# SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2017

# **Contents**

**Page 2 Executive Summary** 

**Page 3 Section A Business and Performance** 

**Page 7 Section B System of Governance** 

**Page 16 Section C Risk Profile** 

**Page 24 Section D Valuation for Solvency Purposes** 

**Page 31 Section E Capital Management** 

Page 33 Appendices

# **Solvency and Financial Condition Report**

# **Executive Summary**

The Solvency and Financial Condition Report ("SFCR") hereby presented aims to provide the user with an overview of the business and performance, system of governance, risk profile, the valuation for solvency purposes and the capital management of Probus Insurance Company Europe DAC ("the Company") for the year ended 31 December 2017.

Under business and performance there have been no major changes to the way the Company operates. The only change in the business mix in 2017 was the discontinuation of the Italian 3rd party motor programme from July 2017. There are also no plans to change the business mix in 2018. The Company has made a €1.4m loss in 2017 due to some large loss claims but continues as a going concern. During 2016 continuing into 2017, a new reinsurance contract was put in place with ACE European Group Limited between US\$5million and US\$10million to reduce the exposure to large claims.

There have been no material changes in the system of governance during 2017. The board and committee composition and the overall structure have remained the same. There have been some minor changes to the terms of reference of the board and the committees in order to maintain compliance by clarifying responsibilities. The internal audit function remains sub-outsourced with specific internal audit work executed by KPMG for the Hertz Internal Audit Department ("HIAD").

The risk profile of the Company also remains unchanged. No new risks have arisen during 2017 while robust structures remain in place to mitigate existing risks. Stress testing of risks is completed at least annually as part of the Own Risk and Solvency Assessment ("ORSA") process.

The only difference between the financial statement values and the valuation for solvency purposes for the Company's assets and liabilities is in the technical reserves. The Company has used the standard formula for the purposes of calculating its Solvency Capital Requirement ("SCR") and no alternative valuation techniques have been employed.

Under capital management there have been no changes to the composition of the Company's own funds held during 2017. The Company has maintained the SCR cover up from 165% in December 2016 to 168% as at 31st December 2017.

# **Section A Business and Performance**

#### A.1 Business

The Company, LEI code 635400Q3OJTNLWUODN38, is a designated activity company limited by shares. The Company is incorporated in the Republic of Ireland registered under the company number 252557. The Company's registered office is located at Hertz Europe Business Centre, Swords Business Park, Swords, Co. Dublin.

The Company is part of the Hertz Rent-a-Car organisation. The Company's immediate parent is Hertz International RE Limited ("Hire Dublin") which is incorporated in Ireland with a registered office at Hertz Europe Service Centre, Swords Business Park, Swords, Co. Dublin, Republic of Ireland. Hire Dublin owns 100% of the issued shares of the Company. The ultimate holding company is Hertz Global Holdings, Inc. ("Hertz Holdings") which is incorporated in the United States with a registered office at 8501 Williams Road, Estero, FL 33928, United States. See Appendix 1 for an abbreviated group structure chart.

The Company is subject to financial supervision and regulation by the Central Bank of Ireland's Insurance Supervision Division ("CBI") located at Spencer Dock, North Wall Quay, Dublin 1. The Company's supervisor within the CBI is Sheila Larkin (email <a href="mailto:sheila.larkin@centralbank.ie">Sheila.larkin@centralbank.ie</a>).

The Company is subject to annual external audits. Audit services are performed by Ernst & Young ("EY") located at Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

The Company has two lines of business as at 31 December 2017, third party Motor Vehicle Liability insurance ("Motor Vehicle Liability") and personal accident insurance ("Assistance"). The business is sourced from Hertz European corporate entities on a freedom of services basis. Motor Vehicle Liability is by far the more material comprising approximately 95% of the premium written. UK, Italy, France, Germany and Netherlands are the five largest countries where premium was written for 2017. Probus ceased to write Motor Vehicle Liability in Italy from 31 June 2017.

	Total	UK	Italy	France	Germany	Netherlands
	€	€	€	€	€	€
Gross						
Written	28,203,357	13,079,172	6,464,275	3,995,458	4,076,398	588,053
Premium						
Made up						
of:						
Motor						
Vehicle	26,672,373	13,013,338	5,288,998	3,793,497	4,001,455	575,085
Liability						
Assistance	1,530,984	65,834	1,175,278	201,961	74,943	12,968

On June 30th 2017, Probus ceased to underwrite Class 10 Motor Vehicle Liability insurance in Italy. This lapse has reduced the Italian premium in 2017 to €6.5m (2016: €15.9m). For 2017 the additional reinsurance contract put in place with ACE European Group Limited was maintained between US\$5m and US\$10m to reduce the exposure to large claims going forward.

# **A.2 Underwriting Performance**

Underwriting performance	31 December 2017	31 December 2016	Movement year over
	€	€	year
			€
Net premium earned			
Motor Vehicle Liability	2,660,676	7,353,713	(4,719,435)
Assistance	1,756,782	1,729,933	27,629
Property	-	105,769	(105,769)
	4,417,458	9,189,415	(4,797,575)
Net claims paid			
Motor Vehicle Liability	3,864,672	6,369,520	(2,264,273)
Assistance	119,608	116,722	64,726
Property	-	(325,214)	325,214
	3,984,280	6,161,028	(1,874,333)
Commission received (motor)	1,297,570	2,411,657	(1,117,909)
Underwriting profit/(loss)	1,730,748	5,440,044	(5,041,151)

On an overall level underwriting profit has dropped 74% year over year. During 2017, the Company made a reduced underwriting profit of €1,730,748. The following factors are the main reasons for the reduction in underwriting profit in 2017:

- A reduction in Italian gross premium in €6,464,276:2017 (€15,856,195:2016)
- A large UK claim €630,252

Please see **Appendix 2** for a snapshot of QRT S.05.01.01.01; further details can be seen in the full S.05.01.01.01 as submitted. The technical profit and loss account taken from the 2017 financial statements is also given here.

As mentioned above, Motor Vehicle Liability continues to be the larger of the two lines of business written contributing 94% of the premium written in 2017. In 2016, Motor Vehicle Liability contributed 97% of the gross written premium while Assistance and a small amount of Property contributed 3%. The property programme was discontinued from 31 March 2016. From an underwriting profit perspective Assistance contributed a profit of €1.6m in 2017 while Motor Vehicle Liability was a loss of €130k. The higher profitability margin on Assistance is due to much lower claims volumes on the Assistance business.

The top five countries (in terms of gross written premium) for Motor Vehicle Liability in 2017 were the UK, Italy, France, Germany and Netherlands. This changed from 2016 where Belgium premiums were higher than the Netherlands and was in the top five. The top five countries (in terms of gross written premium) for Assistance in 2017 were Italy, France, Spain, Germany and the UK. This is unchanged from 2016. See **Appendix 3** for graphical representation of the top 5 countries for 2017 and 2016.

#### **A.3 Investment Performance**

Investments	Solvency II balance sheet heading	31 December 2017	31 December 2016	Movement year over year
		€	€	€
HHN loan	Other loans and	20,000,000	20,000,000	-
	mortgages			
Investments (cash on	Deposits other than	20,728,096	44,745,218	(24,017,122)
deposit)	cash equivalents			
Cash at bank	Cash and cash	11,718,184	13,367,324	(1,649,140)
	equivalents			
Swiss bonds	Government bonds	-	-	-
Total investments		52,446,280	78,112,542	(25,666,262)

The Company holds one intercompany loan with Hertz Holdings Netherlands B.V. ("HHN"). This loan is on an arms-length basis with interest paid on a quarterly basis. Interest is calculated on a EURIBOR floating rate base plus a spread. Interest earned for 2017 was €542,061, compared to €424,267 in 2016.

Additionally the Company holds excess cash on deposit for periods not exceeding three months. Remaining cash remains in current accounts to meet payments as they fall due. Interest earned on all of these accounts amounted to €26,214 in 2017, compared to €26,675 in 2016. In addition, charges (including negative interest charged for certain deposits) came to €167,323 for 2017, compared to €183,161 for 2016. Details of all income on investments are given in QRT S.09.01.01.01.

# A.4 Performance of other activities

Other material expenses of the Company are split between insurance and administration costs. Under insurance costs the material expenses relate to VAT, claims handling and data processing and MIB payments. Under administration costs the material expenses relate to salaries and related staff costs, legal fees, actuarial fees, audit and tax fees. The Company had no leasing arrangements in place during 2017 or 2016. See below table for comparison with prior period.

Insurance costs	31 December	31 December	Difference year	% Difference
	2017	2016	over year	year over year
	€	€	€	
VAT	106,179	122,758	(16,579)	-14%
Claims handling	123,919	251,188	(127,269)	-51%
Data processing	173,645	174,743	(1,098)	-1%
MIB payments	1,094,503	561,705	532,798	95%
Total	1,498,246	1,110,394	387,852	35%
Administration	31 December	31 December	Difference year	% Difference
costs	2017	2016	over year	year over year
	€	€	€	
Salaries and				
related staff	952,927	994,562	(60,397)	-6%
costs				
Legal fees	-	67,683	(67,683)	-100%
Actuarial fees	236,433	223,899	13,391	6%

Audit and tax	242,299	125,042	117,257	94%
fees				
Claims audit fees	186,376	163,451	(22,925)	14%
Revenue interest	-	81,921	(81,921)	-100%
and penalties				
Total	1,618,395	1,656,558	(38,163)	-2%

# A.5 Any other information

There is no other material information beyond what has been discussed above to note.

# **Section B System of Governance**

# **B.1** General information on system of governance

The Company's internal operational structure can be seen in **Appendix 4**. Both the general manager and the finance manager also sit on the board as executive directors. The board is made up of three additional non-executive directors ("NEDs") from the wider Hertz group and two independent non-executive directors ("INEDs") from outside of the Company and Hertz. The board is supported by both a risk and audit committee. Each committee is made up of three board members, two INEDs and one other, and both are chaired by an INED. The terms of reference of the board and the committees are reviewed and updated annually.

There have been no material changes in the system of governance during 2017.

The remuneration for staff is determined on industry averages and Hertz internal policies. Fixed salary is revised annually for a "standard of living increase" of approximately 1%, no other salary increases have been made in 2017 or 2016. Staff are entitled to an annual bonus which is calculated on a standard percentage of base salary and is also dependant on the performance of Hertz in Europe and Hertz in the US with a 50/50 split (2016: 70/30 split). There are currently no supplementary pension/early retirement schemes in place for any staff member.

There have been no material transactions during 2017 (2016: nil) with the shareholder, any board member or any other influential party.

Key functions are managed by the Company's in house staff. Risk and compliance are overseen by the Chief Risk & Compliance Officer with input from the general manager and all relevant views, advice and findings are reported to the risk committee and the board on a quarterly basis. It is ensured that the Chief Risk & Compliance Officer is provided with the necessary operational independence and appropriate resources as required.

