CG Holdings (Gibraltar) Limited

Casualty & General Insurance Company (Europe) Limited

Solvency and Financial Condition Report
Year ended 31st December 2019

Contents

Executive Summary

HIGHLIGHTS
✓ Casualty & General Insurance Company (Europe) Limited ('CGICE' or 'the Company') has an SCR ratio of 124% as at 31 December 2019.
✓ CG Holdings (Gibraltar) Limited ('CGH' or 'the Group') has a SCR ratio of 109% as at 31 December 2019. This is lower due to the netting of an external royalty cash flow stream.
✓ The increase in buffer over the SCR is the result of strong underwriting performance across most business lines, in particular in the segments where the Company is focusing its growth.
✓ Since 31 December 2019, the world has unfortunately lived through a terrible pandemic which has shaken the economy. The Company, after detailed and repeated analysis, has not yet identified any unexpected liability due to this new event, and its investment portfolio has not been affected.

The Group is an insurance group made up of CGH as an insurance holding company, CGICE as an insurance company, and various other entities which operate businesses which are ancillary to the insurance operations. The purpose of this report is to satisfy the public disclosure requirements under the Financial Services (Insurance Companies) Regulations 2020 including the Delegated Regulations of the European Parliament. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

CGICE is the main driver of the Group's performance. The Board is satisfied with the performance of the Company during the year, which has achieved strong underwriting profits in the lines of business in which the Company continues to be active, albeit offset partly by the strengthening of some reserves in some of the classes that the Company has ceased writing.

A material risk to CGICE's strategy is the UK's exit from the European Union. Uncertainties remain around the (potentially temporary) arrangements in place from that date and, as it is assumed that the UK will exit the Single Market, the Company is in the process of implementing alternative structures and arrangements to ensure that it can continue writing insurance in the EU. The Company continues to monitor the situation closely.

The governance and risk frameworks of the Group and the Company are detailed in this report. There have been no significant changes in the reporting period.

The Company has continuously complied with all aspects of the Solvency II regulations from the date of first implementation on 1 January 2016 and the most recent solvency position of the Company is presented above. During the reporting period there have been no changes to the capital structure.

Daniel Gibson **Date: 19 May 2020**
Chief Executive Officer
Casualty & General Insurance Company (Europe) Limited

A. Business & Performance

1. Business

1.1. This report relates to CG Holdings (Gibraltar) Limited ('CGH') and its subsidiary companies (collectively 'the Group'), specifically Casualty and General Insurance Company (Europe) Limited ('CGICE' or 'the Company'), an insurance company licensed in Gibraltar and limited by shares.

1.2. CGH is a non-regulated holding company domiciled in Gibraltar. Group supervision is carried out by CGICE's regulator:

Gibraltar Financial Services Commission
PO Box 940
Suite 3, Atlantic Suites
Gibraltar
Tel: +350 200 40283
www.fsc.gi

1.3. CGH and CGICE's external auditor is:

EY Limited
Regal House
Queensway
GX11 1AA
Gibraltar
http://www.ey.com/gi/en/home

CGH and CGICE prepare their audited financial statements in accordance with Generally Accepted Accounting Principles in the United Kingdom ('GAAP').

1.4. CGH shareholders with qualifying holdings at 31 December 2019:

Philippe Azoulay (through gIce Limited, g Reinsurance Limited and 80 Financial Holdings Limited)

CGICE is 100% owned by CG Holdings (Gibraltar) Limited.

1.5. The CGH Group of companies is shown overleaf.

CGH Group Structure at 31st December 2019

CG Holdings (Gibraltar) Limited
Reg No 89416
5/5 Crutchett's Ramp, Gibraltar
Holding company

100%

Casualty & General Insurance Company (Europe) Limited ('CGICE')

Reg No 89400
Suite 3A Centre Plaza, 2 Horse Barrack Lane, Gibraltar

Regulated by the Gibraltar FSC as an insurance company in UK and Europe

100%

Velocity Claims Management Services Limited ('VCM')

Reg No 05974854
First Floor, Redington Court, 69 Church Road, Hove, E Sussex BN3 2BB UK

Handles insurance claims for CGICE

45%

Armum Limited ('Armum')

Reg No 07078926
The Oak House, Beckley Road, Northlam, Rye, TN31 6JB, UK

Regulated by the UK FCA as an intermediary. Armum specialises in mortgage indemnity insurance placed under a Lloyds Facility. This Company is not currently trading.

100%

Casualty & General UK Limited ('CGUK')

Reg No 10527699
Cumberland House, 24-28 Baxter Avenue, Southend-on-Sea, Essex, SS2 6HZ, UK

UK registered representative of CGH which facilitates intragroup transactions.

1.6. CGICE is authorised to carry out insurance business in the following jurisdictions:

Class	Type of insurance business	Jurisdiction
3	Land vehicles	UK
7	Goods in transit	France, Germany, Ireland, Netherlands
8	Fire and natural forces	Belgium, France, Germany, Ireland, Netherlands, UK
9	Damage to property	Belgium, France, Germany, Ireland, Netherlands, UK
10	Motor vehicle liability	UK
12	Liability for ships	France, Germany, Ireland, Netherlands
13	General liability	Belgium, France, Germany, Ireland, Netherlands, UK
15	Suretyship	France, Ireland, Italy, Norway, Spain, UK
16	Miscellaneous financial loss	France, Germany, Ireland, Netherlands, UK
17	Legal expenses	UK

The majority of business written in other EU jurisdictions is via freedom of services, except for classes 8, 9, 13, 15 and 16 in France, and 8, 9, 13, 15 and 17 in the UK, which are written via branches in France and the UK respectively.

1.7. The material undertakings in the Group are CGH, as the insurance holding company, and CGICE, as the insurance company. The results and net assets of each of the material undertakings are as follows:

Undertaking	Profit/(Loss) (£'000)	Net Assets (£'000)
CGH	282	10,148
CGICE	243	11,355

The activities and sources of profit for each of these entities is covered further below:

1.7.1. CGH is a non-trading insurance holding company.

1.7.2. CGICE's source of profit is from underwriting activities and investment income, which is explained in further detail in this report.

1.8. In addition to the above material undertakings, whose contribution to the achievement of the Group strategy is via their core roles in the provision of insurance related undertakings, the Group also has VCM, Armum and CGUK as operating subsidiaries, which provide ancillary insurance services to the Group.

2. Underwriting Performance

2.1. CGH's underwriting performance follows CGICE's as the only insurance entity in the Group.

2.2. The premium written in the year ended 31 December 2019 is shown below by class of business and jurisdiction:

	France	Ireland	Italy	Norway	Spain	UK
	£'000	£'000	£'000	£'000	£'000	£'000
Motor	-	-	-	-	-	(35)
Fire and property	164	15	-	7	-	3,846
Liability	-	4	-	-	-	-
Credit & surety	3,074	-	2,610	-	7,607	416
Legal expenses	-	-	-	-	-	-
Totals	**3,239**	**19**	**2,610**	**7**	**7,607**	**4,227**

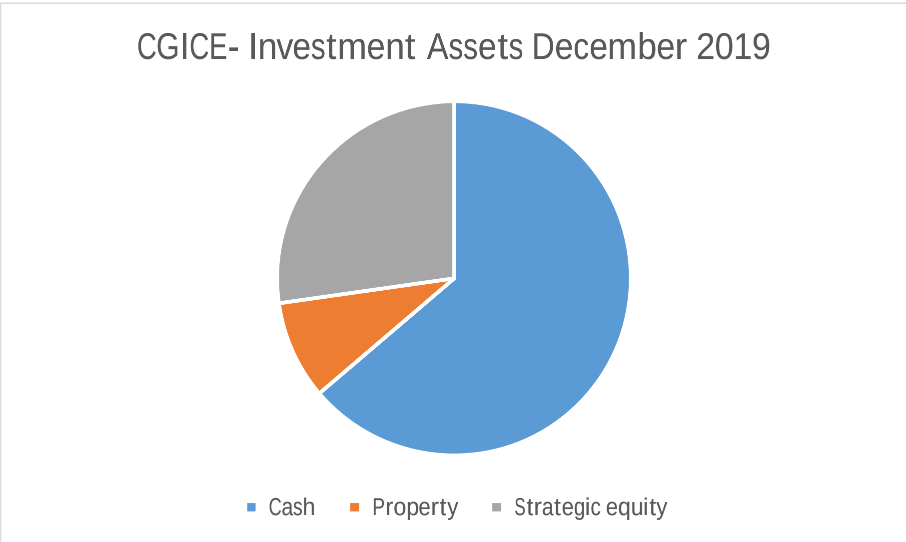
2.3. The majority of premiums written are single premium policies (i.e. one single premium to cover the life of the policy).

2.4. Underwriting performance has been positive with technical profits reported in the management accounts for the year ended 31 December 2019 being £2,085k (compared to a profit of £204k in 2018).

3. Investment Performance

3.1. CGH's investments comprise the equity holdings in subsidiaries only. There have been no distributions received from subsidiaries during the period of this report.

3.2. The investment assets held by the Company are illustrated below:



4. Performance of Other Activities

4.1. There have been no other significant activities undertaken by the Group or the Company other than their insurance and related activities.

5. Any Other Information

5.1. The Board of CGICE have considered the potential exposures to the business from COVID 19 and believe these are within a set of parameters that will not affect the capital of the Company i.e. it is a 2020 earnings event other than capital, meaning the buffer over the SCR remains above the Risk Tolerance set by the Board.

B. System of Governance

1. General Information on System of Governance

CG Holdings (Gibraltar) Limited

CGH retains ultimate responsibility for the governance of itself and its subsidiaries, however it is not prescriptive in how any subsidiary should meet its obligations. CGH takes a risk-based approach to the system of governance it expects to be implemented, depending on the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group. The level of reporting required is also proportional to these factors.

Governance requirements are largely set by regulatory and legal requirements, however CGH also considers any additional measures it considers necessary to manage the risk of the subsidiary and will implement these on a case by case basis, for example establishing additional governance meetings, requesting additional reporting, or intervening by placing managers or directors in the subsidiary to further safeguard CGH's interests.

There are CGH directors on all subsidiary Boards. CGH has no Committees or employees. Directors' services are included in the fee paid by CGICE.

There have been no dividends paid to the shareholders during the reporting period.

The CGH Board of Directors is comprised of one executive director and three non-executive directors (one of which is the Chair).

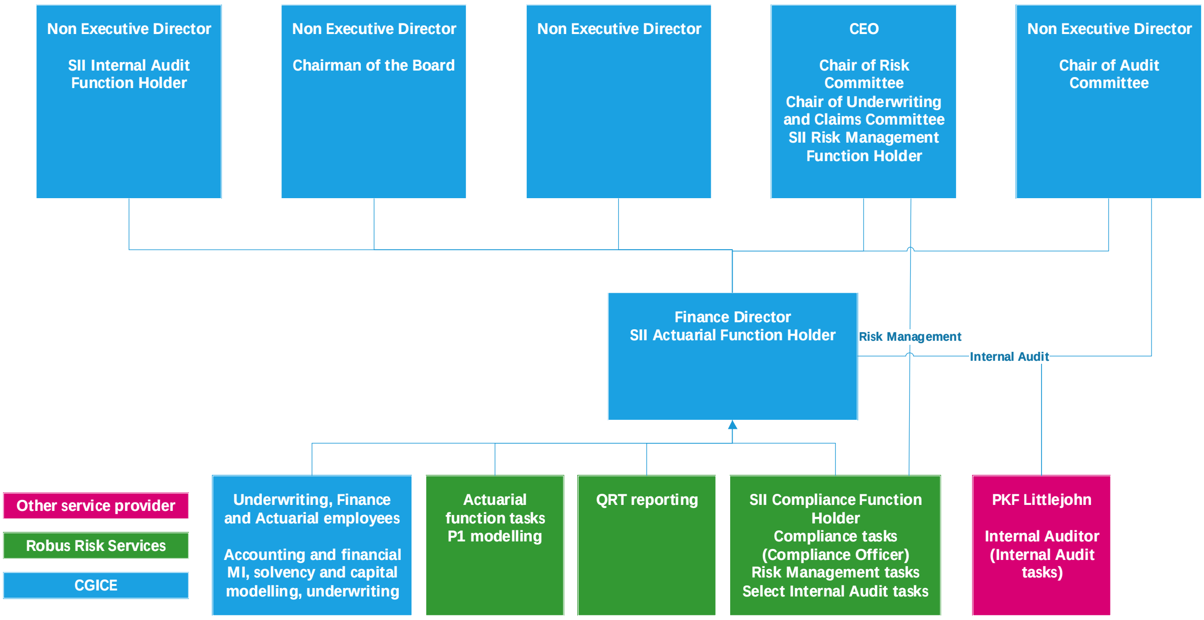
CGICE

Board and Committee Structure at 31 December 2019

Terms of Reference describe the purpose, responsibilities, membership and authority delegated from the Board for each Committee. Relevant attendees are invited to Committees as determined by the Committee.

