Any other information

The Company has identified all material risks through its risk register and there is no other material information regarding the risk profile of the Company that warrants disclosure.

D. VALUATION for SOLVENCY PURPOSES

D. 1. Assets

D.1.1. Local GAAP and Solvency II Valuations

The table below sets out the value of the Company's assets as at 31 December 2024:

	Assets per GAAP 2024 EUR'000	Assets per GAAP 2023 EUR'000	Assets per Solvency II 2024 EUR'000	Assets per Solvency II 2023 EUR'000
Other financial investments (Collective Investment Undertaking)	17,464	10,799	17,464	10,799
Reinsurers' share of technical provisions	1,152	534	1,708	694
Insurance and intermediaries' receivables	535	473	49	36
Cash and cash equivalents	1,822	391	1,822	390
Deferred Acquisition Costs	284	152	-	-
Other assets	155	46	155	46
Deferred tax assets	-	-	-	101
Total assets	**21,412**	**12,395**	**21,198**	**12,066**

The Company's material assets are recognised and valued using the following principles:

Collective Investment Undertakings

The Company invests in a short maturity bond fund for which a look through approach has been adopted for Solvency II given that the fund is comprised of a number of underlying publicly traded securities. Investments are valued at fair value using prices in active markets provided by independent pricing sources and audited by the fund's auditor, Grant Thornton.

Reinsurers' Share of Technical Provisions

In the Solvency II balance sheet, the Company includes the full expected cost of claims within the technical provisions and treats the expected corresponding reinsurance recoverables as an asset. The valuation methods and assumptions for reinsurance recoverables are consistent with the methods and assumptions for the corresponding technical provisions. The value of the recoverable asset is the best estimate of future reinsurance cash flows, allowing for the probability of default by the reinsurer.

Insurance and Intermediaries' Receivables

Amounts for payment by policyholders, insurers, and other linked to insurance business that are not included in technical provisions. For the Solvency II Balance sheet this balance only includes amounts past-due.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with credit institutions with a maturity of less than 3 months. Cash and cash equivalents are initially measured at fair value.

Deferred Acquisition Costs

Deferred acquisition costs are valued under GAAP based on the estimated un-utilised benefit at year end. The value of deferred acquisition costs is Nil for the solvency II purposes.

Other Assets

Other assets, in the Solvency II balance sheet are measured at fair value determined using alternate valuation methods that are market consistent and represents the realisable value of individual assets on transfer to a third party. If the FRS 102 value is a good proxy for fair value no adjustment is made.

Deferred Tax Asset

A deferred tax asset is recognized on the Solvency II balance Sheet. Deferred tax assets, other than the carry forward of unused tax credits and losses, are calculated based upon the differences between the values given to assets and liabilities for tax purposes and their values in the Solvency II balance sheet. Deferred tax assets are recorded when there is reasonable certainty they will be recovered, i.e., to the extent that the Company is expected to generate sufficient taxable income in the future to be able to recover the taxes paid.

D. 2. Technical Provisions

D.2.1. Local GAAP and Solvency II Valuations

The table below shows an analysis of the technical provisions as at 31 December 2024:

Solvency II Line of Business	TPs per GAAP		TPs per Solvency II	
	EUR'000 2024	EUR'000 2023	EUR'000 2024	EUR'000 2023
General Liability				
Best estimate of liabilities (BEL)		-	2,239	1,144
Statutory reserves	1,440	667		-
Risk margin		-	84	64
Total technical provisions	**1,440**	**667**	**2,323**	**1,207**

Solvency II classes of business: Classes of business have been allocated to Solvency II line of business on the following basis:

Class of Business per Local GAAP	Solvency II Line of Business
General Liability	General Liability

Local GAAP reserves consist of Unearned Premium Reserves ("UPR"), Outstanding Loss ("OSLR"), Incurred but not Reported ("IBNR") and Unallocated Loss Expenses reserve ("ULAE").