Finance is managed by the finance manager with responsibility for monthly, quarterly and annual reporting. External audit is overseen by the finance function. Sufficient staff levels are maintained within the finance function to ensure segregation of duties and appropriate levels of review. All relevant finance and audit views, advice and findings are reported to the audit committee and the board on a quarterly basis.

Internal audit is outsourced to HIAD who perform annual reviews. An arms-length service level agreement ("SLA") is in place for this relationship which is also in accordance with the Company's outsourcing policy. The relationship is managed by the Company's Chief Risk & Compliance Officer and to provide for the independence of the internal audit function, as per Article 46-2 of the Solvency II Directive, all relevant views and findings resulting from the annual review are reported directly to the audit committee and the board. See section B6 for further details on the internal audit function.

The actuarial function is outsourced to Willis Towers Watson and the relationship is overseen by the general manager and finance manager. A contract governs the work performed as per accordance with the Company's outsourcing policy. The representatives from Willis Towers Watson present their actuarial reports to the risk committee and the board as required. The Head of Actuarial Function ("HoAF") Richard Bulmer has been approved by the CBI as a qualified individual to hold this role. The Company ensures that the HoAF has the necessary access to information and resources, including appropriate authority and reporting lines, as required for the purpose of providing the opinions and performing the tasks specified under the 2015 Regulations and the CBI requirements. See section B7 for further details on the actuarial function.

#### **B.2** Fit and proper requirements

The Company has its own Fitness and Probity policy and adheres to the current fitness and probity standards as circulated by the CBI and recently amended in Irish law under Statutory Instrument ("SI") 585 of 2015. The Company's policy for recruitment of key function holders takes into consideration first and foremost the business need for the appointment of an individual. The individual selected must be competent and capable, honest, ethical and act with integrity and be financially sound. Once the optimal candidate possessing the required skills has been sought the required application of due diligence is documented and then a submission is made to the CBI for pre-approval. Training is provided/arranged for directors in relation to key topics. All individuals with relevant qualifications are expected to comply with the continuing professional development ("CPD") requirements of their relevant institutes. Quarterly compliance training is also provided to the Company's staff by the Chief Risk & Compliance Officer.

The Company carries out an annual audit of persons performing a controlled function or pre-approval controlled function by asking them whether there have been any material changes regarding their compliance with the fitness and probity standards. The Company also resends the standards to the necessary individuals and ensures they resign their agreements with the Company on an annual basis. If the Company becomes aware of any concerns re the fitness and probity of these individuals this will be investigated and appropriate actions taken. The CBI will also be notified.

The Company's board as at December 2017 was comprised as follows:

Name	Position	Fitness & Probity Reference	Effective Appointment Date
Tom Santorelli	Group Director and Chairman  (Hertz Vice President of Insurance, Risk & Claims Management)	PCF-3 Chairman of the Board PCF-2 Non-Executive Director	14 <sup>th</sup> December 2015
Nuns Moodliar	Non-Executive Director  (Hertz International, Vice President Legal and Corporate Affairs)	PCF-2 Non-Executive Director	1 <sup>st</sup> July 2005
Robin Kramer	Non-Executive Director  (Hertz Senior Vice President & Chief Accounting Officer)	PCF-2 Non-Executive Director	4 <sup>th</sup> October 2016
Stephen Hodgins	Independent Non-Executive Director (Chair of the Probus Risk Committee)	PCF-2 Non-Executive Director  PCF-5 Chairman of the Risk Committee	1 <sup>st</sup> December 2016

John Perham	Independent Non-Executive Director	PCF-2 Non-Executive	1 <sup>st</sup>
	(Chair of the Probus Audit Committee)	Director	September
		PCF-4 Chairman of the Audit Committee	2016
Martin Scullion	Executive Director	PCF-1 Executive	27 <sup>th</sup> July
	(Probus, General Manager)	Director PCF-8 Chief Executive	2006
Charlotte Torr	Executive Director	PCF-1Executive	9 <sup>th</sup> January
	(Probus Finance Manager)	Director	2008
	(Probus, Finance Manager)	PCF-11Head of Finance	

The senior management of the Company as at December 2017 were:

Name	Position	Fitness & Probity Reference
Martin Scullion	General Manager	PCF-1 Executive Director
	G	PCF-8 Chief Executive PCF-17 Head of Underwriting
Charlotte Torr	Finance Manager	PCF-1 Executive Director
		PCF-11 Head of Finance
Martin Mullooly	Head of Claims	PCF- 43 Head of Claims
Andrew Oja	Chief Risk & Compliance Officer	PCF-12 Head of Compliance
	- Chieci	PCF-15 Head of Compliance with responsibility for AML
		PCF-14 Head of Risk
With support from:		
Angelo Giglio	Probus Swiss Branch Manager	PCF-41 The manager of a branch in the Switzerland (not an EEA country)
Richard Bulmer	Head of Actuarial Function	PCF-48 Head of Actuarial Function (outsourced role)
Randy Walford	Head of Internal Audit	PCF-13 Head of Internal Audit (outsourced role)

#### **B.3 Risk management system and ORSA**

The Company's Risk Management System is governed by the Risk Management Policy. This states that the board is ultimately responsible for ensuring the effectiveness of the risk management system, setting the Company's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies. The strategy of the risk management system is to identify, assess, manage key risks and to monitor the impact of internal and external events on Board chosen appetite and tolerance metrics. The key annual process being the ORSA scenario testing and observing events that could materially impede the entity's ability to achieve its strategic objectives.

Within its adopted system of governance the Company has a systematic way of managing risk as follows:



Monthly

• Senior management/function holders monitors the Risk register, Risk Event Log, Risk Appetite Statement, Key Risk Dashboard versus business activity and escalates material items.

• Quarterly  Risk Committee/Board monitors and acts on reviews the general manager risk summary report, key risk dashboard, stress testing ORSA Reports, risk event log reports from all functions of the business.

Annually

• Risk Committee and Board approve policies and system of governance including risk policy and register for annual statement of compliance to the Central Bank. Plans, executes, reviews and acts on outcome of stress testing and ORSA then approves final report to regulator by relevant year-end.

The senior management/function holders monitor the risk register which lists all of the risks the Company is currently required to manage from local or EU requirements through a stated risk appetite and tolerance. Supporting the risk register risks is a risk appetite statement documenting the in-depth justification and assumptions used to plot management's current outlook on the risk. Each risk has an appetite and tolerance limits with an internal escalation trigger for the risk committee/board consideration plus in extreme circumstances an external escalation to the CBI. Additionally, the Company maintains a running risk event log (adopted from international best practice) capturing on an ad-hoc basis all current and upcoming events that could affect a risk on the Company's risk register and the planned actions and remediation. The key material risks for the Company are summarised in a report called the Key Risk Dashboard and supporting narrative risk report. This has metrics versus risks appetite and tolerance and allows for analysis of trends. This enables management to make informed decisions on business activity through the prism of risk.

As discussed above the Company's risk committee meets on a quarterly basis. The risk committee meets with terms of reference set in accordance with the local and EU requirements. The risk committee reviews the general manager risk summary report, key risk dashboard, stress testing, ORSA reports and risk event log reports from all functions of the business. The Risk Committee decides upon actions to take where appropriate or recommends to the Board for approval.

The ORSA process is governed by the Risk Management Policy which states that an ORSA must be performed at least annually and for any material business need.

The objective of the ORSA is to lay out the results of the assessment of the Company's own risks in order to guide the board in setting its risk appetite and capital needs into the future. It aligns its outcome with the key strategies used to govern the Company's business.

The ORSA is completed in four stages:

- Stage 1 Planning The capital projection & stress testing plan is put together by the Company's risk and compliance function. The gathering of data and collation is executed by the Company's finance team as the majority of the information originates for the previous years audited financial statements, underwriting and technical provisions data. This is formalised into an assumptions report by the Chief Risk & Compliance Officer then reviewed by the Company's management and risk committee/board. The definition of assumption inputs is distributed to the board and the directors are asked to revert with comments for inclusion in the scenario/projection process.
- Stage 2 Modelling The calculation of base case projections on 1, 2 and 3 year forward basis is executed by the Company's finance function using the SII standard formula model. The Company's financial analyst gathers together data inputs sources and performs calculations which are then reviewed by the finance manager. The results are then reviewed by the Company's management and risk committee/board. Scenario and stress identification is performed by the Company's risk and compliance function and testing is performed by the Company's finance function.
- Stage 3 Interpret The analysis of the impact on capital requirements is done collectively by the Company's management. At this stage the Head of Actuarial Function ("HoAF") opinion is sought on the exercise. The results are reported to risk committee/board and once approved will be formatted and sent to the CBI.
- Stage 4 Response Resulting actions are proposed by the Company's management in conjunction with the HoAF opinion and report on the process is then reviewed by the Risk Committee and Board. Follow-up actions are executed by management who will report on progress to the risk committee and board.

The CBI required outcome of the ORSA process is to produce the following documents:

- 1) Risk Management/ORSA Policy (part of Corporate Governance Framework);
- 2) ORSA Record of Exercise (Kept internally for audit trail);
- 3) ORSA Internal Report; and
- 4) ORSA Supervisory Report.

The approval of the Risk Management/ORSA Policy as part of the annual review of the system of governance enables compliance with the first requirement. The record of production and review of the ORSA report satisfies requirements 2 and 3. The board approval of the internal report allows the Company to fulfil its obligation to submit the ORSA Supervisory Report 14 days after board approval.

#### **B.4 Internal control system**



In accordance with Article 46(2) of Directive 2009/138/EC "Internal control" the Company's board has established an effective internal control system. The Company employs a full time Chief Risk & Compliance Officer to oversee the compliance function with additional support from the general manager. The Company has an established an internal control framework comprised of board policies on compliance and internal control. The entire suite of governance framework documents is listed in **Appendix 7** of this report. In addition these are directly linked to key procedures that support material activities. Key activities have their own specific policy where deemed necessary by regulation or business activity risks. The compliance function quarterly reports directly to the risk/audit committee and board advising them on compliance with the laws, regulations, adoption of Solvency II and other applicable regulations. This reporting identifies and assesses the impact of any past or foreseen changes to the legal environment. The board reviews these policies annually. To assist the board, the policy framework is reviewed on an annual basis versus current developments in requirements and business activity. Policies are updated accordingly by the Company's management and reported to the board with a summary of changes. The summary of changes is presented to the directors in advance of Q4 meetings for efficient annual review, feedback and approval.

Each control function is the  $1^{st}$  line of defence (e.g. Finance, Underwriting, Claims, Actuarial pricing activities) and is responsible for oversight of internal controls to ensure adequate prevention and detection controls. They must also ensure that segregation of duties are in place as per relevant procedural documents and regulations.

The 2<sup>nd</sup> line of defence is the Company's Compliance, Risk and Actuarial functions that provide independent oversight of the risk management activities of the first line of defence.

The 3<sup>rd</sup> line of defence is that of internal and external auditors and the SOX team who report independently to the audit committee charged with the role of representing the Company's stakeholders relative to compliance, risk and governance issues.