There were no changes to the governance structure during 2019.

Roles and Responsibilities at 31 December 2019



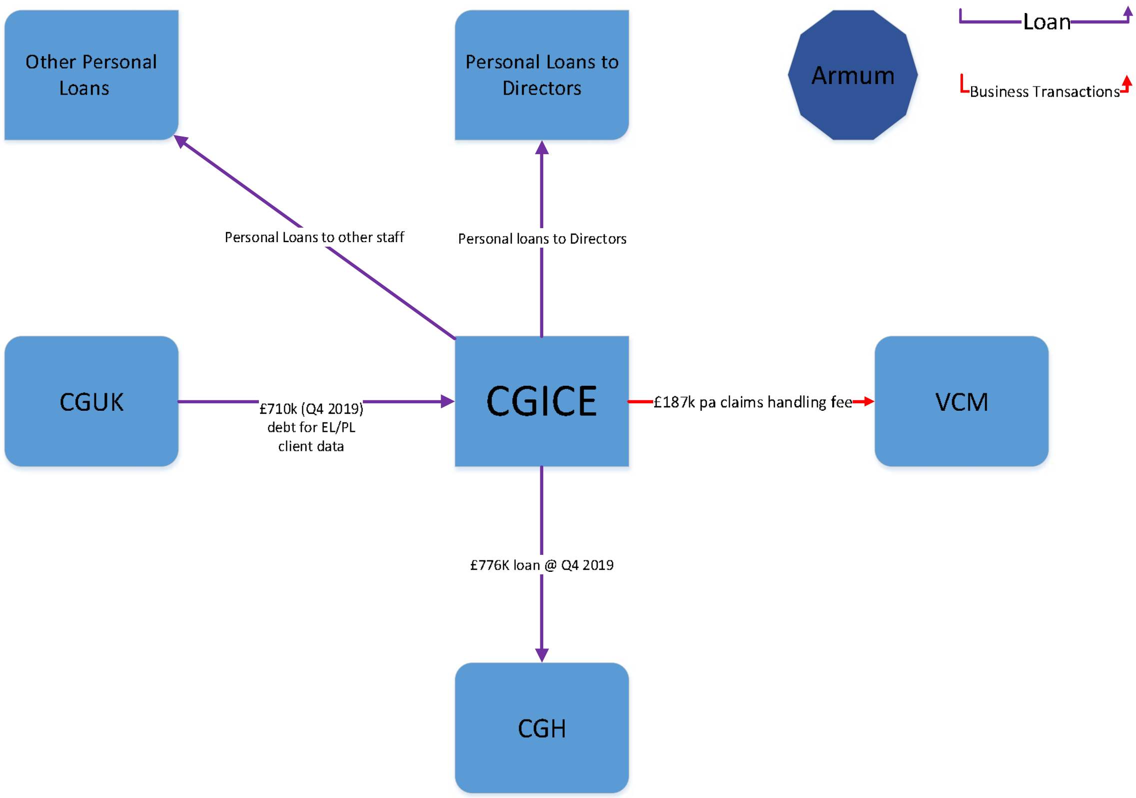
CGICE has eight employees including the CEO. Employees' remuneration (bar the CEO's) is set by the CEO and approved by the Board as part of the budget. At least three Directors approve the remuneration of any other Director; no Director is involved in decisions relating to their own remuneration. The Company has a Remuneration Policy.

Directors fees or salaries were paid to the Non-Executive and Executive Directors during the reporting period.

There have been no dividends paid to the parent company during the reporting period.

Material Intra-Group Transactions

Material intra-group transactions are described by the diagram below:



2. Fit and Proper Requirements

The Group recognises the value of the fit and proper requirements in that a company run in a fit and proper manner, by fit and proper directors and other individuals holding key functions or roles, will benefit from the knowledge and experience brought to the company and is more likely to be successful. In addition, the risks associated with a badly run business (largely regulatory, financial or reputational risks) will be diminished.

There is no definition for ‘fit and proper’, however the term includes amongst other considerations the concepts of honesty, solvency and competence.

The basic elements of the fit and proper assessment are:
- honesty, integrity and reputation (e.g. treating customer fairly, proper respect of legal, regulatory and professional obligations, prudent approach to business);
- competence, ability to conduct business and organisation (e.g. adherence to ‘four-eyes’ principle, having a robust corporate governance structure, declaration of conflicts of interest, Directors having appropriate skills, knowledge and experience);
- financial position (e.g. ensuring the Company has sufficient financial resources to meet commitments on a continuous basis, and is robust enough to withstand business risks)

The Group Boards ensure that any candidates for a position on a Board, or for other key functions or roles, shall be assessed to ensure that they fulfil fit and proper requirements. This includes reviewing the CV of the candidate, an in-depth interview, obtaining references (both personal and professional), and carrying out due diligence checks. Due diligence checks include verification of identification and address, and searches on due diligence databases. The candidate is also asked to declare any interests, so the relevant Board can review whether they conflict with the Company's interests. All conflicts of interest identified are recorded on a Log and reviewed at each board meeting.

3. Risk Management System including ORSA

CG Holdings (Gibraltar) Limited

CGH is responsible for ensuring that risk management is implemented within each subsidiary at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group.

As a minimum, all regulated companies will have a Risk Register which will be reported on in subsidiaries' reports to the CGH Board. CGH will also identify any risks specific to Group or aggregated at Group level through the interdependencies between the subsidiaries including intra-group transactions, and considering risk concentration, through the Own Risk and Solvency Assessment ('ORSA') process.

CGICE completes the Group solvency calculation and monitors Group solvency on behalf of CGH and will liaise with the Group Board as necessary to ensure that the Group SCR is met and that risks to Group solvency are monitored and managed.

CGICE is responsible for completing an Own Risk Solvency Assessment ('ORSA') for the Group, incorporating CGH and a solo ORSA on CGICE. One supervisory report on both ORSAs is collated.

CGICE Risk Management System

Risk Management Roles and Responsibilities

The CGICE Board delegates its risk management function to the risk management key function holder and to the Risk Committee ('RC'), which oversee all risk related activity and ensure the Board is kept informed or is consulted as required.

Should any risk management tasks be outsourced, the function holder is also responsible for the outsourced relationship, including monitoring the scope of work, service levels and for challenging the results.

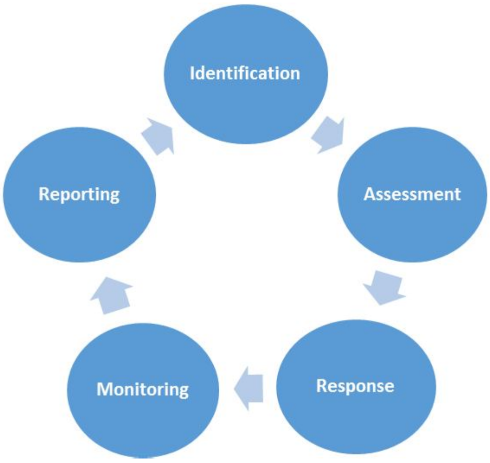
The key function holder and RC review, monitor and update as required, all the components of the Framework, engaging other members of the Board, key function or key role holders, as necessary, and oversee the ORSA process. However, the Board collectively are responsible for the implementation of the Framework's components.

The Risk Register is a central log of all risks identified in the business. It is owned by and is the responsibility of the RC and risk management key function holder to maintain and review the document. It includes the risk owner, risk description, risk factors, mitigating controls and measures and risk appetite.

The Board sets its risk appetites and tolerances; the actual risk in the business, compared to risk appetite and tolerance, is monitored by the RC and escalated to the Board if required.

The Risk Management Process

The process of risk management is a continuous and systematic one, comprising 5 elements:



Own Risk Solvency Assessment ('ORSA') Policy

The ORSAs' main purpose is to ensure that the Group and CGICE assess all the risks inherent to their businesses and determine the corresponding capital needs, or identify other means needed to mitigate these risks. The Boards are responsible for conducting the ORSA.

In particular the ORSA considers situations in which the Group or Company may be stressed, and the capital needs and mitigation measures necessary in these scenarios, to ensure that the business is prepared for, and robust enough to weather, adverse conditions without detriment to stakeholders.

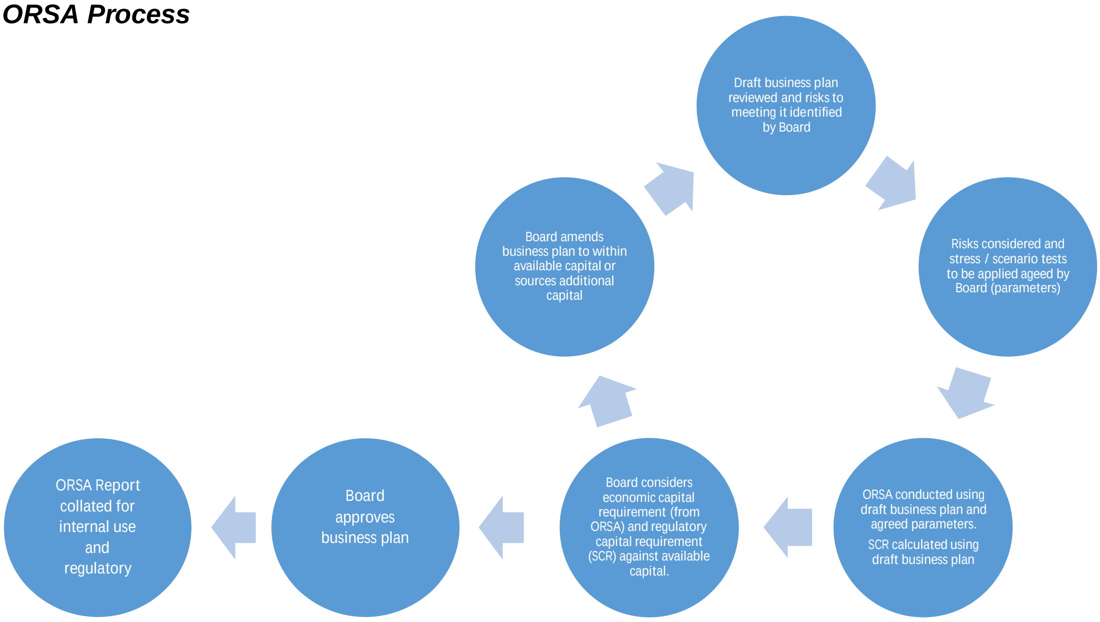
While the Risk Register focusses on risks from a bottom-up viewpoint, the ORSA takes a top-down approach, linking business objectives, business risks, business planning and capital planning. The results of the ORSA also feed back into the risk management process, ensuring that all risks identified are incorporated into the assessment, management, monitoring and reporting cycle.

The Boards will also use the output of the ORSA to review its overall risk profile, and whether the profile exceeds or approaches the risk tolerance limits set by the Boards.