Solvency II requires that the "liabilities shall be valued at the amount for which they can be settled between knowledgeable and willing parties in an arm's length transaction".

The BEL corresponds to the probability-weighted average of future cash flows, taking account of the time value of money (i.e. the expected present value of future cash flows), using the risk-free interest rate term structure published by EIOPA. The calculation of the BEL is based upon up-to-date and credible information and realistic assumptions (derived from data analysis and expert judgement) and is performed using appropriate actuarial and statistical methods. The cash-flow projection used in the calculation of the BEL takes account of all the cash in-flows and out-flows required to settle the insurance obligations over their lifetime.

The BEL is composed of the Premium Provision and the Claims Provision.
The Premium Provision is the discounted best estimate of all future cash flows relating to future exposures of insurance obligations of the Company at the valuation date. The Claims Provision is the discounted best estimate of all future cash flows relating to claims events prior to the valuation date. These cashflows include the expected claims and expenses with an allowance for events not in data (ENIDs).

Cash flows have been discounted using the relevant risk- free yield curves as at 31 December 2024 as published by the European Insurance and Occupational Pensions Authority ("EIOPA").

The risk margin is calculated in line with Solvency II guidelines and aims to ensure that the total technical provisions are equivalent to the cost of transferring the insurance obligations to a third party. The calculation assumes a 6 per cent per annum cost of capital and applies to non-hedgeable risks only. This calculation applies simplified methods in line with Article 58 of Commission Delegated Regulation (EU) 2015/35 rather than a full projection of the Solvency Capital Requirement (SCR). The SCR for each non-hedgeable risk is assumed to run-off in-line with suitable profiles which differ depending on the types of non-hedgeable risks.

D.2.2. Uncertainty associated with the value of Technical Provisions

All estimates of unpaid loss reserves are inherently uncertain. The key areas of uncertainty of the Technical Provisions are driven by the uncertainty of the underlying booked reserves, the appropriateness of the pricing basis and initial expected loss ratios, and the business plan.

D.2.3. Solvency II and local GAAP valuation differences

An explanation of any material differences between the bases, methods and main assumptions used by the Company for the valuation for solvency purposes and those used for their valuation in financial statements is included in Section D2.1.

D.2.4. Matching adjustment

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

D.2.5. Volatility adjustment

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

D.2.6. Transitional risk-free interest rate term structure

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

D.2.7. Transitional deduction

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

D.2.8. Recoverables from reinsurance and special purpose vehicles '

Recoverables from reinsurance amounted to €1,708k as at 31 December 2024 (2023: €694k).

D.2.9. Material changes in relevant assumptions made in the calculation of technical provisions

The Company's business plan has been refreshed by management and approved by the Board resulting in updates to assumptions regarding future expenses and future premiums used in the calculation of technical provisions.

There have been no other material changes in assumptions made during the year.

D. 3. Other liabilities

Other liabilities at 31 December 2024 were €7.1m (2023: €1.2m) and are composed of insurance, reinsurance and trade payables.

There were no differences between the Local GAAP and Solvency II valuations aside from the removal of due commission payable of €158k. (2023: €160k).

D. 4. Alternative methods for valuation

The Company does not use any alternative methods for valuation.

D. 5. Any other information

There are no other material matters in respect of the valuation of assets and liabilities.

E. CAPITAL MANAGEMENT

E.1. Own funds

E.1.1. Objective, policies and processes for managing own funds

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA, contains a four-year projection of funding requirements and helps focus actions for future funding.

The Company's ordinary shares, all of which are fully paid up, are owned by a Coverys Group company. The Company has no debt financing nor does it have plans to raise debt over the four-year time horizon used for business planning.