# **B.5 Internal audit function**

The Company has established an internal audit policy and, as discussed above, an arm's length SLA for the governance of the outsourced internal audit function is in place with Hertz Internal Audit Department (HIAD).

HIAD are accountable to the audit committee and board. To provide for the independence of the internal audit function, as per Article 46-2 of the Solvency II Directive, its personnel report to HIAD management, HIAD then report directly to the audit committee. HIAD attend meetings of the audit committee upon request. All internal audit activities shall remain free of influence by any element of the Company, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective approach necessary in rendering reports.

# HIAD provide:

- a) An annual assessment of the adequacy and effectiveness of the Company's processes for controlling activities;
- b) A report of significant issues related to the Company's processes, including required improvements to those processes, and information concerning resolution of the issues and;
- c) Information on the status and the results of annual audit plans and the sufficiency of audit resources.

#### **B.6 Actuarial function**

The Head of Actuarial Function ("HoAF") role is outsourced to Willis Towers Watson representative Richard Bulmer. The Company has an SLA governing this relationship that meets all current Solvency II and relevant guideline requirements. The board have also established a policy on underwriting that encompasses all aspects of underwriting, reinsurance and actuarial areas to assist in the effective implementation of the risk management system.

The Company ensures that the HoAF provides an actuarial opinion to the CBI on an annual basis which addresses the technical provisions of the Company as reported in any quantitative reporting templates ("QRTs") to the CBI. This is referred to as the Actuarial Opinion on Technical Provisions ("AO TP"). In addition to, and connected with the AO TP, the Company ensures that the HoAF also provides an Actuarial Report on Technical Provisions ("AR TP") to the board on an annual basis, which supports the AO TP. This report shall also be provided to the CBI upon request.

The Company ensures that the HoAF provides an actuarial opinion to the board in respect of each ORSA process of the Company. The opinion is provided to the board at the same time as the results of the ORSA process to which it relates. The opinion addresses, at a minimum and having regard to the Company's individual risk situation, the following:

- a. The range of risks and the adequacy of stress scenarios considered as part of the ORSA process.
- b. The appropriateness of the financial projections included within the ORSA process.
- c. Whether the Company is continuously complying with the requirements regarding the calculation of technical provisions and highlighting potential risks arising from the uncertainties connected to this calculation.

Additionally the HoAF is required to produce an opinion on the overall underwriting policy, on reinsurance arrangements and to provide an overall actuarial function report. The HoAF is also responsible for the coordination of the technical provisions, , monitoring experience, internal and external actuarial reporting and contributing to the risk management system.

The Company ensures that the HoAF has the necessary access to information and resources, including appropriate authority and reporting lines, as required for the purpose of providing the opinions and performing the tasks allocated, in particular those specified under the Solvency II Regulations and the CBI domestic actuarial regime requirements. Where the HoAF has a material concern regarding any issue covered they are expected to highlight the item for board's consideration. The HoAF is expected

to indicate any material limitations and the extent and basis of any material reliance on work performed by others in meeting the responsibilities addressed by relevant regulations and guidance.

#### **B.7 Outsourcing**

Each control functions management and ultimately the board is responsible for oversight procedures in the application of the Company's outsourcing policy. Management of third party claims administration contracts in conjunction with this policy follow the Company's underwriting policy, outsourcing policy, claims policy and fitness and probity policy. Intra-group outsourced functions are managed with the same vigour at arms-length as per requirements.

The Company outsources and enters into outsourcing arrangements only where there is a sound commercial basis and/or to take advantage of external expertise. The Company's management undertake due diligence of chosen service provider to make sure all pre-stated requirements are met .The Company takes into account the impact of the proposed outsourcing arrangement on the operations. The board escalation and oversight of any issues in regards to an outsourced function follows the main framework of 24 hours for any material issue in breach of appetite and 5 days notification to the CBI in breach of any applied tolerance limits. Regular monitoring of arrangements will take place via quarterly reporting to risk/audit committee and board.

The Company's management routinely evaluate the performance of the outsourced service provider to ensure service and key performance indicator ("KPI's") are as expected plus meets current business needs versus the current in-force SLA. Ongoing oversight activity is specified for the major outsourced functions:

- Actuarial The underwriting policy refers to required interaction and oversight of
  outsourced actuarial activities of the HoAF as per Solvency II requirements and sets
  expectations for scope of work, performance, reporting and oversight. These
  considerations have been incorporated into the current governing SLA. HoAF duties are
  fulfilled by Richard Bulmer (PCF-48) of Willis Towers Watson as mentioned previously.
  The in-house individual responsible for oversight is Head of Finance, Charlotte Torr (PCF11).
- Internal Audit The internal audit policy refers to required interaction and oversight of outsourced internal audit activities as per Solvency II requirements and sets expectations for scope of work, performance, reporting and oversight. These considerations are incorporated into the current governing SLA. Internal audit is managed by HIAD under the direction of Head of Internal Audit, Randy Walford (PCF-13), with current sub-outsource arrangement to KPMG Dublin headed by Mark Brangham. The in-house individual responsible for oversight is Chief Risk & Compliance Officer, Andrew Oja.
- Claims Third party claims administration (TPA) outsourced function is overseen through constant contact, annual country specific audits and involvement in thematic group project initiatives. The Company's claims policy and related procedure set requirements, expectations for scope of work, performance, reporting and oversight. These considerations are incorporated into the current governing SLA with each relevant TPA. Hertz Claims Management ("HCM") offices are responsible for the administration of claims across Europe. This is managed by William Lacko, Hertz International Claims Director (CF-7). The in-house individual responsible for oversight is Head of Claims, Martin Mullooly (PCF-43).

• Information Technology – The Company contracts Hertz It in an arms-length agreement to provide its IT infrastructure. The Probus IT policy and related procedures set requirements, expectations for scope of work, performance, reporting and oversight. Individual contracts exist with 3<sup>rd</sup> party vendors of critical systems. The inhouse individual responsible for oversight is Senior Data Analyst, Stephen Codd.

Annual SLA/contract evaluation is undertaken as part of a specific compliance procedure within the contract management system.

# **B.8 Adequacy of system of governance**

The Company's board believes it has established an adequate system of governance based on the nature scale and complexity of the risk within the business whilst adopting all applicable requirements of an Irish insurer of the Company's size. See **Appendix 7** for the overview of the governance framework. This is supported by key outsourced functions maintained through routine oversight and control monitoring process via KPIs in contracts as per above. As per section **on B.4 Internal Control System** there is strong evidential processes through the 3 lines of defence that report to the board to maintain oversight and allow them to execute their responsibilities.

# **B.9** Any other information

There is no further material information to note.

# **Section C Risk Profile**

# C.1 Risk profile

The Company has identified the following information relating to risks. Risk impact and probability are examined by the Company in terms of events which may impact the risk positively or negatively with an impact which may be expressed qualitatively or quantitatively.

#### 1. Underwriting risk

Underwriting risk can be subcategorized into two material areas: Premium Risk and Reserve Risk. The capital charge in the SII SCR Standard formula has remained very roughly consistent over 2017 as there have been no changes in the type of business written or the reserving process.

	2017 SCR charge €	2016 SCR charge €
Premium and reserve risk	5,896,078	6,641,405

Premium risk is the risk that premium for the year will be insufficient to cover that year's claims and costs. Additionally there is the risk that the Company's premium rating is insufficient. Premium risk has a medium monetary value due to the reinsurance structure that is currently in place and current deductible arrangements and exclusion of natural catastrophe losses.

#### Reserve

Reserve risk is the risk that technical provisions established for past losses will be insufficient to cover these claims and the Company's reserve calculations prove to be insufficient to meet actual claim costs. Reserve risk has a medium monetary value.

#### Lapse & Catastrophe

Both Lapse and Catastrophe Risk are other sub components of the Underwriting Risk which incur charges under the SII SCR Standard formula. Lapse risk is nil for the current period. Catastrophe is an inherent risk borne by the nature of providing Motor Vehicle Liability insurance in EU countries where there is potentially unlimited liability.

	2017 SCR charge €	2016 SCR charge €
Lapse risk	-	-
Catastrophe risk	630,888	720,253

The Catastrophe risk charge has been maintained at low level from 2016 through 2017.

# Mitigation of Underwriting Risk

Both prevention and detection controls are in place for Premium and Reserve risk.

Under prevention controls the Company is subject to an annual pricing review and an actuarial review by Willis Towers Watson for the production of their Solvency II reports plus bi-annual reviews of the technical provisions and quarterly/annual review of the SCR calculation. Further prevention controls include board policies covering premium and reserves (Underwriting Policy and Reinsurance Policy) and the monitoring of reinsurers ratings.

Under detection controls there are:

- i. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- ii. daily reviews by Hertz treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the finance manager and the SII SCR Standard formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz group for review;
- v. quarterly risk committee/board reporting documents;
- vi. bi-annual Willis Towers Watson review of claims reserves.
- vii. and ongoing in-depth analytical work by data analyst to isolate and encourage the insured to alter its rental business decisions plus accelerating dispensation and claims handling times

#### 2. Market risk

Market risk can be subcategorized into four areas:

- a. Interest Rate Risk
- b. Currency Risk
- c. Spread Risk
- d. Concentration Risk

	2017 SCR charge	2016 SCR charge
	€	€
Interest Rate Risk	98,493	4,211
Currency Risk	3,000,967	2,256,650
Spread Risk	828,009	1,092,273
Concentration risk	14,238,820	14,348,924

#### a. Interest Rate Risk

Interest rate risk is the variability in value borne by an interest bearing asset or liability. For the Company this is the risk that cash and investments held as interest bearing deposits are subject to variability of market rates and from the discounting of liabilities. Excluding receivables all of the Company's assets are held in cash deposits with banks, subject to interest rate movement, for a maximum of three months. In prior years the Company had been required to hold Swiss bonds to cover the technical reserves held for the Swiss branch. The final remaining bond matured in January 2016 which accounts for the reduction in the SII SCR Standard formula charge. Interest rate risk has a low monetary value.

# b. Currency Risk

Currency risk is assessed based on the change in the net asset value of the Solvency II balance sheet following a shift of the exchange rates up or down of all foreign currencies against the reporting currency. The Company is a Euro regulated company that operates in Ireland with operations in territories with Euro, Swiss Franc and Sterling as their functional currency. The increase in the SII SCR Standard formula charge is a result of increased Sterling assets and liabilities. Currency risk has a low monetary value.

# c. Spread Risk

Spread risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk free interest rate term structure. The Company's capital charge for spread risk in the SII SCR Standard formula is driven largely by the unrated intercompany loan with HHN. The Spread risk has a low monetary value.

#### d. Concentration Risk

Concentration risk is the risk that assets are held with too few institutions. For the Company this is the risk that cash deposits are held with too few banks and one or more becomes unable to repay. Concentration risk arises from the accumulation of exposures with the same counterparty. This is only calculated for assets considered in the equity, property and spread risk sub-modules – not for assets covered under the counterparty default risk module.