The Boards carry out an ORSA at least annually; however, they will also carry out an ORSA if there is any material change to the risk profile or business plan, in particular:

- Cessation of a class or entering into a new class worth >£2.5m GWP
- If the SCR changes by >10% (which includes the impact of changes to investments)
- If there are any significant changes to Group structure e.g. new subsidiaries/liquidation of subsidiaries

ORSA Process



4. Internal Control System

<u>CG Holdings (Gibraltar) Internal Control System</u>

CGH Board is responsible for the Group Internal Control System. Internal controls are implemented within each subsidiary at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group.

As a minimum, all companies will have sound reporting and accounting procedures to enable the respective Boards to adequately monitor their business. The majority of subsidiaries are subject to statutory audit which independently reviews their internal control systems.

<u>CGICE Internal Control System</u>

As well as being a key risk response, internal controls are also part of the compliance framework, being the first line of defence in the 'three lines of defence' model the Company has implemented.

The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however responsibility for adherence to internal controls rests with all individuals involved in the business.

The Company has implemented policies which describe the Board's approach to key areas of the business, and procedures, where appropriate, which describe how the Board fulfils its policies and manages its key risks; they document the internal controls the Company has in place. Policies and procedures are reviewed at least annually to ensure that they remain accurate and fit for purpose.

Internal controls are reflected in the risk register as they are one of the risk treatments available to the Company to manage its level of risk in the business.

The business is responsible for ensuring adherence to internal controls on a day to day basis and individuals have a duty to monitor relevant controls on an ongoing basis and to inform management of observed or known weaknesses or failures within the internal control system. In addition, as the second line of defence, adherence to internal controls is checked through risk owners' review of the risk register, and through the compliance function's monitoring programme. Where appropriate, compliance and risk management will make recommendations to the business to improve controls, or highlight where they are not being adhered to, facilitating continuous improvement.

Incidents, breaches and 'near misses' regarding internal controls are recorded by compliance and investigated by the Company to ascertain the root cause and determine any actions necessary to prevent reoccurrence. These are reported to the Audit Committee, which monitors these actions to completion.

Internal audit provides independent assurance of the Company's internal control system and is overseen by the Audit Committee and internal audit function holder.

Compliance Function

The Compliance key function holder is responsible for the completion of compliance tasks, although the tasks may be outsourced to the Company's insurance manager. The function holder is also the Compliance Officer and has direct access to both the Board and the AC.

The Compliance Officer is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficacy through the Compliance Monitoring Programme. The Compliance Officer reports to the key function holder and AC at each meeting and will provide advice to the business when requested.

The Compliance Function also liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

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

5. Internal Audit Function

CGH Internal Audit Function

All Group companies that are service providers to CGICE are considered by CGICE's internal audit function and subject to CGICE's internal audit activity, which is described below.

CGICE Internal Audit Function

Internal Audit exists to provide the Company with independent assessments of the quality of internal controls and administrative processes and provide recommendations and suggestions for continuous improvement. It provides advisory services to management, will conduct investigations on an ad hoc basis as requested by management, and has responsibility for assisting in the development and operation of the risk management framework. It will also audit providers of material services to ensure that the agreements governing these relationships are being adhered to.

The Board appointed Internal Audit Key Function Holder has responsibility for the internal audit function and reports into the AC. Internal audit tasks are outsourced to a third-party provider selected by the AC; the key function holder also has responsibility for co-ordinating this outsourcing and challenging the results.

The third-party provider prepares an internal audit plan for the following year which is based on a three-year plan and is developed using a risk-based approach to prioritise high risk areas and the extent and frequency of audits. The plan is approved by the AC and provided to the Board for formal adoption. The plan is subject to change throughout the year depending on the business and changing risk environment.

Audit reports are produced after each internal audit and provided to the AC for review with management responses. Any actions coming out of the audits are monitored to completion by the AC.

Internal Audits will be conducted by appropriately skilled, experienced and independent persons to carry out the audit to the AC's standards.

To carry out its work effectively and to retain integrity of the function, Internal Audit acts independently of line management. The internal audit function holder is responsible to the AC for the planning, management and performance of Internal Audit; the AC consists of Non-Executive Directors.

The AC provides a quarterly report to the Board.

Internal Audit reports may be requested by appointed External Auditors - these requests are considered by the AC for approval.

6. Actuarial Function

CGICE is the only insurance entity in the Group and therefore the only one for which it is relevant to have an Actuarial Function as set out in the SII Directive.

CGICE's actuarial function is the responsibility of the key function holder, who reports directly to the Board.

The actuarial function is responsible for:

a) Coordination of the calculation of technical provisions;

b) ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;

c) assessing the sufficiency and quality of the data used in the calculation of technical provisions;

d) comparing best estimates against experience;

e) informing the Board of the reliability and adequacy of the calculation of technical provisions;

f) expressing an opinion on the overall underwriting policy;

g) expressing an opinion on the adequacy of reinsurance arrangements; and

h) contributing to the effective implementation of the risk-management system.

Each of these activities is undertaken on an at least annual basis and the outcome reported to the Board in an internal actuarial report.

7. Outsourcing

Outsourcing is the use of a third party (either an affiliated entity within the same group or an external entity) to perform activities on a continuing basis that would normally be undertaken by the company. The third party to whom an activity is outsourced is a 'service provider'.

Each Board shall ensure that an outsourcing arrangement shall not diminish the company's ability to fulfil its obligations to customers or its regulator, nor impede effective supervision by its regulator (should it be regulated).

Fundamental responsibilities such as the setting of strategies and policies, the oversight of the operation of the company's processes, and the final responsibility for customers, shall not be outsourced.

The respective Boards consider outsourcing where they believe that there is an advantage to the company and customer by using a service provider e.g. access to specialist resource, provision of services in the same jurisdiction as the customer, cost benefits.

CGH Outsourcing

CGH is a holding company and has little operational activity. The company's management is outsourced to RRS, primarily consisting of company secretarial services; accounting is provided by CGICE.

CGICE Outsourcing

CGICE is reliant on a number of material service providers; due to the risk this presents, CGICE has an outsourcing policy which describes how it takes the decision to outsource, how a service provider is selected, and how the relationship is defined, managed and monitored. The Company takes a risk-based approach to all of these activities.

Material Service Providers in the Reporting Period:

Service Provider	Service Provided	Jurisdiction Located
Robus Risk Services (Gibraltar) Limited	Insurance Management (compliance tasks, risk management tasks, company secretarial, internal actuarial tasks, regulatory reporting)	Gibraltar
iWCL Consultancy Limited	UK EL/PL policy administration software system	UK
Endsleigh Insurance Services Limited (t/a TCS)	UK motor claims handling (from 04/01/2017)	UK
European Brokers Alliance Limited (Nexus)	Policy sales and administration for French construction and Italian bond lines	UK
Corin Underwriting Limited	Handling of run-off of UK EL/PL	UK
SARL DEKATRIA	French Dommages Ouvrages (DO) and Decennale liability administration	France
SARL EKWI	French Dommages Ouvrages (DO) and Decennale liability claims handling	France
Iberian Insurance Group	Spanish bond administration and claims handling	Spain
Velocity Claims Management Limited	UK & ROI EL/PL claims handling Oversees Motor Claims run-off and all other classes	UK
IAM Insurance AS	Claims handling for Norwegian bonds	Norway
SWIM/Advantage	Provision of policy sales & administration and claims handling for UK structural defects and bonds	UK
HR Space	Provision of HR services	Gibraltar

8. Adequacy of the System of Governance

The Group aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated, and recommendations are made to the Board(s) regarding enhancing and developing the systems, including the outcomes from compliance monitoring programmes, root cause analysis from complaints, breaches and risk events, and incremental development as the systems mature. It also considers relevant industry advice and guidelines, for example the UK Financial Reporting Council's Corporate Governance Code, implementing these as appropriate for the size and complexity of the Group companies.

Internal audits and external audits provide independent evaluation of the Group's and individual companies' system of governance. Recommendations from these audits are considered by the relevant Boards and implemented proportionate to the business' risks.

C. Risk Profile

1. Underwriting Risk

CGICE is the only company in the CGH Group which is exposed to underwriting risk, the Group's underwriting risk is therefore the same as CGICE's.

CGICE

Underwriting risk is a key risk to CGICE.

Underwriting risk is monitored by the executive director who reports to the Board at least quarterly, and by the Risk Committee (RC) and Risk Management Key Function Holder, via the Risk Management Framework. It is assessed and monitored using key indicators such as Gross Written Premium, claims reserves, loss ratio and large loss claims details. The Board has set risk tolerances around these indicators, where relevant, which the RC monitors.

The Company sells its insurance through intermediaries who have been granted limited delegated authority by the Board. Intermediaries are monitored by the Executive Director on the basis of management information, and are also encompassed by the Internal Audit Plan, to ensure adherence to contractual requirements including delegated underwriting authority parameters. Broker reviews are also conducted on a risk assessed basis. The results are reported to the Board or Audit Committee, as appropriate.

There has been no change to the methodology for identifying, assessing, managing and reporting on underwriting risk over the reporting period.

The use of quota share and excess of loss reinsurance is CGICE's primary method of mitigating underwriting risk.

In 2019 the Company continued to manage and mitigate the business' risk exposure to within its risk appetite and capital capacity. There have been no material changes to underwriting risk in 2019. The Company continues to monitor future developments.

The Company is focussing on its European surety, bond and UK defects business over the next three years but continues to pursue other avenues of business which can balance the higher risk surety books.

The Company has written employer and public liability business in the UK as well as UK motor and therefore is exposed to the risk of structured settlements (sometimes called periodic payment orders or PPOs) in relation to large claims. The risk of PPOs to the Company is that they transfer the longevity (how long the PPO must be paid), inflation (how quickly the annual payments increase) and revision (possibility of future changes in legislation which may change PPO awards) risks to the Company. To date there have been no settled PPOs awarded to claimants against the Company. The Company reviews its large claims and assesses the risk of them developing into PPOs, but currently has no such claims which would typically develop into settled PPOs, and in any case is protected via the mitigation methods described below. The Company believes that the risk of PPOs has diminished further since the announcement in July 2019 regarding the change in the personal injury discount rate to minus 0.25%, which is detailed further in section 7 below, and the Company ceased writing these lines of business a number of years ago.

Underwriting Risk Mitigation Measures

Line	**Mitigation Measure**
Employers Liability and Products Liability *(in run off from 01/01/17)*	• Excess of loss reinsurance • Quota share reinsurance
UK Motor *(in run off from 01/04/17)*	• Delegated authority limits • Excess of loss reinsurance • Quota share reinsurance
Dommages Ouvrages *(in run off from 01/01/2017)*	• Delegated authority limits • Variable quota share reinsurance • Excess of Loss Reinsurance • Recovery from decennale insurer • Quota share reinsurance
Decennial Liability *(in run off from Oct 2017)*	• Delegated authority limits • Maximum exposure limit per site of €500,000 • Quota share reinsurance
Norwegian Bonds *(in run off from 31/12/2018)*	• Quota share reinsurance
French Surety	• Recovery through counterparty guarantees • Control of project bank accounts and therefore cash flow • Excess of Loss Reinsurance • Option to take control of the project to completion • Quota share reinsurance
Italian Bonds	• Limited delegated authority limits • Quota share reinsurance
UK Structural Defects	• Excess of loss reinsurance • Quota share reinsurance
Spanish Surety/Bonds	• Limited delegated authority limits • Excess of Loss Reinsurance • Quota share reinsurance

There has been no material change to the risks that the Company is exposed to in the reporting period or to date other than as disclosed above.

2. Market Risk

CGH has no exposure to market risks as it holds funds in cash only.

<u>CGICE</u>

The Company provides detailed analysis of the investment portfolio, making recommendations to maximise investment returns within the Company's risk appetites and tolerances to the Board.