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 and MCR, target solvency margin cover is currently set at 180% of the SCR;
- Dividends will not be paid or will be deferred if doing so would cause the Company to breach its legal and regulatory requirements or fall below the abovementioned target SCR cover;
- The Company recognises the support of its parent company, MPMIC, for its continuing business activities and for any future capital needs it may have. In particular MPMIC have formally guaranteed to provide additional capital to the Company in the event that its solvency coverage ratio falls below 180%.

If the Board determines, which shall be based on the annual capital planning, that the Company will need to raise capital from its shareholder, a request will be sent to MPMIC to activate the authorisation procedure. The classification and eligibility of own funds shall be assessed by the Board prior to any request issued. Any terms and conditions attaching to any capital increase shall require Board approval.

E.1.2. Own funds analysed by tiers

An analysis of own funds is shown below:

Date	Description	Tier 1 EUR'000	Tier 3 EUR'000	Total EUR'000
1 January 2024	Opening balance comprising: Ordinary Share Capital	13,700	-	13,700
	Reconciliation Reserve	(4,183)	-	(4,183)
	Deferred Tax	-	101	101

Date	Description	Tier 1 EUR'000	Tier 3 EUR'000	Total EUR'000
	Movement in the Reconciliation reserve for the year ended 31 December 2024 (comprising retained earnings and Solvency II adjustments):	(296)	-	(296)
	Ordinary Share Capital	2,500		2,500
	Amount equal to the value of the net movement in deferred tax assets	-	(101)	(101)
	Total basic own funds after Deductions	**11,721**	**-**	**11,721**
31 December 2024	**Closing balance**			
	Represented by:			
	Ordinary share capital	16,200	-	16,200
	Amount equal to the value of net deferred tax assets	-	-	-
	Reconciliation reserve (comprising retained earnings and Solvency II adjustments)	(4,479)	-	(4,479)
	Total basic own funds after Deductions	**11,721**	**-**	**11,721**

The Company's ordinary share capital and reconciliation reserve are all available as Tier 1 unrestricted own funds as per Article 69 (a)(1) of Commission Delegated Regulation (EU) 2015/35. The reconciliation reserve equals the excess of assets over liabilities less other basic own fund items, as at the reporting date. There are no foreseeable dividends or own shares held.

The Company has no Tier 1 restricted own funds and no Tier 2 funds. Tier 3 funds are made up of an amount equal to the value of the net deferred tax assets as at 31 December 2024.

E.1.3. Eligible amount of own funds to cover the Solvency Capital Requirement

The eligible amount of own funds to cover the Solvency Capital Requirement is €11,721 (2023: €9,618k).

This is comprised of Tier 1 unrestricted Basic Own Funds of €11,721 (2023: €9,517k) and Tier 3 funds of €Nil (2023: €101k).

E.1.4. Eligible amount of own funds to cover the Minimum Capital Requirement

The eligible amount of own funds to cover the Minimum Capital Requirement is €11,721k (2023: €9,517k).

This is comprised of Tier 1 unrestricted Basic Own Funds of €11,721k (2023: €9,517k).

E.1.5. Equity vs Excess of assets over liabilities

Reconciliation of Own Funds to Equity as per Financial Statements		
	EUR'000 2024	EUR'000 2023
Total Equity as per financial statements	12,660	10,327
Solvency II - Basic Own Funds	11,721	9,618
Difference:	**(939)**	**(709)**
Represented by:		
Difference between Net Technical Provisions, insurance assets and liabilities and Best Estimate Liabilities	(855)	(746)
Solvency II risk margin – non-life	(84)	(64)
Amount equal to the value of net deferred tax assets	-	101
Difference:	**(939)**	**(709)**

E.1.6. Transitional arrangements

None of the Company's own funds are subject to the transitional arrangements referred to in Articles 308b(9) and 308b(10) of Directive 2009/138/EC.

E.1.7. Ancillary Own Funds

The company does not have any ancillary own funds.