The SII SCR Standard formula charge for Concentration Risk is the largest charge as at 31 December 2017 and is driven by the intercompany loan held with HHN which is unrated. As the loan value and credit rating for HHN have not changed year over year the charge has remained relatively stable. Concentration risk has high monetary value.

#### Mitigation of Market Risk

The Company currently has board established policies to materially manage Market Risk and its sub-risks, namely the Probus Asset Liability Management Policy, Probus Capital Management and Dividend Policy, Probus Investment and Liquidity Risk Management Policy. Within the appendices to the corporate governance framework is a list of material board reserved decisions. The HHN loan is also held under an arms-length agreement which is reviewed annually.

Under detection controls there are:

- i. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- ii. daily reviews by Hertz treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the finance manager and the SII SCR Standard formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz group for review; and
- v. quarterly risk committee/board reporting and monitoring.

# 3. Credit Risk

Credit risk can also be described as counterparty default risk which is the risk that a technical counterparty cannot meet its contractual obligations or has a volatile credit rating. For the Company this is the risk that its technical counterparties (i.e. reinsurers, credit institutions) either collapse or become less secure.

	2017 SCR charge €	2016 SCR charge €
Counterparty Default Risk	4,988,092	6,466,486

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

- i. reinsurers' share of technical reserves;
- ii. amounts due from reinsurers in respect of claims already paid;
- iii. amounts due from insurance contract holders; and

#### iv. deposit amounts due from bank counterparties.

The calculation for loss given default is complex and can increase significantly if the standard deviation of the loss distribution exceeds 7% of the loss given default. This is explained in greater detail in **Section E.2** of this report. In 2016 the charge had reduced significantly due to an increase in the LOC held over reinsurer's share of technical reserves. During 2017 the charge had reduced due to the Italian business lapse and reduction in premium therefore the SCR model rewards the Company for the reduced corresponding 85% ceded reinsurance. The gross credit risk has a medium monetary value.

# Mitigation

Both prevention and detection controls are in place for credit risk. Under prevention controls the Company currently has a board established Underwriting Policy and Probus Capital Management and Dividend Policy to materially manage credit risk/counterparty risk.

#### Under detection controls there are:

- i. at least quarterly reviews of the reinsurance recoveries;
- ii. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- iii. daily reviews by Hertz treasury of institution ratings and values of bank balances held;
- iv. regular management meetings;
- v. quarterly review of the Solvency II QRTs by the finance manager and the SII SCR Standard formula calculation by Willis Towers Watson;
- vi. quarterly risk committee/board reporting and monitoring; and
- vii. quarterly SOX reporting to Hertz group for review.

# 4. Liquidity Risk

Liquidity risk can also be described as illiquidity risk which is the risk that a given asset cannot be traded quickly enough to prevent a loss. Liquidity risk may stem from:

- i. a loss or reduction in the value of existing funding;
- ii. off-balance sheet commitments being called;
- iii. investments or acquisitions that require new funding;
- iv. timing mismatches between asset maturities/realisation and liability cash flows; and
- v. problems arising from holding difficult-to sell assets to meet current liabilities.

# Mitigation

Both prevention and detection controls are in place for liquidity risk. Under prevention controls the Company uses the board approved Investment Policy. Within the appendices to the Company's adopted corporate governance framework is a list of material board reserved decisions.

Under detection controls there are:

- i. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- ii. daily reviews by Hertz treasury of institution ratings and values of bank balances held,
- iii. regular management meetings;
- iv. quarterly review of the Solvency II QRTs by the finance manager and the SII SCR Standard formula calculation by Willis Towers Watson;

- vi. quarterly SOX reporting to Hertz group for review;
- vii. quarterly risk committee/board reporting and monitoring.

#### 5. Operational Risk

Operational risk is the risk of a loss arising from inadequate internal processes, personnel or systems, or from external events. For the Company this is the risk that it incurs losses from IT failures, legal and regulatory non-compliance, internal control breakdowns, loss of key personnel, outsourced arrangements etc. The Company's business processes are reliant on systems, personnel, procedures and must comply with laws and regulations from many stakeholders. The operational risk has a medium monetary value.

# Mitigation

Both prevention and detection controls are in place for operational risk. Under prevention controls applied the Company has the following:

- i. the Company's board powers of reserved decision, an annual review of the Company's Corporate Governance Framework & Policies;
- ii. annual review of documented prescribed procedures highlighting sign-off and segregation of duties;
- iii. annual SOX /Internal audit testing of procedures;
- iv. annual PWC/EY external audit (group and local) testing of controls,
- v. business resumption protocols for the Company's operations;
- vi. annual claims oversight audits per country carried out by Head of Claims reporting to the board;
- vii. business resumption plan for IT/building damage or failure including IT back-ups,
- viii. monitoring of service level agreements for key outsourced activities;
- ix. regular management meetings.

# Under detection controls there are:

- i. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- ii. daily reviews by Hertz treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the finance manager and SII SCR Standard formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz group for review; and
- v. quarterly risk committee/board reporting documents.

# 6. Other Material Risks

Other material risks can be sub-categorised into two categories: Capital Risk and Strategic Risk.

# a. Capital Risk

Capital risk is the risk that capital is required to act as a cushion to absorb losses arising from business operations and allow the Company to remain solvent under challenging conditions. Capital risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of a firm's exposures to external shocks and/or the level of capital planning and management process. Capital risk has a high monetary value.

# Mitigation

Both prevention and detection controls are in place for capital risk. Under prevention controls the Company:

- i. as part of the quarterly board meeting process, monitors adverse trends that would impact the SCR charge and takes pro-active mitigating action before events would cause material harm;
- ii. complies with Hertz policies and procedures, maintains a Corporate Governance Framework and Policies along with annual actuarial reviews by Willis Towers Watson.

#### Under detection controls there are:

- i. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- ii. daily reviews by Hertz treasury of institution ratings and values of bank balances held;
- iii. quarterly review of the Solvency II QRTs by the finance manager and SII SCR Standard formula calculation by Willis Towers Watson;
- iv. quarterly SOX reporting to Hertz group for review; and
- v. quarterly risk committee/board reporting documents and bi-annual Willis Towers Watson review of claims reserves.

#### b. Strategic Risk

Strategic risk is the risk of incompatibility between the strategic goals and resources deployed or the economic situation. For the Company this is the risk that its goals and resources are misaligned.

# Mitigation

Both prevention and detection controls are in place for strategic risk. Under prevention controls the Company holds quarterly board meetings and regular management meetings. Under detection controls there are:

- i. monthly reviews of financial reporting by the Company's finance manager and the wider Hertz finance team;
- ii. daily reviews by Hertz treasury of institution ratings and values of bank balances held;
- iii. monthly PRMRG meetings;
- iv. quarterly risk committee/board reporting documents; and
- v. Annual strategy setting process.

#### **C.2 Off Balance Sheet Positions**

The Company holds two Letters of Credit. The first which is provided by Citibank is with UPS in the amount CHF200,000. This relates to a 100% reinsured programme to front UPS claims in Switzerland for the period 2004-2005. Only one claim for CHF60,000 remains open on this programme and a reserve for this is included in the technical reserves of the Company. The second which is provided by Natixis is with Hire Bermuda Limited in the amount €82.7m. This letter of credit has been provided in order to guarantee the technical provisions held with Hire Bermuda Limited for Solvency II reporting purposes.

# C.3 Risk concentration

The Company is subject to risk concentration from its reinsurance arrangements within the Hertz Group specifically with Hire Bermuda Limited (85% of business is ceded). This is partly mitigated by the related LOC. The clean irrevocable LOC held by Hire Bermuda Limited with Natixis for €82.7million is treated as collateral within the SII SCR standard formula.

Additionally the Company's loan to HHN of €20million represents the largest part of the concentration charge in the SII SCR Standard formula. The concentration charge results from the concentration risk module which applies a monetary amount to the largest single name exposure counterparties. In the case of the Company this is deposits with HSBC, BCEE and the HHN intercompany loan. The loan is held on an arms-length loan agreement and the Company's management and board are comfortable that this loan is secure. There are currently no plans to enter into any further loans or arrangements which would create future risk concentrations.

# **C.4 Mitigating Risks**

See individual sections by risk in C1 above.

# **C.5 Future premiums**

Currently this is not applicable as all profits are captured within a one-year contractual boundary – see **QRT S.23.01.01.01.** 

## **C.6 Stress Testing**

The ORSA was approved for submission by the Company's board 14<sup>th</sup> November 2017. Stress testing is completed as part of the annual ORSA process. The Company's board along with management are involved in deciding upon areas to stress test. The calculations are completed by the finance team and are reviewed by the management team before presenting them to the risk committee and board for review.

The Company measures the SCR or capital risk on two axes, impact and likelihood.

The impact or consequence is that the outcome of an event impacts an objective either positively or negatively. The impact may be certain or uncertain and may be expressed qualitatively or quantitatively. Each SCR% risk impact is assessed as belonging to one of the following ranges:

- Low Impact (above 130%) If the SCR cover was to approach this level it would result in no escalation necessary, minimal solvency impact.
- Medium Impact (between 100% to 130%) If the SCR cover was to approach 125% level it
  would result in escalation to the risk committee and board. This movement would be of
  material monetary value to the Company. There is potential for breach of laws and regulations
  and potential reputational impact for Hertz/the Company in the future to public disclosure
  requirements from 2018 onwards on 2017 levels.
- High Impact (less than 100% SCR level)- If the SCR cover was to fall below 100% it would result in immediate required escalation within 5 days to the CBI, potentially would make the Company insolvent with material negative effect on the financial statements. There is a potential breach of laws and regulations and with possible sanctions and imposed action plans on the entity. Most likely of these actions would be a required injection of capital to CBI stated level of SCR%. For Hertz and the Company there would be a potential reputational impact in the future to public disclosure requirements from 2018 onwards on 2017 levels.

The probability or likelihood is the chance of something happening, determined objectively or subjectively, described using general terms or mathematically. Each risk probability is assessed as belonging one of the following ranges:

- Low Probability Risk event to happen in the range of 1/10 years to 1/200 years
- Medium Probability- Risk event to happen in the range of 1 every year to 1/10 years
- High Probability- Risk event to happen within the range of 0 to 12 months

For the 2017 ORSA the Company ran thirty scenarios starting with the June results as a base scenario. Of the thirty scenarios, twenty-seven were deemed to be low probability, three were deemed to be medium probability and none were deemed to be high probability. Only one of the scenarios had the possibility of bringing the SCR below the CBI mandated level of 100%. The full list of stress tests performed are ranked by impact in the 2017 ORSA.

# C.7 Any other information

There is no other material information to note.

# **Section D Valuation for Solvency Purposes** D.1 Assets

As the Company has a limited number of assets there are no differences between the financial statements statement of financial position value and the Solvency II balance sheet value.