Currency

The Group and the Company are primarily exposed to two currencies, the Euro ("EUR") and British Sterling ("GBP"). Investments are held in GBP and EUR and therefore also present some currency risk to the Company. The Company holds a Euro cash account for Euro premium funds and claims payments, to minimise the number of currency exchanges necessary, however it is exposed to currency risk as its accounting currency is GBP and the exchange rate affects the value of transactions and balances. The Company also trades in a Norwegian Krone, but its exposure is not material.

The Finance Director monitors the EUR: GBP exchange rate on a monthly basis or more regularly where there are significant movements in the currency pair, assesses the currency risk on behalf of CGICE, and will make recommendations via consultation with representatives of the Board regarding when to make foreign exchange transactions to mitigate the risk.

Property

The Company has one UK Commercial property and one Gibraltar residential property totalling £2.2m; the UK property is leased on a long-term basis to a secure tenant. Following the UK's departure from the European Union, the property market could become more volatile and therefore increased liquidity risks may emerge. However, the material risks presented by the property portfolio have decreased over the reporting period as properties have been sold. The remaining UK Commercial property was sold early in 2020.

The Board assesses and monitors the risks presented by the property portfolio, ensuring that they lay within, and are made in accordance with, the Company's risk appetite, and are balanced within the overall portfolio to ensure efficient use of capital and mitigation of liquidity risk.

Interest rate

Interest rate risk arises as a result of the impact of interest yield curves on future payments to be made in respect of claims and receipts from the Company's investments. The interest yield curves in the UK have decreased in the reporting period which reflects the decreases in base rates applied by the Bank of England. While interest yield curves were suppressed following the UK's referendum and the US Presidential election, recent increases in US Federal Reserve rates have seen interest yield curves increase moderately in the fourth quarter, although continuing economic uncertainty in the UK and Europe around Brexit negotiations continue to keep rate expectations low in the UK.

The Company's exposure to interest rates arises primarily from the settlement of future claims (as the discount rates applied to claims settlement projections are impacted by interest yield curves).

Interest rate risk is assessed and monitored by the Board. The Company considers the prudent person principle (see [4]) in considering the investment assets and how they match to the expected payment profile of the Company's technical liabilities. The property portfolio assists in hedging against longer term changes in the interest rate yield curve. The Board reviews the effectiveness of the mitigating measures, considers how they could be improved, and makes recommendations as appropriate.

Concentration

The Board reviews the investment and assesses the concentration risk that the Company is exposed to, to ensure that it is within the risk appetite. The concentration exposure arises in respect of positions taken in the Company's property exposure and counterparties in respect of its cash holdings and reinsurance recoveries. Concentration exposure is assessed in respect to exposure to any single name.

Concentration exposure is calculated based on the proportion of the single name exposure (or grouped property exposure) relative to the investment assets as a whole.

Concentration risk has changed over the reporting period due to the sale of property.

The Company also is exposed to concentration risk in respect of loans with other Group companies and to other related parties. Management monitors such exposures carefully and, where appropriate, obtain security via registered charges over assets.

Ongoing monitoring of concentration risk is undertaken by the Board and through the Risk Management Framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures are required, to ensure the risk remains within risk appetite.

Concentration of counterparties in respect of cash and reinsurance exposures is considered with credit risk in section 3.

Spread

Spread risk is the sensitivity of the values of investments, primarily bonds and secured loans in respect of the Company, to changes in the level or in the volatility of credit spreads. As credit spreads will typically be narrower for well rated securities than for poorly rated securities (and for short duration rather than long duration securities), the Company considers credit quality limits on the conventional fixed income assets in their investment guidelines to the investment manager.

The Investment Policy and risk appetites are reviewed regularly to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

The Board reviews the investment portfolio and assesses a value-at-risk ("VaR") given the duration and rating of the underlying assets, based on the expected loss with a 99.5% level of confidence. This is therefore considered the likely loss in the portfolio in a 1-in-200-year event. The total amount of Spread risk is very low for the Company as it prefers to hold cash instead of portfolios of corporate or government bonds which typically create this risk.

Ongoing monitoring of spread risk is undertaken by the Board and through the Risk Management Framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures are required, to ensure the risk remains within risk appetite.

Equity

The Company does not invest in listed market equities due to their potential volatility, especially at times of financial stress. Part of its portfolio is invested in strategic equity fully controlled by the Group, with a fixed remuneration based on preference shares.

This strategic investment is made to fund long term projects in insurance related research, so as to enable its stakeholders to have distinctive competitive advantages in this sector in the future. Its goal is to enable projects which are not remunerative in the short term, but offer technologies and tools which, once mature and active, give the insurers who participate in the program a much stronger strategic position.

3. Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.

<u>CGH</u>

CGH is exposed to very low levels of credit risk through amounts held with banks. This is mitigated by using financial counterparties with a credit rating of at least 'A', with the exception of operational bank accounts with The Royal Bank of Scotland International Limited which is rated by S&P as 'A-'.

<u>CGICE</u>

Key areas where the Company is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts held with banks and other financial institutions;
- amounts on loan to connected parties; and
- amounts due from insurance intermediaries.

Reinsurance and Financial Institutions

All reinsurance and financial counterparties used have a credit rating of at least 'A-' where possible. The Company partners with a limited number of counterparties, reducing exposure and mitigating contagion risk. Other than the whole account quota share ('QS') insurance mentioned in the next paragraph there is one other unrated reinsurer used on the 2006 and 2007 Dommages Ouvrages account (which was originally A rated).

CGICE has entered into a variable whole account QS agreement with a related reinsurer, a Guernsey based company. This company is currently unrated, so the transaction is on a full premium withheld basis

Reinsurer credit ratings on the current and historic programmes are monitored on a quarterly basis and reported to the Risk Committee; any material deterioration is escalated to the Board.

Loans to Connected Parties

CGICE has made loans to CGH for investment in other Group subsidiaries (Armum), and to cover expenses. The default risk on these loans is linked with the success of these companies which is mitigated by the entities all being CGH subsidiaries in that the companies' interests align.

A personal loan has been made to a Director. Directors' loans also do not present a material risk in that they are secured on assets.

The total of these loans is less than 1% of the Company's balance sheet assets.

Amounts due from insurance intermediaries

Credit risk is presented by the use of insurance intermediaries as premiums have to be collected from the policyholder and paid to CGICE. Credit risk therefore occurs when the policy has incepted but the policyholder has not yet paid (so the intermediary cannot pay the insurer for time on risk), and when the policyholder has paid, and funds are due from the intermediary.

Intermediary credit risk is mitigated by all intermediary relationships being governed by contractual agreements which specify payment terms. The executive directors review amounts owed closely, and use these to monitor and manage intermediaries' performance, escalating to the Board where necessary. Relationships with intermediaries can be terminated if contractual payment terms are not met.

Credit risk is also identified, assessed and monitored through the Risk Management Framework (see above for further details), which also necessitates regular review and evaluation of the mitigation measures in place to ensure the risk remains within risk appetite, and by the Board.

4. Prudent Person Principle

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

The Group and the Company forecast the cash needed over a three-year horizon based on the three-year business plan, taking into account liquidity of the assets.

The assets of the Company are distributed as disclosed in Section A 3 and transitions based on underlying exposure are detailed in Section D 1. There are no material other financial instruments held by other companies in the Group.

5. Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay the obligations when they are due.

<u>CGH</u>

CGH has liquid assets only so is not exposed to any liquidity risk.

<u>CGICE</u>

The Board is responsible for monitoring and managing liquidity risk, ensuring that CGICE has liquidity available to meet both immediate and foreseeable cash flow requirements. The Company keeps an amount in available cash equal to more than 75% of its net earned premium. The business is therefore cash flow positive which means that premium income will normally more than offset claims outflows. The investment portfolios do not therefore tend to be called upon to meet claims. However, in the interests of prudence, the majority of the portfolio is invested in very liquid instruments and funds.

The expected profit included in future premiums is £1,095k.

6. Operational Risk

CGH

CGH is exposed to a low level of operational risk, being a holding company; it outsources its operational functions to RRS and to CGICE. This risk is mitigated by RRS and CGICE having comprehensive Business Continuity Plans in place. It is also exposed to a low level of crime risk, which is mitigated through the operational procedures RRS and CGICE have in place around the finance function (e.g. two authorisers on payments) which are reviewed as part of CGH's external audit.

There have been no material changes to operational risk in the reporting period.

CGICE

CGICE's key operational risks are:

- Key person risk: the risk of losing knowledge, skills and leadership should a key person leave the Company. The CEO is tied into a long-term contract reducing volatility to the Company. This risk has been further mitigated by the appointment of a Finance Director and by some of the Board member's detailed involvement in their areas of expertise. There are other employees who would cause business interruption if they left and therefore this risk has been mitigated by an own assessed capital allocation to cover the cost of recruiting a replacement.

- Material service provider risk: the risk that a provider of key services is unable to operate, effecting CGICE's ability to service customers and sell policies. This risk is mitigated by having contracts in place which govern CGICE's relationships with service providers and include service levels which must be met, and an Outsourcing Policy which details the Company's approach to managing service providers. Should any service provider go into liquidation it is likely it would continue as a going concern for the immediate future, giving time for an alternative provider to be sourced. It is further mitigated by an own assessed capital allocation to cover the cost of replacing a service provider and any potential resultant loss of profit. This risk is also mitigated by the Company's in-house finance and actuarial functions as well as its contract with internal group companies which replicate the bulk of the capital work.

- Reputation risk: The Company has identified two types of reputational risk:

  Commercial reputation **–** CGICE sells insurance through brokers and it is the reputation with those brokers that is key to their business. This is protected, and the risk to it mitigated, by appropriate policies and procedures (e.g. complaints procedure) and by having the French and UK branches (a presence in the jurisdiction increases confidence). The cessation of the EL/PL book will also reduce CGICE's reputation risk. If this risk materialises it would likely be short to medium term in effect (the Company regaining brand confidence over time) but could result in reduced volume and potentially reduced profit.

  Company reputation **–** this is a more general reputation risk for the Company as a regulated entity. For example, if Gibraltar insurers fail it impacts the reputation of all Gibraltar insurers. It is more intangible and largely out of the Company's control, so difficult to mitigate. The Company has renewed its focus on its direct customer communications by launching a new website.

Both types of reputation risk are further mitigated by an own assessed capital allocation to cover potential loss of profit caused by reputational risk materialising.

- Reinsurance risk: the remaining reinsurance risk, not encompassed above, is if expected reinsurance recoveries are not realised due to misinterpretation of contracts. An own assessed capital allotment has been made to mitigate this risk.

- Operational risk: since CGICE has a broker-based business model, many day-to-day activities are carried out by service providers. CGICE manages this risk by implementing an Outsourcing Policy, monitoring their performance, and reviewing their business contingency plans (BCP) to ensure they are adequate. CGICE also has its own BCP which is tested. Data can be restored very quickly with minimal impact on the business. The Company is reliant on bespoke software to administer EL/PL policies; an own assessed capital allocation has been made to mitigate the risk of this software failing and processes having to be done more manually.

- Distribution channel risk: The different lines of business sold through different intermediaries reduces CGICE's reliance on any one source of income and mitigates distribution concentration risk. Most intermediaries could be replaced quickly, but this could result in loss of income and associated profit, and therefore an own assessed solvency allocation has been made to mitigate this potential loss.

- Crime risk: All service providers are expected to have appropriate anti-financial crime policies and procedures in place and these are included in any internal audit. They would be liable for any cost related to crime that they were responsible for and affected the Company. The Company adheres to the ‘four-eyes principle’ which is that at least two people are required to sign off on significant business decisions. Training is provided to all relevant staff, including Directors. The most significant crime risk is from brokers issuing fraudulent policies or fraudulent loss adjusting on claims. These instances are mitigated by the screening and monitoring of intermediaries, and the professional indemnity insurance they have, and by the high degree of involvement CGICE has in claims handling. They have been further mitigated by allocating own assessed capital.