E.1.8. The Company does not use ancillary own funds. Deductions from and restrictions affecting own funds

No deductions are applied to own funds and there are no material restrictions affecting their availability and transferability.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1. Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the total SCR and MCR at 31 December 2024:

	EUR'000 2024	**EUR'000 2023**
SCR	2,036	1,384
MCR	4,000	4,000

E.2.2. Solvency Capital Requirement split by risk modules

The table below shows the SCR components by risk module (using the Standard Formula) at 31 December 2024.

Risk modules	**31 December 2024**	
	EUR '000 2024	**EUR '000 2023**
Non-life underwriting risk	1,077	564
Market risk	958	790
Counterparty default risk	595	463
Diversification	(662)	(467)
Basic Solvency Capital Requirement	**1,968**	**1,350**
Solvency Capital Requirement	**2,036**	**1,385**

E.2.3. Simplified calculations

Simplified calculations are not used for any of the risk modules or sub-modules.

E.2.4. Undertaking Specific Parameters

The Company does not use undertaking specific parameters in its computation.

E.2.5. Calculation of the Minimum Capital Requirement

The Minimum Capital Requirement is calculated using the Standard Formula specifications.

The table below shows the inputs into the MCR calculation as at 31 December 2024.

Overall MCR calculation	2024 (€)	2023 (€)
Linear MCR	93,621	63,511
SCR	2,035,737	1,384,789
MCR cap	916,082	623,155
MCR floor	508,934	346,197
Combined MCR	508,934	346,197
Absolute floor of the MCR	4,000,000	4,000,000
MCR	4,000,000	4,000,000

E.2.6. Material changes to the Solvency Capital Requirement and Minimum Capital Requirement over the reporting period

The Solvency Capital Requirement increased by €676k during the year, representing an approximate 47% rise compared to the previous year. This increase is primarily attributed to a higher market risk resulting from additional investments made during the year, totaling approximately €6.6 million. Additionally, there was an increase in non-life underwriting risk, in line with the higher volumes written and the planned increase in premiums for the upcoming year.. There was no change to the Company's Minimum Capital Requirement over the reporting period. The Company's solvency requirement remained at €4m, the Minimum Capital Requirement absolute floor, throughout the reporting period.

E.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company has not opted to use the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC.

E.4. Differences between the Standard Formula and any other Internal Model Used

The Company applies the Standard Formula and does not use an internal model to calculate the Solvency Capital Requirement.

E.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Company was compliant with the MCR and the SCR requirements throughout the year ended 31st December 2024.

E.6. Any other information.

There are no other material matters in respect of the valuation of capital management.

Annex I S.02.01.02
Balance sheet (EUR'000s)

Assets		**Solvency II value**
		C0010
		31/12/2024
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**	17,464
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities – listed	**R0110**	
Equities – unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	17,464
Derivatives	**R0190**	
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**	1,709
Non-life and health similar to non-life	**R0280**	1,709
Non-life excluding health	**R0290**	1,709
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**	49
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	
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**	1,821
Any other assets, not elsewhere shown	**R0420**	155
Total assets	**R0500**	**21,198**

Annex I S.02.01.02
Balance sheet (EUR'000s)

Liabilities		Solvency II value
		C0010
		31/12/2024
Technical provisions – non-life	R0510	2,323
Technical provisions – non-life (excluding health)	R0520	2,323
TP calculated as a whole	R0530	
Best Estimate	R0540	2,239
Risk margin	R0550	84
Technical provisions - health (similar to non-life)	R0560	
TP 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	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	315
Reinsurance payables	R0830	1,541
Payables (trade, not insurance)	R0840	842
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	4,456
Total liabilities	**R0900**	**9,477**
Excess of assets over liabilities	**R1000**	**11,721**

Annex I S.04.05.21
Premiums, claims and expenses by country (EUR'000s)
Home country: Non-life insurance and reinsurance obligations