Comparison of balance sheet	Financial Statements Statement of financial position	Solvency II Balance Sheet	Difference
amounts	€	€	€
31 December 2017			
Other financial	20,728,096	20,728,096	-
investments/deposits			
other than cash			
equivalents			
Other debtors	20,000,000	20,000,000	-
affiliated/other			
mortgages and loans			
Debtors arising out of	14,487,588	14,487,588	-
direct			
reinsurance/insurance			
intermediaries			
receivable			
Deferred tax/ deferred	5,460	5,460	-
tax assets			
Cash at bank/cash and	11,718,184	11,718,184	-
cash equivalents			
Other debtors non-	448,807	448,807	-
affiliated/any other			
assets not elsewhere			
shown			
Prepayments	-	-	-
Accrued interest	-	-	-
Total assets	67,388,134	67,388,134	-

Comparison of	Financial Statements	Solvency II	Difference
balance sheet	Statement of financial position	Balance Sheet	
amounts	€	€	€
31 December 2016			
Other financial	44,745,218	44,745,218	-
investments/deposits			
other than cash			
equivalents			
Other debtors	20,000,000	20,000,000	-
affiliated/other			
mortgages and loans			
Debtors arising out of	16,187,782	16,187,782	-
direct			
reinsurance/insurance			
intermediaries			
receivable			

Deferred tax/	6,335	6,335	-
deferred tax assets			
Cash at bank/cash and	13,367,324	13,367,324	-
cash equivalents			
Other debtors non-	619,565	673,455	(53,890)
affiliated/any other			
assets not elsewhere			
shown			
Prepayments	7,631	-	7,631
Accrued interest	46,259	-	46,259
Total assets	94,980,114	94,980,114	-

Other assets held by the Company fall under the following Solvency II categories:

- 1. Investments (other than assets held for index linked and unit-linked contracts) made up of the subcategory deposits other than cash equivalents for the Company this consists of deposits held for not more than three months.
- 2. Loans and mortgages made up of the subcategory other loans and mortgages for the Company this consists of an intercompany loan held with HHN;
- 3. Insurance and intermediaries receivables for the Company this is made up of receivables from companies within the group due to the provision of insurance;
- 4. Cash and cash equivalents for the Company this consists of cash at bank in current accounts; and
- 5. Any other assets for the Company this consists of non-affiliated debtors, sundry debtors, accrued interest, prepayments and corporation tax assets.

The Company holds no investment products and as such there are no specific valuation techniques employed in valuing the assets in the statement of financial position. Deposits are initially recognized at the transaction price and are subsequently recognized on an undiscounted basis. In previous years the bonds held were recognised initially at transaction price with subsequent recognition in the statement of financial position at the current fair value. Fair value was established by the bonds value on the open market. Movements in fair value were recognized in the profit and loss account. Prepayments are included on a 12 month straight-line basis. Accrued interest is based on rates supplied by the wider Hertz group which are based on Euribor plus a spread with the maximum accrual amount being 3 months. See QRT SE.02.01.16.01 for further details.

Risk in the asset mix is low as intercompany amounts owed are always paid one month in arrears via the Hertz netting department and deposits are held with banks with a strong rating. Bank ratings and limits on deposits are monitored by Hertz Treasury department.

# **D.2 Technical provisions**

Solvency II	21 December 2017	24 December 2016	Difference year
Gross Technical Provisions	31 December 2017 €	31 December 2016 €	over year €
Motor Vehicle	148,119,957	150,341,208	-2,221,251
Liability Best			
Estimate			
Motor Vehicle	1,812,782	2,287,359	-474,577
Liability Risk Margin			
Assistance Best	372,935	434,880	(61,945)
Estimate			
Assistance Risk	111,159	109,784	1,375
Margin			
Property Best	-	-	-
Estimate			
Property Risk Margin	-	4,263	(4,263)
Total Solvency II	150,416,833	153,177,494	(2,760,661)
<b>Gross Technical</b>			
Provisions			

Comparison of Balance Sheet Amounts	Financial Statements Statement of Financial Position 31 December 2017	Solvency II Balance Sheet 31 December 2017	Difference
	€	€	€
Motor Vehicle	150,554,070	149,932,739	621,331
Liability			
Assistance	371,600	484,094	(112,494)
Property	-	-	-
Total Solvency II	150,925,670	150,416,833	508,837
<b>Gross Technical</b>			
Provisions			

Comparison of balance sheet amounts	Financial Statements Statement of Financial Position 31 December 2016	Solvency II Balance Sheet 31 December 2016	Difference
Motor Vehicle	<b>€</b> 151,202,642	<b>€</b> 152,628,567	<b>€</b> (1,425,925)
Liability	131,202,042	132,028,307	(1,423,323)
Assistance	433,567	544,664	(111,097)
Property	-	4,263	(4,263)
Total Solvency II Gross Technical Provisions	151,636,209	153,177,494	(1,541,285)

Technical provisions have been calculated in accordance with Solvency II regulations and article 77b of the Solvency II Directive. Gross technical provisions comprising discounted best estimate and risk margin were €150.4million as at December 2017 (2016: €153.2million) made up of €148.1million best estimate and €1.8million risk margin (2016: €150.3million best estimate and €2.3million risk margin)

and €0.3million best estimate and €0.1million risk margin for Assistance (2016: €0.4million best estimate and €0.1million risk margin).

Solvency II			Difference year over
Reinsured Technical	31 December 2017	31 December 2016	year
Provisions	€	€	€
Motor Vehicle Liability Best	127,112,072	128,653,718	(1,541,646)
Estimate			
Motor Vehicle Liability	-2,678,189	-2,652,371	(25,818)
Default Adjustment			
Property Best Estimate	-	-	-
Property Default Adjustment	-	-	-
Total Solvency II Reinsured	124,433,883	126,001,347	(1,567,464)
Technical Provisions			

Comparison of balance sheet amounts	Financial Statements Statement of Financial Position 31 December 2017	Solvency II Balance Sheet 31 December 2017	Difference
	ŧ	€	€
Motor Vehicle Liability	150,925,670	148,492,892	(1,923,941)
Total Solvency II Reinsured	150,925,670	148,492,892	(1,923,941)

Comparison of balance sheet amounts	Financial Statements Statement of Financial Position 31 December 2016 €	Solvency II Balance Sheet  31 December 2016 €	Difference €
Motor Vehicle Liability	129,382,038	126,001,347	3,380,691
Total Solvency II Reinsured Technical Provisions	129,382,038	126,001,347	3,380,691

Reinsured technical reserves comprising discounted best estimate adjusted for default were €124.4 as at December 2017 (2016: €126million). All of the reinsured technical reserves for 2017 related to Motor Vehicle Liability made up of €127.1million best estimate and €-2.7million default. In 2016 the reinsured reserves were split between Motor Vehicle Liability €126million (€128.6million best estimate and €-2.7million default). The default adjustment is calculated following the prescribed approach as specified in the Solvency II technical specifications. See technical provisions by line of business in QRT S.17.01.01.01 for further details.

Reinsurance consists of an 85% quota share arrangement with Hire Bermuda which began in 2007. Prior to this the quota share arrangement had been with Hire Dublin which has been in run off since 31 December 2006. The quota share arrangement covers claims up to U\$\\$5\million for 2017 (2016: U\$\\$5\million). Maintained in 2017 is the reinsurance structure the contract with ACE European Group Limited between U\$\\$5\million and U\$\\$10\million to reduce the exposure to large claims. This policy covers U\$\\$5\million any of one loss and in the annual aggregate in excess of the U\$\\$5\million retention. Above U\$\\$10\million reinsurance is held with other third party reinsurers including Ace and Swiss Re.

Discounted best estimate is calculated by using payout patterns calculated by Willis Towers Watson and applying a discount factor. The discount factor applied is the European Insurance and Occupational Pensions Authority ("EIOPA") basic risk-free interest rate term structure with no volatility or matching adjustments for each appropriate currency. Removing the discount factor, the gross and reinsured best estimate technical provisions are equal to the gross and reinsured technical provisions in the financial statements of the Company.

Risk margin is calculated in accordance with Solvency II technical specifications. For the Company this is a simplified risk margin allocation based on the calculation of the standalone SCR for the different lines of business.

For the technical provisions in the financial statements, insurance contracts estimates have to be made both for the unexpected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. These actuarial projections are performed by Willis Towers Watson as the Company's outsourced actuarial function. Technical provisions and related reserve adjustments are reviewed by management before any changes are made to the Company's books.

Technical provisions are subject to uncertainty from various factors including:

- 1. The claims development process due to one off large claims and the accumulation of medium sized losses;
- 2. Reserve estimation due to differences in parameters and assumptions;
- 3. External environmental factors including inflation in claims settlements, legal changes and changes in attitude to litigation, fluctuations in exchange rates and changes in underwriting approach or other factors; and
- 4. Failures to make recoveries from reinsurance companies.

Willis Towers Watson consider the first three to be the most material when determining the technical provisions best estimates. However it is observed that the risk is mitigated by the quota share reinsurance held with Hire Bermuda and the excess of loss treaty above US\$5million.

# **D.3 Other liabilities**

Comparison of balance sheet	Financial Statements	Solvency II Balance Sheet	Difference
	Statement of financial position		6
amounts	€	€	€
31 December 2017			
Creditors arising out	276,203	276,203	-
of direct insurance			
operations/insurance			
and intermediaries			
payable			
Other creditors	146,824	146,824	-
including tax and			
social			
security/payables			
(trade not insurance)			
Accruals and deferred	340,330	340,330	-
income/any other			
liabilities not			
elsewhere shown			
Total liabilities	763,356	763,356	-

Comparison of	Financial Statements	Solvency II	Difference
balance sheet	Statement of financial position	Balance Sheet	
amounts	€	€	€
31 December 2016			
Creditors arising out	24,155,982	24,155,982	-
of direct insurance			
operations/insurance			
and intermediaries			
payable			
Other creditors	1,037,056	1,037,056	-
including tax and			
social			
security/payables			
(trade not insurance)			
Accruals and deferred	266,035	266,035	-
income/any other			
liabilities not			
elsewhere shown			
Total liabilities	25,459,073	25,459,073	-

As with other assets, the Company has a limited number of other liabilities. There are no differences between the financial statements value and the Solvency II balance sheet value of these liabilities. Liabilities held by the Company fall into the following Solvency II categories:

- 1. Insurance and intermediaries payable for the Company this consists of intercompany amounts owed to Hire Bermuda Limited for the 85% quota share arrangement;
- 2. Payables (trade, not insurance) for the Company this consists of Insurance Premium Tax ("IPT") charges accrued; and
- 3. Any other liabilities for the Company this consists of accrued expenses.

As there are no complex liabilities in the statement of financial position there are no specific valuation bases employed. Liabilities are initially recognized at the transaction price and are subsequently recognised on an undiscounted basis. Accrued expenses are included based on prior year experiences and are included on a straight line basis i.e. over twelve months. See for further details on liability **QRT SE.02.01.16.01**.

# **D.4 Alternative methods for valuation**

This is not applicable for the Company.

# **D.5** Any other information

There is no other material information beyond what has been discussed above to note.