Operational risk within CGICE is identified, assessed and monitored through the Risk Management Framework which is overseen by the Risk Committee.

There have been no material changes to the operational risks the Company is exposed to over the reporting period.

7. Other Material Risks

‘Brexit’

The risk of the UKs’ exit from the EU resulting in CGICE no longer being able to sell insurance in the EU or be able to service previously incepted EU policies.

The UK left the EU on the 31 January 2020 having agreed a transitional period until the 31 December 2020 to allow the UK and EU time to negotiate the terms of the future relationship. Details of these terms have not yet been published, and there may be an extension to the transitional period due to the impact of the Covid-19 pandemic. It is assumed that the UK will exit the single market.

In March 2018, the UK government confirmed that Gibraltar would continue to have access to the UK market for financial services on the same basis as currently, until 2020. The two governments continue to work to design and implement a replacement framework for after 2020.

The Company is actively managing alternative structures or arrangements to ensure that it can continue writing insurance in the EU. Although the Company does currently underwrite a larger EU book of business it is developing and growing its UK account.

The Board continues to monitor this risk closely.

D. Valuation for Solvency Purposes

1. Assets

1.1. As at 31 December 2019, the Group held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Solvency reclassification (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible and intangible assets	600	-	-	(600)	0	See [1.3.1]
Property	2,295	-	-	-	2,295	See [1.3.2]
Bonds and secured loans	(0)	-	3,131	-	3,131	See [1.3.3]
Collective investment schemes		-	-	-	-	See [1.3.4]
Equity investments	6,958		1,050		8,009	See [1.3.5]
Intermediary and reinsurance receivables	3,651	-	(3,651)		-	See [1.3.6]
Related company receivables	1,983	-	(1,983)	-	0	Not applicable
Reinsurers share of unearned premiums	5,600	-		(3,687)	1,913	See [1.3.7]
Reinsurance share of claims reserves / Reinsurance share of technical provisions	25,384	12,265	(12,891)	1,983	26,666	See [1.3.7] and [2.5.2]
Other technical provisions	-		-		-	See [1.3.7]
Cash and equivalents	16,221	(12,265)	-	-	3,956	See [1.3.8]
Prepayments and accrued income	1,050		(1,050)	-	-	See [1.3.9]
Deferred acquisition costs	1,292	-	(1,292)		-	See [1.3.10]
Other assets	5,449	-	(5,141)	-	309	See [1.3.11]
Deferred tax asset	192	-	-	228	420	See [1.3.12]
TOTAL	**70,675**	**-**	**(21,827)**	**(2,076)**	**46,698**	

As at 31 December 2018, the Group held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Solvency reclassification (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible and intangible assets	41	-	-	(41)		See [1.3.1]
Property	2,295	-	-	-	2,295	See [1.3.2]
Bonds and secured loans	413	-	3,244	-	3,657	See [1.3.3]
Collective investment schemes		-	-	-		See [1.3.4]
Equity investments	13,942	(6,994)	693		7,641	See [1.3.5]
Intermediary and reinsurance receivables	7,053	-	(3,392)		3,661	See [1.3.6]
Related company receivables	2,600	-	(2,600)	-		Not applicable
Reinsurers share of unearned premiums	4,025	-		(4,025)		See [1.3.7]
Reinsurance share of claims reserves / Reinsurance share of technical provisions	29,483	11,719	(11,728)	736	30,210	See [1.3.7] and [2.5.2]
Other technical provisions	-	-	-	-		See [1.3.7]
Cash and equivalents	8,667	(4,725)	-	-	3,942	See [1.3.8]
Prepayments and accrued income	775	-	-	-	775	See [1.3.9]
Deferred acquisition costs	1,085	-	(83)	(1,085)	(83)	See [1.3.10]
Other assets	1,833	-	(2,526)	-	(693)	See [1.3.11]
Deferred tax asset	-	-	-	213	213	See [1.3.12]
TOTAL	**72,212**	**-**	**(16,392)**	**(4,202)**	**51,618**	

1.2. As at 31 December 2019, the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Solvency reclassification (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Intangible assets	600	-	-	(600)	-	See [1.3.1]
Property	2,295	-	-	-	2,295	See [1.3.2]
Bonds and secured loans	1,487	-	2,925	-	4,411	See [1.3.3]
Collective investment schemes		-	-	-	-	See [1.3.4]
Equity investments	6,922		1,050		7,972	See [1.3.5]
Intermediary and reinsurance receivables	3,651	-	(3,651)		-	See [1.3.6]
Related company receivables	1,983	-	(1,983)	-	-	Not applicable
Reinsurers share of unearned premiums	5,600	-		(3,687)	1,913	See [1.3.7]
Reinsurance share of claims reserves / Reinsurance share of technical provisions	25,384	12,265	(12,891)	1,983	26,666	See [1.3.7] and [2.5.2]
Other technical provisions	-		-		-	See [1.3.7]
Cash and equivalents	16,196	(12,265)	-	-	3,932	See [1.3.8]
Prepayments and accrued income	1,050		(1,050)	-	-	See [1.3.9]
Deferred acquisition costs	1,292	-	(1,292)		-	See [1.3.10]
Other assets	5,216	-	(4,902)	-	314	See [1.3.11]
Deferred tax asset	192	-	-	226	418	See [1.3.12]
TOTAL	**71,867**	**-**	**(21,794)**	**(2,077)**	**47,921**	

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

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Solvency reclassification (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Intangible assets	41	-	-	(41)		See [1.3.1]
Property	2,295	-	-	-	2,295	See [1.3.2]
Bonds and secured loans	1,968	-	3,021	-	4,989	See [1.3.3]
Collective investment schemes		-	-	-		See [1.3.4]
Equity investments	13,916	(6,994)	693		7,615	See [1.3.5]
Intermediary and reinsurance receivables	7,053	-	(3,392)		3,661	See [1.3.6]
Related company receivables	2,600	-	(2,600)	-		Not applicable
Reinsurers share of unearned premiums	4,025	-		(4,025)		See [1.3.7]
Reinsurance share of claims reserves / Reinsurance share of technical provisions	29,483	11,719	(11,728)	1,111	30,585	See [1.3.7] and [2.5.2]
Other technical provisions	-	-	-	-		See [1.3.7]
Cash and equivalents	8,633	(4,725)	-	-	3,908	See [1.3.8]
Prepayments and accrued income	775	-	-	-	775	See [1.3.9]
Deferred acquisition costs	1,085	-	(83)	(1,085)	(83)	See [1.3.10]
Other assets	1,507	-	(2,200)	-	(693)	See [1.3.11]
Deferred tax asset	-	-	-	192	192	See [1.3.12]
TOTAL	**73,381**	**-**	**(16,289)**	**(3,848)**	**53,244**	

1.3. The valuation principles applied to these assets are consistent with those used in the GAAP accounts, with the following exceptions:

1.3.1 Tangible and intangible assets – these are not recognised on the Solvency II balance sheet as they do not meet the valuation principles in Article 12 of the Commission Delegated Regulation (EU) 2015/35.

1.3.2 Property – property transactions which display debt-like features and are secured on underlying properties have been looked-through and considered with bonds and secured loans on the Solvency II balance sheet.

1.3.3 Bonds and secured loans – financial instruments displaying debt-like features have been looked through on the Solvency II balance sheet and recorded as bonds and secured loans. Further, the valuation has been adjusted to include accrued interest, which is included within accrued income in the GAAP balance sheet.

1.3.4 Collective investment schemes – investments in financial instruments for which a full look-through has been unavailable have been reclassified to collective investment schemes.

1.3.5 Equity investments – These have been adjusted to reflect investment returns. External equity holdings which are not listed are recorded at their audited value..

1.3.6 Intermediary receivables – these have been reclassified to technical provisions.

1.3.7 Reinsurance share of unearned premiums and other technical provisions – these are not recognised on the Solvency II balance sheet as they are non-cash settled balances. Instead, the expected claims payable on unearned premiums are recorded within reinsurance share of technical provisions.

1.3.8 Cash and cash equivalents – financial instruments displaying features like debt or equity have been looked through on the Solvency II balance sheet and removed from cash and cash equivalents. The value of cash and cash equivalents has been adjusted to reflect accrued income.

1.3.9 Prepayments and accrued income – prepayments are not recognised on the Solvency II balance sheet as they are non-cash settled balances, whereas accrued income on cash and bonds have been reversed and included in the valuation of the underlying asset.

1.3.10 Deferred acquisition costs – these are not recognised on the Solvency II balance sheet as they are non-cash settled balances.

1.3.11 Other assets – other assets have been moved to technical provisions where they are technical in nature.

1.3.12 Deferred tax asset – valued based on the expected tax benefit once the valuation adjustments to transition to solvency valuations unwind.

2. Technical Provisions

2.1 The GAAP accounts of both the Group and the Company include provisions for claims incurred based on earned premiums which consider all reasonably foreseeable best estimates.

This includes reserves for claims incurred plus a provision for claims Incurred But Not yet Reported ('IBNR'). The Group and the Company also considers any amounts recoverable from reinsurance contracts in respect of its claims reserves and IBNR. All data in section [2] below relates to both the Group and the Company unless stated.

2.2 The technical provisions by line of business are as follows:

Company, as at 31 December 2019:

Line of business	**Technical Provisions (exc. Risk Margin) (£'000)**	**Risk Margin (£'000)**	**Technical Provisions (£'000)**
Motor Vehicle Liability	9,710	325	**10,035**
Other Motor Insurance	48	2	**49**
Fire & Other Damage to Property	7,246	243	**7,489**
General Liability	13,912	466	**14,378**
Credit and Suretyship	2,114	71	**2,185**
Legal Expenses	65	2	**67**
TOTAL	**33,095**	**1,108**	**34,203**

Company, as at 31 December 2018:

Line of business	**Technical Provisions (exc. Risk Margin) (£'000)**	**Risk Margin (£'000)**	**Technical Provisions (£'000)**
Motor Vehicle Liability	14,195	(195)	**14,000**
Other Motor Insurance	71	(1)	**70**
Fire & Other Damage to Property	4,511	368	**4,880**
General Liability	17,454	934	**18,388**
Credit and Suretyship	1,967	(213)	**1,753**
Legal Expenses	66	1	**66**
TOTAL	**38,263**	**894**	**39,157**

Group, as at 31 December 2019:

Line of business	Technical Provisions (exc. Risk Margin) (£'000)	Risk Margin (£'000)	Technical Provisions (£'000)
Motor Vehicle Liability	9,710	325	**10,035**
Other Motor Insurance	48	2	**49**
Fire & Other Damage to Property	7,246	243	**7,489**
General Liability	13,912	466	**14,378**
Credit and Suretyship	2,114	71	**2,185**
Legal Expenses	65	2	**67**
TOTAL	**33,095**	**1,108**	**34,203**

Group, as at 31 December 2018:

Line of business	Technical Provisions (exc. Risk Margin) (£'000)	Risk Margin (£'000)	Technical Provisions (£'000)
Motor Vehicle Liability	14,286	483	**14,769**
Other Motor Insurance	71	2	**73**
Fire & Other Damage to Property	3,866	131	**3,997**
General Liability	17,971	588	**18,559**
Credit and Suretyship	1,968	67	**2,035**
Legal Expenses	66	2	**68**
TOTAL	**38,228**	**1,273**	**39,501**

Negative technical provisions arise where future premiums exceed provisions for claims.

2.3 The key areas of uncertainty around technical provisions are as follows:

2.3.1 Estimation of outstanding loss reserves ("OSLR") – while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.

2.3.2 Estimation of the losses relating to claims IBNR – this is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving.

2.3.3 Estimation of claims arising on business which have not yet expired ("unexpired risks") – this is uncertain as the claims have not yet been incurred, but are expected to be incurred on the business which the Company has written.