Country	**R0010**		
			Top 5 countries - non-life
		Home country	**Italy**
		C0010	**C0020**
Premiums written (gross)			
Gross Written Premium (direct)	**R0020**	65	1,423
Gross Written Premium (proportional reinsurance)	**R0021**	-	-
Gross Written Premium (non-proportional reinsurance)	**R0022**	-	-
Premiums earned (gross)			
Gross Earned Premium (direct)	**R0030**	53	1,021
Gross Earned Premium (proportional reinsurance)	**R0031**	-	-
Gross Earned Premium (non-proportional reinsurance)	**R0032**	-	-
Claims incurred (gross)			
Claims incurred (direct)	**R0040**	11	349
Claims incurred (proportional reinsurance)	**R0041**	-	-
Claims incurred (non-proportional reinsurance)	**R0042**	-	-
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	**R0050**	160	3,083
Gross Expenses Incurred (proportional reinsurance)	**R0051**		
Gross Expenses Incurred (non-proportional reinsurance)	**R0052**		

Annex I S.05.01.02

Premiums, claims and expenses by line of business (EUR'000s)

		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
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**								1,487	
Gross - Proportional reinsurance accepted	**R0120**								-	
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**								1,190	
Net	**R0200**								297	
Premiums earned										
Gross - Direct Business	**R0210**								1,074	
Gross - Proportional reinsurance accepted	**R0220**									
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**								860	
Net	**R0300**								214	
Claims incurred										
Gross - Direct Business	**R0310**								360	
Gross - Proportional reinsurance accepted	**R0320**								-	
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**								288	
Net	**R0400**								72	
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**								803	
Other expenses	**R1200**									
Total expenses	**R1300**									

Annex I S.05.01.02

Premiums, claims and expenses by line of business (EUR'000s)

		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
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	-	-	-					1,487
Gross - Proportional reinsurance accepted	**R0120**	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0130**				-	-	-	-	-
Reinsurers' share	**R0140**	-	-	-	-	-	-	-	1,190
Net	**R0200**	-	-	-	-	-	-	-	297
Premiums earned									
Gross - Direct Business	**R0210**	-	-	-					1,074
Gross - Proportional reinsurance accepted	**R0220**	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0230**				-	-	-	-	-
Reinsurers' share	**R0240**	-	-	-	-	-	-	-	860
Net	**R0300**	-	-	-	-	-	-	-	214
Claims incurred									
Gross - Direct Business	**R0310**	-	-	-					360
Gross - Proportional reinsurance accepted	**R0320**	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0330**				-	-	-	-	-
Reinsurers' share	**R0340**	-	-	-	-	-	-	-	288
Net	**R0400**	-	-	-	-	-	-	-	72
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**	-	-	-	-	-	-	-	803
Other expenses	**R1200**								
Total expenses	**R1300**								803

Annex I S.17.01.02

Non-life Technical Provisions (EUR'000s)

		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
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
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 as a whole	**R0050**	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	-	-	-	-	-	-	-	766	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	-	843	-
Net Best Estimate of Premium Provisions	**R0150**	-	-	-	-	-	-	-	(77)	
Claims provisions										
Gross	**R0160**	-	-	-	-	-	-	-	1,473	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	-	-	-	867	-
Net Best Estimate of Claims Provisions	**R0250**	-	-	-	-	-	-	-	607	-
Total Best estimate – gross	**R0260**	-	-	-	-	-	-	-	2,239	-
Total Best estimate – net	**R0270**	-	-	-	-	-	-	-	531	-
Risk margin	**R0280**	-	-	-	-	-	-	-	84	-
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-

		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions – total										
Technical provisions – total	R0320	-	-	-	-	-	-	-	2,323	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	-	-	-	1,709	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	-	-	-	-	-	-	614	-

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Non-life Technical Provisions (EUR'000s)