# **Section E Capital Management**

#### E.1 Own funds

Solvency II Own Funds	31-Dec-17	31-Dec-16	Difference year
			over year
	€	€	€
Ordinary share capital	6,866,246	6,866,246	-
Deferred tax assets	5,460	6335	-875
Reconciliation reserve	33,770,124	35,472,313	-1,702,189

Own funds for the Company are made up of ordinary share capital, deferred tax assets and reconciliation reserve. Both share capital and the reconciliation reserve are unrestricted tier 1 funds and are 100% eligible to cover the SCR and MCR of the Company. Deferred tax assets are classified as tier 3 basic funds and are excluded from the MCR calculation.

Financial statements vs	31 December 2017	31 December 2016
Solvency II	€	€
Financial statements:	38,023,018	40,400,624
Profit and loss account and		
translation reserve		
Solvency II:	33,770,124	35,472,313
Reconciliation reserve		
Difference	4,252,894	4,928,311

The difference between the financial statements equity and the Solvency II balance sheet equity is driven by the differences in the technical provisions valuations as detailed above. Movement in the statement of financial position equity year over year is a result of the profit made for the year 2017. Solvency II reconciliation reserve consists of the excess of assets over liabilities and as such movement year over year relates to movements in the excess of assets over liabilities. See **QRT S23.01.01.01** and **S.23.02.01.03** for further details.

The board have agreed to maintain an SCR cover of 130%. A decrease resulting in a percentage of between 125% and 130% will not require action however the percentage moving any lower than 125% will require action from the board to restore the 130% level. The Company's strategy in relation to own funds is laid out in its Capital Management and Dividend Policy which is reviewed annually by the board.

# E.2 SCR and Minimum Capital Requirement ("MCR")

Eligible capital at 31st December 2017 amounted to 168% of the SCR or €24.1million (2016: 165% or €25.6million) and amounted to 674% of the MCR at 31st December 2017 or €6million (2016: 662% or €6.4million). Linear MCR is calculated as a percentage of the net technical provisions plus net premium written of both the motor vehicle liability and assistance lines of business. The MCR used is then the higher of this and the floor of the MCR calculation which is 25% of the SCR. The MCR presented throughout 2017 for the Company is 25% of the SCR calculated. See **Appendix 5** for the current calculation of the SCR and MCR and for a tracker of the SCR and MCR over 2017 along with the movements in the sub modules. Additionally see **QRT S.25.01.01.01** and **S.25.01.01.02** for further details of the SCR and **QRT S.28.01.01.01** and **S.28.01.01.05** for further details on the MCR.

The main drivers of the movements is Counterparty Default sub module attracting a charge of €6.5million at year-end 2016 but by year-end 2017 it had reduced to €5million. Default risk is based

on counterparty default risk. This is calculated by applying 15% to assets which are less than 3 months overdue and 90% to assets which are more than 3 months overdue. Additionally a further calculation giving the loss given default risk on the reinsurance recoverables, cash at bank and risk mitigation contracts is also applied.

The calculation for loss given default is complex and can increase significantly if the standard deviation of the loss distribution exceeds 7% of the loss given default. Driving this change in the standard deviation has been an increase in the LOC which mitigates the reinsurance recoverable risk.

The Currency/FX sub-module attracted a charge of €2.2million at 2016 year-end but by the 2017 year end it had increased to €3million but this is netted against the Premium Reserve sub-module attracting a charge of €6.6million at 2016 year-end but by 2017 year end it had decreased to €5.9million.

	31-Dec-17	31-Dec-16	Difference				
SII Charge	€	€	€				
Counterparty	4,988,092	6,466,486	-1,478,394				
Currency/FX	3,000,967	2,236,650	764,317				
Premium & Reserves	5,896,078	6,641,405	-745,327				

There was no other material change in the SCR/MCR calculation during 2017. The Company advised by Willis Towers Watson, as the Company's actuary, that the Company, along with using the LOC as collateral in the assets for the SCR calculation.

The Company uses the EIOPA SII SCR Standard formula and does not use company specific parameters or simplified calculations in its computations.

# E.3 Use of the duration based equity risk sub module in the calculation of the SCR

This is not applicable for the Company.

#### E.4 Differences between the standard formula and any internal model used

This is not applicable for the Company.

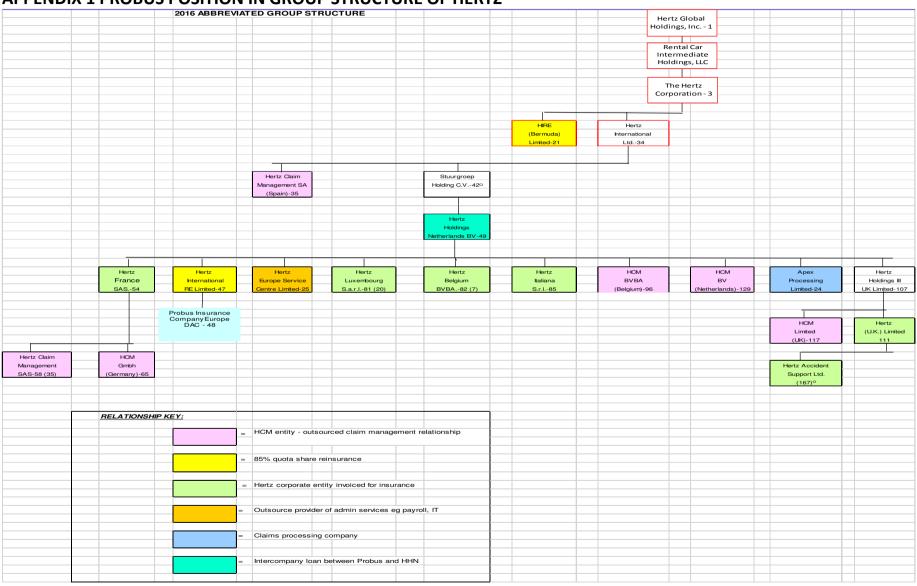
#### E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the SCR

The SCR and MCR are monitored on a monthly basis and quarterly return calculations are reviewed by Willis Towers Watson for reasonableness.

# E.6 Any other information

There is no other material information beyond what has been discussed above to note.

# **APPENDIX 1 PROBUS POSITION IN GROUP STRUCTURE OF HERTZ**



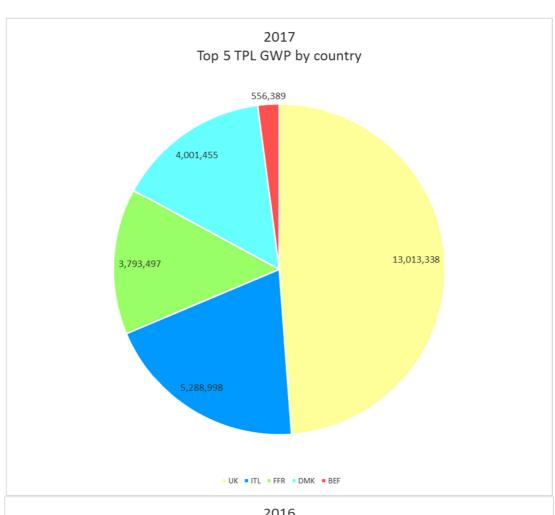
# **APPENDIX 2 EXTRACT FROM S.05.01.01.01**

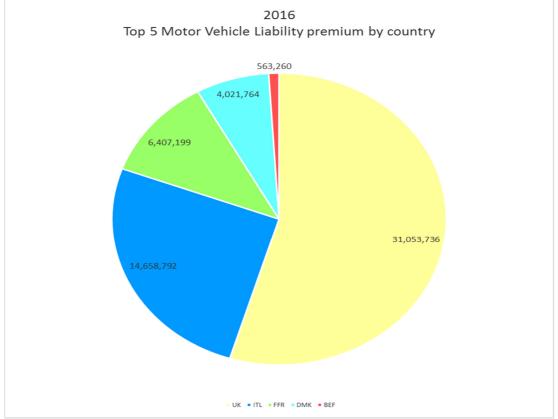
			_	List of Dunispec for any life injurance and reinsurance obligations (direct huminos and accounted proportional reinsurance)									Takal							
					e of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)									Line of Business for: accepted non-proportional reinsurance				Total		
				Medical expense	Income protection		Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to	General liability insurance	suretyship	Legal expenses	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
				insurance	insurance	insurance			insurance	property insurance		insurance	insurance							
				C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums w ritten	Gross - Direct Business	•	R0110		•	1	27,338,152		1					1,756,782			•	•	•	29,094,934
	Gross - Proportional reinsur	ance accepted	R0120			*	1	•	*	1	1	1	7	1	1	1				-
	Gross - Non-proportional rei	insurance accepted	R0130														1	1	1	-
	Reinsurers' share		R0140		1	1	24,677,476	1	*	1	1	1	1	1	1	1		1	1	24,677,476
	Net		R0200	***************************************		***************************************	2,660,676		***************************************	1	1	1		1,756,782		1			7	4,417,458
Premiums earned	Gross - Direct Business		R0210		*	1	27,338,152		•	1	•	1	1	1,756,782		1				29,094,934
	Gross - Proportional reinsurance accepted		R0220			1	1			1				•		1				-
	Gross - Non-proportional reinsurance accepted		R0230														1	1	1	-
	Reinsurers' share		R0240		1	1	24,677,476		1		1		1	•	1					24,677,476
	Net		R0300			*	2,660,676				1			1,756,782						4,417,458
Claims incurred	Gross - Direct Business		R0310			1	29,291,409		1		1	1		119,608						29,411,017
	Gross - Proportional reinsur	ance accepted	R0320	***************************************		*	*				*	1		*	1	1				-
	Gross - Non-proportional rei	insurance accepted	R0330															1	1	-
	Reinsurers' share		R0340		1	1	25,426,737	1			1	1		1	1	1		*	•	25,426,737
	Net		R0400				3,864,672					1		119,608			1			3,984,280
Changes in other technical			R0410			1								1						-
provisions	Gross - Proportional reinsur		R0420											1		1				-
	Gross - Non- proportional re	insurance accepted	R0430																1	-
	Reinsurers' share		R0440			1			1		1	1			1				1	-
	Net		R0500												1					-
Expenses incurred			R0550				503,935			-				115,767						619,702
	Administrative expenses	Gross - Direct Business	R0610		1	1	363,402		1	1		1		106,736						470,138
		Gross - Proportional	R0620																	
		reinsurance accepted	Danca				_L	ļ			.l	.I				.]	•			
		Gross - Non-proportional reinsurance accepted	R0630																	_
		Reinsurers' share	R0640		•	•	•	4	•	4	•	•	4	•	4	•	-		<del></del>	·
		Net	R0700				363,402				•	·		106,736	<b>4</b>					470,138
	Investment management	Gross - Direct Business	R0710			<b>-</b>	000,402	•	•	,	4	•	•	100,700	1	•				- 470,100
	expenses	Gross - Proportional	R0720	***************************************		••••	•	***************************************	•	·····	•	•		***************************************	·····	4				***************************************
	'	reinsurance accepted																		-
		Gross - Non-proportional	R0730														1	1	1	
		reinsurance accepted						_								_				
		Reinsurers' share	R0740												]					
		Net	R0800																	-
	Claims management	Gross - Direct Business	R0810				140,533							9,031						149,564
	expenses	Gross - Proportional	R0820																	
		reinsurance accepted Gross - Non-proportional	R0830					L		4	.1	1			1		4	3	•	
		reinsurance accepted	H0030																	_
		Reinsurers' share	R0840		*	*	•	1	*	*	*	*	4	*	1	•		-	4	+
		Net	R0900			*	140,533		-	*	•	•	_	9,031	*	•	<del>-</del>		-	149,564
	Acquisition expenses	Gross - Direct Business	R0910			•	1.1,130		•	<b></b>	•	•	+	2,201	1	•				- 10,00
	, ,	Gross - Proportional	R0920	***************************************		*	<b>4</b>	•	•	<b></b>	<b>+</b>	<b>*</b>		*	<b>†</b>	•				***************************************
		reinsurance accepted																		-
	1	Gross - Non-proportional	R0930																1	
	1	reinsurance accepted	1	_			•				•	•	•	•	4					-
		Reinsurers' share	R0940																	
		Net	R1000																1	-
	Overhead expenses	Gross - Direct Business	R1010																	
		Gross - Proportional	R1020																	_
		reinsurance accepted Gross - Non-proportional	R1030					I		.1	.I	.1			.I		•	4	4	
		reinsurance accepted	n1030																	_
		Reinsurers' share	R1040		1	1	•	1	1	1	•	•	1	•	1	1			+	+
		Net	R1100			•	•		•		•	<b>+</b>		*	<b>+</b>	<b>+</b>			4	·
Other expenses	1		R1200				A		-	-	R	-	-	-	-					1,816,396
			R1300	_																2,436,0