2.3.4 Market environment – changes in the market environment increase the inherent uncertainty affecting the business. In particular, claims inflation, propensity for UK motor and liability claims to settle through periodic payment orders ('PPOs') and the Legal Aid, Sentencing and Punishment of Offenders ('LASPO') Act have all impacted the market environment in recent years.

2.3.5 Events not in data ('ENID loading') – estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed.

2.3.6 Run-off expenses – the estimation of the change in expense base for run-off of the Company is inherently uncertain due to the estimations around the period of the run-off, base costs and inflation.

2.3.7 Risk margin – the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run off expenses provision considered at [2.3.6], as well as the inherent uncertainties around forecasting future solvency capital requirements.

2.4 The Company manages the risks around these uncertainties via the following actions:

2.4.1 Ongoing monitoring of claims, including regular reviews of claims handling functions.

2.4.2 Maintaining a number of reinsurance arrangement to limit the impact of adverse claims development (see [2.8]).

2.4.3 Internal controls through the underwriting committee and actuarial function which monitor claims development and reinsurance arrangements.

2.4.4 Regular external actuarial reviews.

2.5 The changes required to transition from GAAP accounts to technical provisions for solvency purposes are consistent, and are noted below:

GAAP Accounts	**Changes**	**Solvency Purposes**
Reinsurance recoveries	*To consider on written basis and adjust for default provison, discounting and net of payables*	RI share of claims provisions RI share of unexpired risks Less: Reinsurance payables Less: Counterparty default provision Less: Discounting
Claims reserves	*To consider on written basis and adjust for ENID loading, run-off provision, discounting and net of receivables*	Claims provisions Unexpired risks Events not in data (ENID) loading Run-off provision Less: Intermediary and policyholder receivables Less: Discounting
	Risk margin - appropriate to compensate a third party insurer to run off on a portfolio transfer.	Risk margin

We shall consider each of these adjustments to transition from GAAP accounts to solvency technical provisions.

2.5.1 Claims provisions

The Company and Group has adjusted its claims provision in its GAAP accounts in recording the claims provisions for solvency purposes as at 31 December 2019 to reclassify balances of a technical nature from other debtors and creditors to technical provisions and to consider the impact of contract boundaries.

The claims provisions as at 31 December 2019 were £31,745k (2018: £37,566k).

Other than reclassifications and adjustment as a result of consideration of contract boundaries, there have been no further adjustments resulting from reserving methodologies.

2.5.2 Reinsurance share of claims provision

The Company and Group has adjusted its reinsurance recoveries in its GAAP accounts in recording the reinsurance share of claims provisions for solvency purposes as at 31 December 219 to reclassify balances of a technical nature from other debtors and creditors to technical provisions and to consider the impact of contract boundaries.

The reinsurance shares of claims provisions as at 31 December 2019 were £27,292kk for the company and group (2017 £33,144k).

Other than reclassifications and adjustment as a result of consideration of contract boundaries, there have been no further adjustments resulting from reserving methodologies.

2.5.3 Unexpired risks

The Company and the Group have estimated the claims which will be payable on unexpired risks (sometimes termed ‘premium provisions’) based on the ultimate loss ratios and large loss experience from the claims provisions.

The premium provision as at 31 December 2018 is £3,236k (2018: £1,984k).

2.5.4 Reinsurance share of unexpired risks

The Company and the Group have estimated the amounts recoverable on unexpired risks (sometimes termed ‘reinsurance share of premium provisions’) based on the ultimate loss ratios from the claims provisions.

The reinsurance share of premium provisions as at 31 December 2019 is £1,913k (2018: £1,228k).

2.5.5 Intermediary and policyholder receivables

Intermediary and policyholder receivables are netted off the technical provisions for solvency purposes.

There are no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes other than to recognise additional recoverable amounts as a result of considering contract boundaries.

The insurance receivables as at 31 December 2019 are £3,651k (2018: £3.392k).

2.5.6 Other receivables and payables in technical provisions

Other receivables and payables, notably claims funds held by intermediaries are netted off the technical provisions for solvency purposes.

2.5.7 Reinsurance payables

Net reinsurance payables are netted off the reinsurance recoveries for solvency purposes.

There are no valuation differences between GAAP accounts and net reinsurance payables for solvency purposes other than to recognise additional recoverable amounts as a result of considering contract boundaries.

2.5.8 Events not in data loading

Technical provisions for solvency purposes are required to allow for all possible events, including those that may not have been historically realised before. Such events not presented in a set of observable historical loss data are often called Events Not In Data ("ENID").

This is a difference in valuation methodology compared to the GAAP accounts which consider best estimates which can be reasonably foreseen, and therefore leads to a loading on the technical provisions to consider the probability weighted effect of events which have not previously been observed.

The Company and Group have undertaken an assessment of previously unobserved events for each line of business and sought to consider the probability weighted effect of such events and, given the business model, believe that such unobserved events are unlikely.

As such, the ENID loading applied by the Company and the Group as at 31 December 2018 was £367k (2018: £253k).

2.5.9 Counterparty default provision

The Company and the Group have considered a provision for default by one or more of its reinsurance providers. The provision is based on the total exposure to the counterparty, the rating of the counterparty and the existence of any collateral arrangements with the counterparty.

The Company and Group estimate the counterparty default provision and consider each of the exposures, net of collateral arrangements in existence, apply the estimated probability of default by rating and derive a weighted average probability of default.

The Company and Group have calculated the weighted average probability of default of reinsurers as 0.004% (2018: 0.03%), and thus the counterparty default adjustment is £10k for the Company and £17k for the Group (2017: £166k).

2.5.10 Run-off provision

Technical provisions for solvency purposes are required to take account of all expenses that will be incurred in servicing insurance obligations. This is commonly referred to as a 'run-off' provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run-off.

The Company and the Group have considered a run-off period of seven years and estimated the level of future expenses based on the current level of expenses, considering the decrease in activity in the period, underlying expense inflation and an estimated minimum level of costs which would be incurred in any one year.

The run-off provision applied by the Company and the Group as at 31 December 2019 was £2,634k (2018: £2,041k).

2.5.11 Discounting

Discounting has been applied in the technical provisions based on a weighted average of the yield curves as at 31 December 2019 as issued by the European Insurance and Occupational Pensions Authority ("EIOPA").

The impact of discounting on the technical provisions is £1,237k for the company and group (2018: 190k for the company and £833k for the group), and on the reinsurance share of technical provisions the impact of discounting is £903k for the company and group (£108k for the company and £476k for the group).

2.5.12 Risk Margin

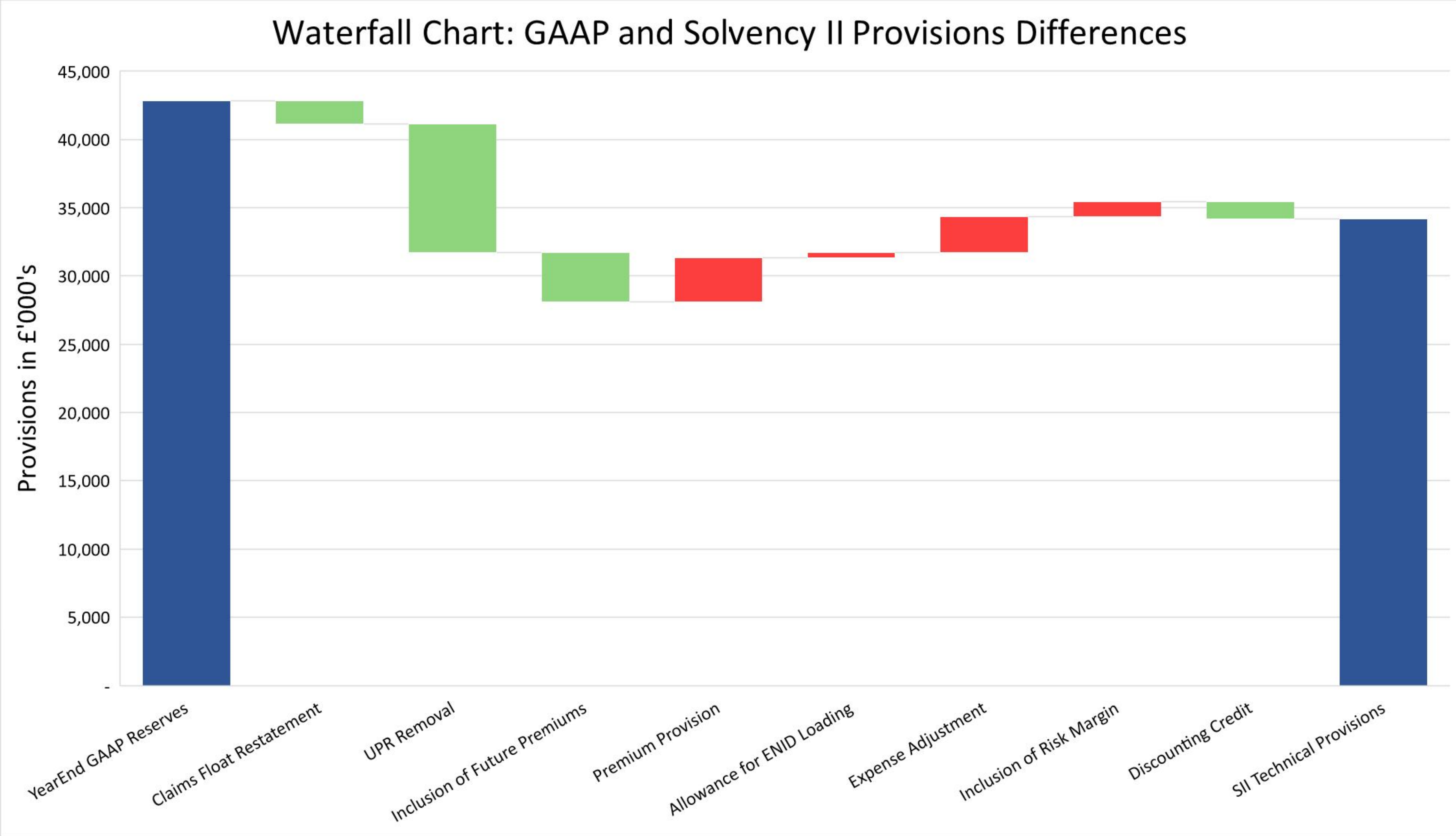
The risk margin has been considered to ensure that the value of the technical provisions is equivalent to the amount that would be expected to have to be paid to a third-party insurance company in order to take over and meet the insurance obligations of the Company.

The risk margin has been calculated based on the estimated capital requirements to run off the Company's obligations and applying a cost of capital of 6%.

The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk and reinsurance counterparty risk. This results in a risk margin of £1,108k for the company and for the group (2018: £894k for the company and £1,273k for the group).

2.6 Neither the Group nor the Company have applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its technical provisions.

2.7 The changes to technical provisions as at 31 December 2019 highlighted above are reflected in the waterfall diagrams below:



2.8 The key reinsurance arrangements in place are as follows:

2.8.1 Motor vehicle liability and other motor insurance

The Company caps its underwriting risk at £750k for UK policies via a nonproportional ("XoL") treaty.

The panel of reinsurers in the XoL treaty are predominately counterparties with good ratings from a well-known rating agency.

The Company also has a proportional ("QS") treaty with two well rated counterparties, which limits the Company's underwriting risk to 25% of the total exposure, after large losses are recovered from the XoL treaty (i.e. "net losses").

2.8.2 Liability

The Company caps its underwriting risk at £500k for UK business or €650k for European business via an XoL treaty with well rated counterparties.

The Company also has a QS treaty in place which limits the Company's underwriting risk to 25% of the net losses.

2.8.3 Credit and suretyship

The Company has a QS treaty with a well rated counterparty in respect of its Italian bonds, limiting the Company's underwriting risk to 35% of the net losses, and some variable QS placements on the Norwegian business.