		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	Total Non-Life obligation
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
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 as a whole	**R0050**	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	-	-	-	-	-	-	-	767
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	-	842
Net Best Estimate of Premium Provisions	**R0150**	-	-	-	-	-	-	-	(77)
Claims provisions									
Gross	**R0160**	-	-	-	-	-	-	-	1,473
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	-	-	-	866
Net Best Estimate of Claims Provisions	**R0250**	-	-	-	-	-	-	-	607
Total Best estimate – gross	**R0260**	-	-	-	-	-	-	-	2,239
Total Best estimate – net	**R0270**	-	-	-	-	-	-	-	531
Risk margin	**R0280**	-	-	-	-	-	-	-	84
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-

		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	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions – total									
Technical provisions – total	**R0320**	-	-	-	-	-	-	-	2,323
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-	-	-	-	-	-	-	1,709
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-	-	-	-	-	-	-	614

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Non-life Insurance Claims Information (EUR'000s)

Total Non-Life Business

Accident year / Underwriting year	Z0010	Underwriting

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

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											-	R0100	-	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-	-
N-7	R0180	-	-	-	-	-	-	-	-				R0180	-	-
N-6	R0190	-	-	-	-	-	-	-					R0190	-	-
N-5	R0200	-	-	-	-	-	-						R0200	-	-
N-4	R0210	-	-	-									R0210	-	-
N-3	R0220	-	-	-									R0220	-	-
N-2	R0230	-	-	-									R0230	-	-
N-1	R0240	-	-										R0240	-	-
N	R0250	-											R0250	-	-
Total													R0260	- -	-

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		Development year												
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											-	R0100	-
N-9	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-
N-8	R0170	-	-	-	-	-	-	-	-	-			R0170	-
N-7	R0180	-	-	-	-	-	-	-	-				R0180	-
N-6	R0190	-	-	-	-	-	-	-					R0190	-
N-5	R0200	-	-	-	-	-	-						R0200	-
N-4	R0210	-	-	-									R0210	-
N-3	R0220	-	-	-									R0220	-
N-2	R0230	23	150	43									R0230	41
N-1	R0240	546	483										R0240	455
N	R0250	1,037											R0250	977
	Total												R0260	1,473

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Own funds (EUR'000s)

		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 (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	16,200	16,200		-	
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	(4,479)	(4,479)			
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	11,721	11,721		-	-
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						

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Total available own funds to meet the SCR	R0500	11,721	11,721	-	-	-
Total available own funds to meet the MCR	R0510	11,721	11,721	-	-	
Total eligible own funds to meet the SCR	R0540	11,721	11,721	-	-	
Total eligible own funds to meet the MCR	R0550	11,721	11,721	-	-	
SCR	R0580	2,036				
MCR	R0600	4,000				
Ratio of Eligible own funds to SCR	R0620	576%				
Ratio of Eligible own funds to MCR	R0640	293%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	11,721	-
Own shares (held directly and indirectly)	R0710	-	-
Foreseeable dividends, distributions and charges	R0720	-	-
Other basic own fund items	R0730	16,200	-
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-	-
Reconciliation reserve	R0760	(4,479)	-
Expected profits			-
Expected profits included in future premiums (EPIFP) - Life business	R0770	-	-
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-	-
Total Expected profits included in future premiums (EPIFP)	R0790	-	-

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk-	R0010	958	-	
Counterparty default risk	R0020	595	-	-
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	-	-	-
Non-life underwriting risk	R0050	1,077	-	-
Diversification	R0060	(662)	-	-
Intangible asset risk	R0070	-	-	-
Basic Solvency Capital Requirement	R0100	1,969	-	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	67
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	2,036
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	2,036
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirement 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 (EUR'000s)

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	94

		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	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	531	297
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
MCR_L Result	R0200	

		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	94		
SCR	R0310	2,036	-	-
MCR cap	R0320	916		
MCR floor	R0330	509		
Combined MCR	R0340	509		
Absolute floor of the MCR	R0350	4,000		
-	-	C0070		
Minimum Capital Requirement	R0400	4,000		