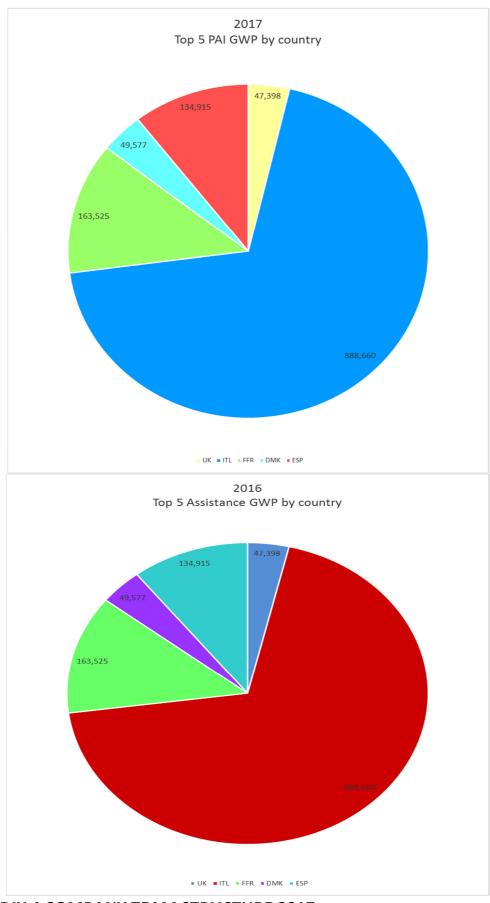
# PROBUS INSURANCE COMPANY EUROPE DAC TECHNICAL PROFIT AND LOSS ACCOUNT – FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2017 €	2016 €	2016 €
Earned premiums, net of reinsurance					
Gross premiums written	2	29,094,934		59,101,805	
Outward reinsurance premium	2	(24,677,476)		(50,018,159)	
Net premiums written		4,417,458		9,083,646	
		, ,,		-,,-	
Change in the gross provision for unearned					
premiums	14	-		199,807	
Change in the provision for unearned					
premiums, reinsurers' share	14			(94,038)	
		-		105,769	
Earned premiums, net of reinsurance			4,417,458		9,189,415
Allocated investment return transferred from the non-technical account			381,120		167,238
the non-technical account			301,120		107,230
Claims incurred, net of reinsurance					
Claims paid:					
Gross amount	14	(27,252,000)		(34,749,177)	
Reinsurers' share	14	23,027,488		29,256,494	
		(4,224,512)		(5,492,683)	
Change in the provision for claims:					
Gross amount		(2,159,017)		(10,423,380)	
Reinsurers' share		2,399,249		9,755,035	
		240,232		(668,345)	
Claims incurred, net of reinsurance		(3,984,80)			(6,161,028)
Net operating expenses	4	_	(2,436,098)	_	(391,358)
Balance on the technical account for non-					
life insurance business		<u>-</u>	(1,621,800)	. <u>-</u>	2,804,267

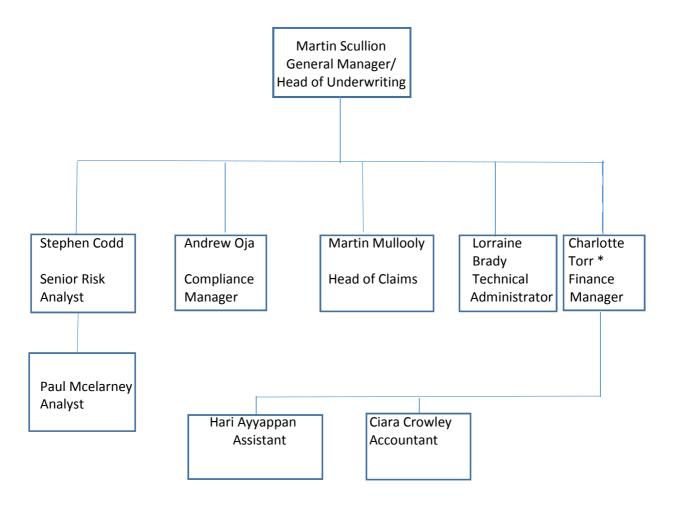
# **APPENDIX 3 PREMIUMS BY TOP 5 COUNTRIES**







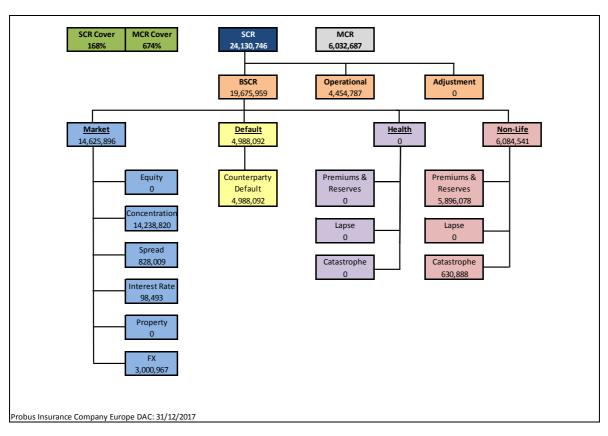
**APPENDIX 4 COMPANY TEAM STRUCTURE 2017** 



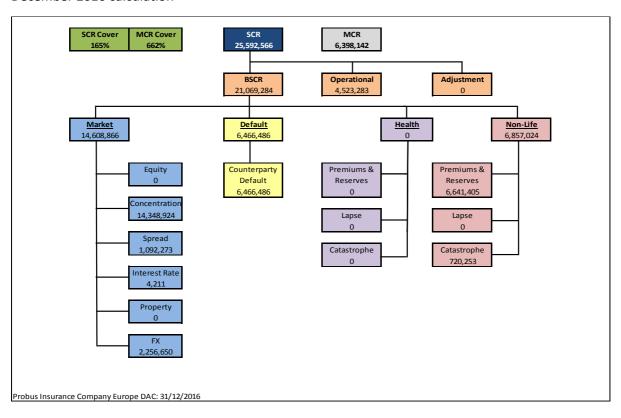
<sup>\*</sup> Note that the Finance Manager also has dotted line reporting out to the wider Hertz Finance Group but reports directly to the General Manager.

## **Appendix 5 SCR/MCR calculations**

### December 2017 calculation



### December 2016 calculation



# Appendix 6 - Key Risk Dashboard

Example of December 14th 2017 Board /Risk Committee Key Risk Dashboard

Probus Key Risk Do	ıshk	oard Q3 2017
Health		Progress
No Concern	①	Increasing
O At Risk / Needs Improvement	Û	Decreasing
Appetite/Tolerance Breached	$\Leftrightarrow$	Performance staying about the same
Figures as of 30th September 2017 in 000	0's	

Counterparty Risk - Appetite - Event moves SCR below 125%						
Tolerance - Ev	ent mov e	s SCR belo	w 1009	%		
Amounts in '000'	Q2 2017	Q3 2017	Health	Progress		
Hire Bermuda A/c's – Assets/Liabilities	287%	318%		⇧		
SII Counterparty Capital Charge	€6,241	€5,872		Ω		
S&P Rating of €82.7m Natixis LOC	Α	Α		⇔		
Probus Acc's - Recov from Hire Bermudo	€109,902	€116,511		⇧		
Hire Bermuda Consol A/c's- Net Assets Available	\$ 339,326	\$ 390,819		⇧		
Probus Acc's 3rd Party Reinsured	€9,261	€8,729		Û		

Premium Risk - Appetite - Loss ratio of 125% is reached once-off for UW year						
Tolerance - Loss ratio	of 125% is red	ached 2 yea	ars in a ro	W		
Amounts in '000'	2016	2017	Health	Progress		
Motor 3rd Party Underwriting Loss Ratio	126%	124%		Û		
SII Premium and Reserve Capital Charge	€6,501	€6,135		Û		
Personal Accidents Loss Ratio	32%	33%		企		

Catastrophe Risk - Appetite - Shock losses push SCR below 125%					
Tolerance - Shoc	k losses	push SCR b	elow 1	00%	
Amounts in '000'	2016	2017	Health	Progress	
Claims Count (Above Hertz Group RI Attachment - Au	0	0		$\Leftrightarrow$	
SII Catastrophe Risk Charge	€659	€639		Û	

Reserve Risk - Appetite -10% adverse quarterly mymnt on gross reserves						
Tolerance - Adverse €10m quarterly mvmnt drops SCR below 100%						
Amounts in '000'	Q2 2017	Q3 2017	Health	Progress		
Net Loss Reserve Movement	-€329	-€1,487		Û		
SII Premium and Reserve Capital Charge	€6,501	€6,135		Φ		
YoY Accident Frequency per T-Day	0.50 for 2015	0.49 for 2016		⇔		
€ Net Loss Reserves	€21,222	€22,107		仓		
€ Gross Loss Reserves	€145,886	€153,715		⇧		
Qrtrly Actuarial/Accounting Reserve Adj Made	YES	NO		⇔		
Reserve Adjust Amount (-inc/+ dec)	-€388	€0		⇧		

Operational Risk - Appetite - is a breach of metric in a quarter						
Tolerance - is high count o	f concurrent b	reaches in a	qtr			
Amounts in '000'	Q2 2017	Q3 2017	Health	Progress		
Financial Performance - Profit / (Loss)	-€300	-€1,487		Φ		
Internal Audit or SOX – Major Finding	0	0		⇔		
External Audit qualification	0	0		$\Leftrightarrow$		
Complaints	1	0		<b></b>		
Incidents of Major Non-Compliance	0	0		⇔		
Staff Turnover ( Probus staff and CF's)	0	0		$\Leftrightarrow$		
Claims - Avg EU Incident to Recording in Days	32	24		Ţ.		