There is an XOL treaty in place for the Dommage Ouvrage, UK structural Defects, Spanish Bond and French Surety accounts.

2.8.4 Legal expenses

The Company has a QS treaty with a well rated counterparty, limiting the Company's underwriting risk of the net losses to nil.

There is a whole account Quota Share in place with the group's related reinsurer on a funds withheld basis.

3. Other Liabilities

3.1 As at 31 December 2019, the Group recorded the following classes of liabilities for solvency purposes:

Other Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated Debt	5,000	-	Reclassified to tier 2 capital. See section E.
Accruals & Deferred Income	333	-	Reversal of deferred income and inclusion of accruals
Reinsurance Accounts payable	11,970	-	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Other Creditors, Including Corporation Tax & IPT	257	-	Reclassification of technical balances to technical provisions

There have been no valuation adjustments for solvency purposes.

As at 31 December 2018, the Group recorded the following classes of liabilities for solvency purposes:

Other Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated Debt	5,000	-	Reclassified to tier 2 capital. See section E.
Accruals & Deferred Income	594	(251)	Reversal of deferred income and inclusion of accruals
Reinsurance Accounts payable	11,728	-	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Other Creditors, Including Corporation Tax & IPT	(16)	-	Reclassification of technical balances to technical provisions

3.2 As at 31 December 2019, the Company recorded the following classes of liabilities for solvency purposes:

Other Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated Debt	5,000	-	Reclassified to tier 2 capital. See section E.
Accruals & Deferred Income	333	-	Reversal of deferred income and inclusion of accruals
Reinsurance Accounts payable	11,970	-	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Other Creditors, Including Corporation Tax & IPT	241	-	Reclassification of technical balances to technical provisions

There have been no valuation adjustments for solvency purposes.

As at 31 December 2018, the Company recorded the following classes of liabilities for solvency purposes:

Other Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated Debt	5,000	-	Reclassified to tier 2 capital. See section E.
Accruals & Deferred Income	594	(255)	Reversal of deferred income and inclusion of accruals
Reinsurance Accounts payable	11,728	-	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.7])
Other Creditors, Including Corporation Tax & IPT	(41)	-	Reclassification of technical balances to technical provisions

There have been no valuation adjustments for solvency purposes.

4. Alternative Methods for Valuation

Not applicable for the Group or the Company.

5. Any Other Information

Not applicable for the Group or the Company.

E. Capital Management

1. Own Funds

1.1. The Group and the Company undertake an Own Risk and Solvency Assessment ('ORSA') exercise at least annually, or when the risk profile of the Group or the Company changes.

The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon. There have been no significant changes in the reporting period.

1.2. The Company and Group classifies its own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

The Group's own funds are as follows:

		2019		2018	
Own fund items	**Tier**	**£'000**	**%**	**£'000**	**%**
Share Capital and Share Premium	1	2,050	16	2,050	16
Reconciliation Reserve	1	5,025	40	5,692	44
Subordinated Debt	2	5,000	40	5,000	39
Deferred Tax Asset	3	420	3	213	2
		12,495	100	13,988	100

The Company's own funds are as follows:

		2019		2018	
Own fund items	**Tier**	**£'000**	**%**	**£'000**	**%**
Share Capital and Share Premium	1	2,000	15	2,000	14
Reconciliation Reserve	1	6.300	46	7,150	50
Subordinated Debt	2	5,000	36	5,000	35
Deferred Tax Asset	3	418	3	192	1
		13,718	100	15,790	100

The reconciliation reserve represents retained earnings and reconciliation adjustments from GAAP balance sheet to SII balance sheet.

1.3. The movement in own funds during the year ended 31 December 2019 is shown below:

	GROUP		COMPANY	
	£'000	**£'000**	**£'000**	**£'000**
(Deficit)/surplus at 31 December 2018		**1,095**		**2,410**
Profit per management accounts	**281**		**306**	
Adjustments to reconcile GAAP to SII profit:				
Changes in disallowable assets	(837)		(924)	
Change in RI counterparty default provision	(1)		(8)	
Change in risk margin and expense adjust.	(428)		(807)	
Change resulting from discounting	(24)		252	
Net changes in premium provisions, ENIDs, etc.	509		509	
Other changes (including deferred tax)	34		48	
Solvency II loss		**(461)**		**(624)**
Previous period SCR	11,861		11,933	
Current period SCR	10,982		11,025	
Decrease/(increase) in SCR		879		908
Surplus as at 31 December 2019		**1,531**		**2,694**

1.4. The eligible capital which may be used towards meeting the Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR') of the Group are as follows:

		2019		**2018**	
		Eligible capital for the		**Eligible capital for the**	
Own fund items	**Tier**	**SCR (£'000)**	**MCR (£'000)**	**SCR (£'000)**	**MCR (£'000)**
Share Capital and Share Premium	1	2,050	2,050	2,050	2,050
Reconciliation Reserve	1	5,025	5,025	5,692	5,692
Subordinated Debt	2	5,000	637	5,000	658
Deferred Tax Asset	3	420	-	213	-
		12,495	7,712	15,790	12,956

2. Solvency Capital Requirements & Minimum Capital Requirements

2.1. The SCR of the Company as at 31 December 2019 was £11,025k.

The MCR of the Company as at 31 December 2019 was £3,187k.

The SCR of the Group as at 31 December 2019 was £10,982k.

The SCR of the Company and Group is made up as follows:

2.1.1. The Company and the Group are exposed to market risks derived predominately from the assets held by the Company and the Group to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates also considered in the exposure from underwriting risks.

	2019		2018	
Market Risk	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Interest Rate	109	105	28	109
Spread	144	126	221	205
Equity	1,754	1,762	1,675	1,687
Currency	1,412	1,412	466	478
Property	574	574	574	574
Concentration	5,992	5,937	5,754	5,690
Diversification	(3,247)	(3,230)	(2,450)	(2,513)
TOTAL	**6,738**	**6,686**	**6,268**	**6,230**

2.1.2. The Company and Group are exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2).

	2019		2018	
Counterparty Risk	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Type 1	607	608	711	712
Type 2	-	-	-	-
Diversification	-	-	-	-
TOTAL	**607**	**608**	**711**	**712**

2.1.3. The Company and Group are exposed to non-life underwriting risk as a result of the insurance policies it sells. The risks are based on volatility around earned premiums and claims reserves, to catastrophe events to which the Company and Group may be exposed as well as the event that policyholders discontinue profitable policies.

	2019		2018	
Non-Life Underwriting Risk	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Premium & Reserve	3,174	3,174	2,968	2,920
Catastrophe	3,821	3,821	5,540	5,540
Lapse	182	182	-	-
Diversification	(1,630)	(1,630)	(1,600)	(1,582)
TOTAL	**5,547**	**5,547**	**6,908**	**6,878**

2.1.4. The final solvency capital requirement of the Company and the Group is the aggregation of the market, counterparty and non-life underwriting risks, less a credit for diversification, and then an additional charge to represent the operational risks faced by the Company and the Group.

	2019		2018	
Solvency Capital Requirement	**Company (£'000)**	**Group (£'000)**	**Company (£'000)**	**Group (£'000)**
Market	6,738	6,686	6,268	6,230
Counterparty	607	608	711	712
Non-life Underwriting	5,547	5,547	6,908	6,878
Basic SCR Diversification	(2,860)	(2,852)	(3,103)	(3,089)
Operational	993	993	1,148	1,129
TOTAL	**11,024**	**10,982**	**11,933**	**11,860**

2.2. Neither the Company nor the Group have utilised simplified calculations in applying the standard model and there has been no use of undertaking specific parameters in the non-life underwriting risk calculations.

2.3. The inputs used to calculate the MCR of the Company are as follows:

	Net (of Reinsurance) Best Estimate and Technical Provisions Calculated as a Whole		Net (of Reinsurance) Written Premiums in the Last 12 Months	
Line of business	**2019 (£'000)**	**2018 (£'000)**	**2019 (£'000)**	**2018 (£'000)**
Motor Vehicle Liability	1,086	-	-	-
Other Motor Insurance	4	-	-	-
Fire & Other Damage to Property	2,196	1,656	1,974	-
General Liability	2,774	4,198	-	-
Credit & Suretyship	-	-	4,621	3,819
Legal Expenses	4	4	-	-

3. Non-Compliance with the MCR and Non-Compliance with the SCR

3.1. The Company has maintained capital sufficient to meet its minimum capital requirement throughout the period covered by this report.

3.2. The Company has maintained capital sufficient to meet its solvency capital requirement throughout the period covered by this report.

4. Any Other Information

The Directors do not consider that there is any further information which should be disclosed regarding the capital management of the Company or the Group.

F. Quantitative Reporting Templates

CG Holdings (Gibraltar) Limited

Annual QRTs
Year ended 31st December 2019

S.02.01.02 - Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	420
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	11,034
R0080	Property (other than for own use)	2,295
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	8,009
R0110	Equities - listed	0
R0120	Equities - unlisted	8,009
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	730
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	3,131
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	325
R0260	Other loans and mortgages	2,806
R0270	Reinsurance recoverables from:	28,579
R0280	Non-life and health similar to non-life	28,579
R0290	Non-life excluding health	28,579
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	3,226
R0420	Any other assets, not elsewhere shown	309
R0500	**Total assets**	46,698

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	34,203
R0520	Technical provisions – non-life (excluding health)	34,203
R0530	TP calculated as a whole	0
R0540	Best Estimate	33,095
R0550	Risk margin	1,108
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	5,000
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	5,000
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	39,203
R1000	**Excess of assets over liabilities**	7,495

S.05.01.02.01 - Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
		Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	
		C0040	C0050	C0070	C0080	C0090	C0100	C0200
	Premiums written							
R0110	Gross - Direct Business	-29	-6	4,032	4	13,708	0	17,709
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	-14	-3	2,058	3	9,087	0	11,131
R0200	Net	-14	-3	1,974	0	4,621	0	6,578
	Premiums earned							
R0210	Gross - Direct Business	-29	-6	2,238	4	12,737	0	14,944
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	-14	-3	1,317	3	8,254	0	9,556
R0300	Net	-14	-3	921	0	4,483	0	5,388
	Claims incurred							
R0310	Gross - Direct Business	-869	-190	3,796	188	1,838	0	4,762
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-711	-156	2,190	569	1,286	0	3,178
R0400	Net	-158	-35	1,606	-381	551	0	1,584
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	44	106	0	0	150
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted							0
R0440	Reinsurers'share	0	0	22	53	0	0	75
R0500	Net	0	0	22	53	0	0	75
R0550	**Expenses incurred**	-1	0	798	96	3,539	0	4,430
R1200	**Other expenses**							0
R1300	**Total expenses**							4,430

S.05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	FR	ES	NO	IT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	4,227	3,239	7,607	7	2,610	17,690
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	2,223	2,140	4,583	19	2,155	11,120
R0200	Net	0	2,004	1,099	3,024	-12	455	6,570
	Premiums earned							
R0210	Gross - Direct Business	0	2,335	3,826	5,755	186	2,823	14,925
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	1,384	2,320	3,386	123	2,332	9,545
R0300	Net	0	951	1,505	2,369	63	491	5,380
	Claims incurred							
R0310	Gross - Direct Business	0	494	2,462	883	688	596	5,122
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	276	1,609	535	344	503	3,267
R0400	Net	0	217	854	347	344	93	1,855
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	10	120	0	0	0	130
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	5	60	0	0	0	65
R0500	Net	0	5	60	0	0	0	65
R0550	**Expenses incurred**	0	923	1,122	1,914	92	379	4,430
R1200	**Other expenses**							0
R1300	**Total expenses**							4,430

S.23.01.22 - Own funds

		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					
R0010	Ordinary share capital (gross of own shares)	28	28		0	
R0020	Non-available called but not paid in ordinary share capital at group level	0	0		0	
R0030	Share premium account related to ordinary share capital	2,022	2,022		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	Non-available subordinated mutual member accounts at group level	0		0	0	0
R0070	Surplus funds	0	0			
R0080	Non-available surplus funds at group level	0	0			
R0090	Preference shares	0		0	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	5,025	5,025			
R0140	Subordinated liabilities	5,000		0	5,000	0
R0150	Non-available subordinated liabilities at group level	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	420				420
R0170	The amount equal to the value of net deferred tax assets not available at the group level	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	Non available own funds related to other own funds items approved by supervisory authority	0	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	Non-available minority interests at group level	0	0	0	0	0
	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	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activitie	0	0	0	0	0
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0	0	0	0
R0270	Total of non-available own fund items	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	12,495	7,075	0	5,000	420
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	Total own funds of other financial sectors	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of IGT	0	0	0	0	0
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	12,495	7,075	0	5,000	420
R0530	Total available own funds to meet the minimum consolidated group SCR	12,075	7,075	0	5,000	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	12,495	7,075	0	5,000	420
R0570	Total eligible own funds to meet the minimum consolidated group SCR	7,712	7,075	0	637	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	3,187				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	2.4201				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	12,495	7,075	0	5,000	420
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	10,982				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	1.1377				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	7,495
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	2,470
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	0
R0760	**Reconciliation reserve before deduction for participations**	5,025
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,095
R0790	**Total Expected profits included in future premiums (EPIFP)**	1,095

S.25.01.22 - Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	6,686		
R0020	Counterparty default risk	608		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	5,547		
R0060	Diversification	-2,852		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	9,990		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	993
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	10,982
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	10,982
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	3,187
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	10,982

S.32.01.22 - Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	213800FSQ29M4EK1L167	LEI	Casualty & General Insurance Company (Europe) Limited	2	limited company	2	Financial Services Co	1.0000	1.0000	1.0000		1	1.0000	1		1
GB	2138009LPIJXGN23JW66GB00CGUK	SC	Casualty & General (UK) Limited	99	limited company	2		1.0000	1.0000	1.0000		1	1.0000	1		1
GB	2138009LPIJXGN23JW66GB00VCM	SC	Velocity Claims Management Limited	10	limited company	2		1.0000	1.0000	1.0000		1	1.0000	1		1
GI	2138009LPIJXGN23JW66	LEI	CG Holdings (Gibraltar) Limited	5	limited company	2								1		1

Casualty & General Insurance Company (Europe) Limited

Annual QRTs
Year ended 31st December 2019

S.02.01.02 - Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	0
R0040	Deferred tax assets	418
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	10,267
R0080	Property (other than for own use)	2,295
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	7,972
R0110	Equities - listed	0
R0120	Equities - unlisted	7,972
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	4,411
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	325
R0260	Other loans and mortgages	4,086
R0270	Reinsurance recoverables from:	28,579
R0280	Non-life and health similar to non-life	28,579
R0290	Non-life excluding health	28,579
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	3,932
R0420	Any other assets, not elsewhere shown	314
R0500	**Total assets**	47,921

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	34,203
R0520	Technical provisions – non-life (excluding health)	34,203
R0530	TP calculated as a whole	0
R0540	Best Estimate	33,095
R0550	Risk margin	1,108
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	5,000
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	5,000
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	39,203
R1000	**Excess of assets over liabilities**	8,718

S.05.01.02.01 - Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
		Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	
		C0040	C0050	C0070	C0080	C0090	C0100	C0200
	Premiums written							
R0110	Gross - Direct Business	-29	-6	4,032	4	13,708	0	17,709
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	-14	-3	2,058	3	9,087	0	11,131
R0200	Net	-14	-3	1,974	0	4,621	0	6,578
	Premiums earned							
R0210	Gross - Direct Business	-29	-6	2,238	4	12,737	0	14,944
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	-14	-3	1,317	3	8,254	0	9,556
R0300	Net	-14	-3	921	0	4,483	0	5,388
	Claims incurred							
R0310	Gross - Direct Business	-869	-190	3,765	219	1,838	0	4,762
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	-711	-156	2,190	569	1,286	0	3,178
R0400	Net	-158	-35	1,575	-350	551	0	1,584
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	0	44	106	0	0	150
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted							0
R0440	Reinsurers'share	0	0	22	53	0	0	75
R0500	Net	0	0	22	53	0	0	75
R0550	**Expenses incurred**	-1	0	572	96	3,521	0	4,187
R1200	**Other expenses**							0
R1300	**Total expenses**							4,187

S.05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	FR	ES	NO	IT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	4,227	3,239	7,607	7	2,610	17,690
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	2,223	2,140	4,583	19	2,155	11,120
R0200	Net	0	2,004	1,099	3,024	-12	455	6,570
	Premiums earned							
R0210	Gross - Direct Business	0	2,335	3,826	5,755	186	2,823	14,925
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	1,384	2,320	3,386	123	2,332	9,545
R0300	Net	0	951	1,505	2,369	63	491	5,380
	Claims incurred							
R0310	Gross - Direct Business	0	494	2,462	883	688	596	5,122
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	276	1,609	535	344	503	3,267
R0400	Net	0	217	854	347	344	93	1,855
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	10	120	0	0	0	130
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	5	60	0	0	0	65
R0500	Net	0	5	60	0	0	0	65
R0550	**Expenses incurred**	0	871	1,060	1,807	87	358	4,183
R1200	**Other expenses**							0
R1300	**Total expenses**							4,183

S.17.01.02 - Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance						
		Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Total Non-Life obligation
		C0050	C0060	C0080	C0090	C0100	C0110	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0	0	0	0	0
	Technical provisions calculated as a sum of BE and RM							
	Best estimate							
	Premium provisions							
R0060	Gross	26	0	590	-3	-256	0	357
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0	518	2	1,640	0	2,160
R0150	Net Best Estimate of Premium Provisions	26	0	72	-5	-1,896	0	-1,803
	Claims provisions							
R0160	Gross	9,684	48	6,656	13,915	2,370	65	32,738
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	8,624	44	4,532	11,137	2,020	61	26,419
R0250	Net Best Estimate of Claims Provisions	1,060	3	2,124	2,779	349	4	6,319
R0260	**Total Best estimate - gross**	9,710	48	7,246	13,912	2,114	65	33,095
R0270	**Total Best estimate - net**	1,086	4	2,196	2,774	-1,547	4	4,516
R0280	**Risk margin**	325	2	243	466	71	2	1,108
	Amount of the transitional on Technical Provisions							
R0290	Technical Provisions calculated as a whole	0	0	0	0	0	0	0
R0300	Best estimate	0	0	0	0	0	0	0
R0310	Risk margin	0	0	0	0	0	0	0
	Technical provisions - total							
R0320	Technical provisions - total	10,035	49	7,489	14,378	2,185	67	34,203
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	8,624	44	5,051	11,138	3,661	61	28,579
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	1,411	5	2,439	3,239	-1,476	6	5,624

S.19.01.21 - Non-life Insurance Claims Information

Total Non-Life Business

Z0020	Accident year / Underwriting year	**Z0020**	Underwriting year [UWY]

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

Development year

	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
R0100	**Prior**											1,211	1,211	1,211
R0160	**N-9**	2	130	136	373	790	1,273	1,906	193	268	360		360	5,430
R0170	**N-8**	31	180	270	262	299	200	434	160	16			16	1,853
R0180	**N-7**	8	112	92	287	467	362	275	130				130	1,733
R0190	**N-6**	23	148	337	242	316	984	219					219	2,271
R0200	**N-5**	30	164	611	1,640	1,606	1,317						1,317	5,369
R0210	**N-4**	20	121	327	2,573	2,747							2,747	5,787
R0220	**N-3**	61	266	918	2,150								2,150	3,395
R0230	**N-2**	0	772	1,212									1,212	1,984
R0240	**N-1**	0	337										337	337
R0250	**N**	0											0	0
R0260												**Total**	9,700	29,371

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											-1,043	-992
R0160	**N-9**	0	0	0	0	0	0	0	0	444	-431		-406
R0170	**N-8**	0	0	0	0	0	0	4	1,025	410			408
R0180	**N-7**	0	0	0	0	0	23	1,117	746				739
R0190	**N-6**	0	0	0	0	14	4,183	1,210					1,202
R0200	**N-5**	0	0	0	92	4,082	3,915						3,946
R0210	**N-4**	0	0	871	3,811	9,114							9,111
R0220	**N-3**	0	2,745	6,401	10,389								10,459
R0230	**N-2**	788	3,715	4,940									4,791
R0240	**N-1**	361	1,871										1,544
R0250	**N**	2,305											1,935
R0260												**Total**	32,738

S.23.01.01 - Own funds

		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					
R0010	Ordinary share capital (gross of own shares)	40	40		0	
R0030	Share premium account related to ordinary share capital	1,960	1,960		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	6,300	6,300			
R0140	Subordinated liabilities	5,000		0	5,000	0
R0160	An amount equal to the value of net deferred tax assets	418				418
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
	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	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	0
R0290	**Total basic own funds after deductions**	13,718	8,300	0	5,000	418
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	13,718	8,300	0	5,000	418
R0510	Total available own funds to meet the MCR	13,300	8,300	0	5,000	
R0540	Total eligible own funds to meet the SCR	13,718	8,300	0	5,000	418
R0550	Total eligible own funds to meet the MCR	8,937	8,300	0	637	
R0580	**SCR**	11,025				
R0600	**MCR**	3,187				
R0620	**Ratio of Eligible own funds to SCR**	1.2443				
R0640	**Ratio of Eligible own funds to MCR**	2.8044				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	8,718
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	2,418
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	6,300
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,095
R0790	**Total Expected profits included in future premiums (EPIFP)**	1,095

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

			Gross solvency capital requirement	USP	Simplifications
			C0110	C0090	C0120
R0010	Market risk	R0010	6,738		
R0020	Counterparty default risk	R0020	607		
R0030	Life underwriting risk	R0030	0		
R0040	Health underwriting risk	R0040	0		
R0050	Non-life underwriting risk	R0050	5,547		
R0060	Diversification	R0060	-2,860		
R0070	Intangible asset risk	R0070	0		
R0100	**Basic Solvency Capital Requirement**	R0100	10,032		

	Calculation of Solvency Capital Requirement		C0100
R0130	Operational risk	R0130	993
R0140	Loss-absorbing capacity of technical provisions	R0140	0
R0150	Loss-absorbing capacity of deferred taxes	R0150	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
R0200	**Solvency capital requirement excluding capital add-on**	R0200	11,025
R0210	Capital add-on already set	R0210	0
R0220	**Solvency capital requirement**	R0220	11,025
	Other information on SCR		
R0400	Capital requirement for duration-based equity risk sub-module	R0400	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

			Yes/No
	Approach to tax rate		C0109
R0590	Approach based on average tax rate	R0590	0

Calculation of loss absorbing capacity of deferred taxes

			LAC DT
			C0130
R0600	DTA	R0600	
R0610	DTA carry forward	R0610	
R0620	DTA due to deductible temporary differences	R0620	
R0630	DTL	R0630	
R0640	LAC DT	R0640	0
R0650	LAC DT justified by reversion of deferred tax liabilities	R0650	0
R0660	LAC DT justified by reference to probable future taxable economic profit	R0660	0
R0670	LAC DT justified by carry back, current year	R0670	0
R0680	LAC DT justified by carry back, future years	R0680	0
R0690	Maximum LAC DT	R0690	0

S.28.01.01 - Minimum Capital Requirement

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	1,255

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	1,086	0
R0060	Other motor insurance and proportional reinsurance	4	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	2,196	1,974
R0090	General liability insurance and proportional reinsurance	2,774	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	4,621
R0110	Legal expenses insurance and proportional reinsurance	4	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	1,255
R0310	SCR	11,025
R0320	MCR cap	4,961
R0330	MCR floor	2,756
R0340	Combined MCR	2,756
R0350	Absolute floor of the MCR	3,187

		C0070
R0400	**Minimum Capital Requirement**	3,187