Capital Risk - Appetite maintain a SCR above 130%,						
Tolerance maintain a SCR above 100%						
Amounts in '000'	Q2 2017	Q3 2017	Health	Progress		
Solvency Margin Calculation Percentage	162%	162%		⇔		
Surplus % over Appetite	32%	32%		⇔		
Surplus % over Tolerance	62%	62%		⇔		
Probus SII Eligible Capital Surplus	€15,614	€15,528		Û		

# **Appendix 7 - Internal Control System - Governance Framework Overview**

Section	Name	Description	Delegated Function Owner	Goals Pursued of Document
Section 1				
1	FRAMEWORK DOCUMENT	Corporate Governance Framework	Martin Scullion PCF-8 GM/CEO	Corporate governance includes procedures, processes and attitudes according to which an organisation is directed and controlled and lays down the rules and procedures for decision-making.
2	APPENDIX 1	Organisational Structure	Martin Scullion PCF-8 GM/CEO	Structure of Probus Board and Committees
3	APPENDIX 2	Board Terms of Reference	Martin Scullion PCF-8 GM/CEO	This document sets out the terms of reference (ToR) for the board covering roles and responsibilities of the board, its members, matters reserved for the board, composition and meeting rules.
4	APPENDIX 3	Audit Committee Terms of Reference	John Perham PCF-4 Chairman of the Audit Committee	The Audit Committee responsibilities and key tasks
5	APPENDIX 4	Risk Committee Terms of Reference	Stephen Hodgins PCF-5 Chairman of the Risk Committee	The Risk Committee responsibilities and key tasks

6	APPENDIX 5	Succession Plan	Martin Scullion PCF-8 GM/CEO	Defines the contingency plan for the succession in the event of turnover for main control function holders.
7	APPENDIX 6	List of Board Policies	Martin Scullion PCF-8 GM/CEO	List of Board Policies
8	APPENDIX 7	Risk Appetite Framework/Ap pendices/ Risk Resister	Martin Scullion PCF-8 GM/CEO	Defines the Risk rating of impact and probability, Risk Appetite, Tolerance Levels and metrics for all 19 of the Probus managed risks
Section 2				
9	Policy 1	Compliance Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Ensure compliance with all insurance acts and regulations, guidelines issued by the insurance supervisory authorities, company laws and all other applicable legislation.
10	Policy 2	Underwriting Policy	Martin Scullion PCF-17 Head of Underwriting	Aligns with the Company's Strategy and Initiatives Plan and Risk Appetite as approved by the Board, and considers the adequacy of premium to cover the risks, the reinsurance strategy, the reserving policy and the risk management system of the Company.
11	Policy 3	Asset/Liability Management Policy	Charlotte Torr PCF-11 Head of Finance	The goal is meet all liabilities as they fall due by ensuring that there are adequate assets
12	Policy 4	Capital Management and Dividend Policy	Charlotte Torr PCF-11 Head of Finance	Ensure that there is always sufficient capital available to meet operational and regulatory requirements. For clarity capital refers to capital and reserves as disclosed in the balance sheet.

13	Policy 5	Investment and Liquidity Risk Policy	Charlotte Torr PCF-11 Head of Finance	The goal of the company is to ensure that its portfolio of assets are held with secure and regulated financial institutions and are sufficiently liquid to meet liabilities.
14	Policy 6	Outsourcing Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Probus will make sure outsourcing arrangements involving material business activities are subject to appropriate due diligence, approval and ongoing monitoring.
15	Policy 7	Internal Control Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Probus seeks to comply with all relevant internal control procedures it is required to follow.
16	Policy 8	Risk Management Policy	Martin Scullion PCF-8 GM/CEO	Board of directors of the undertaking is ultimately responsible for ensuring the effectiveness of the risk management system, setting the undertaking's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies.
17	Policy 9	Remuneration Policy	Martin Scullion PCF-8 GM/CEO	All employees annual bonuses will be calculated on the evaluation of personal financial/non-financial goals and the Hertz Group performance. The goals are linked to shareholder interests and discourage excessive risk taking.
18	Policy 10	Conflict of Interest Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Defines how potential conflicts of interest are to be identified, avoided and disclosed where necessary.
19	Policy 11	Complaints Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Ensure that all complaints will be handled appropriately pursuant to the Irish Consumer Protection Code and EIOPA guidelines on complaints-handling by insurance undertakings.

20	Policy 12	Fitness & Probity Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Probus will make sure that its application of Central Bank of Ireland (CBI) "Fitness and Probity Standards" (F&P) are well documented, communicated, adhered to, and monitored to ensure that a person prior to appointment or currently performing an inscope role as a Pre-Approval Controlled Function (PCF) or Controlled Function (CF).
21	Policy 13	Claims Policy	Martin Mullooly PCF-43 Head of Claims	Probus Insurance Company Europe Limited ("Probus") will manage its claims to ensure best practice in their handling, in compliance with all local legislation, insurance acts, regulations and guidelines issued by the relevant country legislative or supervisory authorities, thereby ensuring no adverse financial impact or exposure to the Company.
22	Policy 14	Data Protection Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Ensure protection of the rights and privacy of individuals in accordance with the Data Protection legislation
23	Policy 15	Internal Audit Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Implement the audit plan, as approved, including any review of third party activities, special studies, tasks, or projects assigned by management and/or the Audit Committee.
24	Policy 16	Reporting and Disclosure Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Probus seeks to comply with all relevant reporting and disclosure rules set out in EIOPA guidelines for Solvency II in which the Central Bank of Ireland is wholly adopting in addition to key annual financial and compliance reporting. This is linked to the Probus Internal Control Policy.

25	Policy 17	Probus IT Policy	Stephen Codd, Manager Risk Analytics	The purpose of this policy is to set out Probus' approach to information technology ('IT') and cyber security. In particular the document covers:  - How the IT strategy of the company is aligned with the overall business strategy; The roles and responsibilities of those individuals and functions responsible for the execution of IT governance;  - The IT Risk Management Framework explaining how IT risks are assessed and controlled;  - How Disaster Recovery and Business Continuity is handled;  - How cyber risk is managed;  - How staff training is conducted and monitored.
26	Policy 18	Diversity Policy	Andrew Oja PCF-12 Head of Compliance, PCF-14 Chief Risk Officer	Probus seeks to comply with all relevant EU directives on diversity. A coherent diversity policy generates an inclusive environment and allow all employees to feel well-integrated, respected and valued. This means managing human resources recognizing and giving value to individual skills rather than on sub-optimal criteria
27	Policy 19	ORSA Policy	Martin Scullion PCF-8 GM/CEO	Board of directors of the undertaking is ultimately responsible for ensuring the effectiveness of the risk management system, setting the undertaking's risk appetite and overall risk tolerance limits as well as approving the main risk management strategies and policies.

28	Policy 20	Claims Reserving Policy	Martin Mullooly PCF-43 Head of Claims /	The purpose of this document is to set out the Company's approach to managing claims reserves by stating the philosophy to be applied to the reserving process and describing specific guidelines to be followed on particular classes of insurance.
				The reserving policy shall:  • be agreed by the board;  • be communicated internally and to any externally appointed claims administrators;  • be contained within the service level agreement of any outsourced claims administrator;  • provide clear guidance for assessing and determining claim reserves.

### Balance sheet

					Solvency II value	Statutory accounts value	Reclassification adjustments
					C0010	C0020	EC0021
ets					(Abstract)	(Abstract)	(Abstract)
	Goodwill			R0010	-		-
	Deferred acquisition of	costs		R0020	-		-
	Intangible assets			R0030			
	Deferred tax assets			R0040	5,460	5,460	
	Pension benefit surplu	JS		R0050			
	Property, plant & equi	pment held for own use		R0060			
	Investments (other	•		R0070	20,728,096	20,728,096	
	than assets held for	Property (other than fo	r own use)	R0080	, ,,,,,,,	-, -,	
	index-linked and unit- linked contracts)	Holdings in related und participations		R0090			
		Equities		R0100			
			Equities - listed	R0110			
			Equities - unlisted	R0120			
			Equities - unilsted				
		Bonds		R0130			
			Government Bonds	R0140			
			Corporate Bonds	R0150			
			Structured notes	R0160			
			Collateralised securities	R0170			
		Collective Investments	Undertakings	R0180			
		Derivatives		R0190			
		Deposits other than ca	sh equivalents	R0200	20,728,096	20,728,096	
		Other investments	on equivalente	R0210	20,720,000	20,720,000	
		linked and unit-linked co	ntracts	R0220	-		
	Loans and mortgages			R0230	20,000,000	20,000,000	
		Loans on policies		R0240			
		Loans and mortgages	to individuals	R0250			
		Other loans and mortga	ages	R0260	20,000,000	20,000,000	
	Reinsurance			R0270	124,433,884	129,190,155	4,756,
	recoverables from:	Non-life and health		R0280	124,433,884	129,190,155	-
		similar to non-life	Non-life excluding health	R0290	124,433,884	129,190,155	
			Health similar to non- life	R0300			
		Life and health similar to life, excluding health and index-		R0310			
		linked and unit-linked	Health similar to life	R0320			-
			Life excluding health and index-linked and unit-linked	R0330			
		Life index-linked and u	nıt-linked	R0340			
	Deposits to cedants			R0350			
	Insurance and interme	ediaries receivables		R0360	14,487,588	14,487,588	
	Reinsurance receivab	les		R0370			
	Receivables (trade, no	ot insurance)		R0380			
	Own shares (held dire	ectly)		R0390			
	Amounts due in respe not yet paid in	ct of own fund items or in	nitial fund called up but	R0400			
	Cash and cash equiva	alents		R0410	11,718,184	11,718,184	
	Any other assets, not			R0420	448,807	448,807	
	Total assets			R0500	191,822,019	196,578,290	4,756,
litica	Total assets			10000			
ilities				D0-11	(Abstract)	(Abstract)	(Abstract)
	Technical provisions - non-life			R0510	150,416,833	150,925,670	508,
	HOH-IIIE	Technical provisions -		R0520	150,416,833	150,925,670	-

### Balance sheet

				Solvency II value	Statutory accounts value	Reclassification adjustments
				C0010	C0020	EC0021
	health)	Technical provisions calculated as a whole	R0530			-
		Best Estimate	R0540	148,492,892	-	-
		Risk margin	R0550	1,923,941		-
	Technical provisions -		R0560			-
	health (similar to non-	Technical provisions	R0570			
	life)	calculated as a whole				-
		Best Estimate	R0580		-	-
		Risk margin	R0590		-	-
Technical provisions -			R0600			
life (excluding index-	Technical provisions -		R0610			-
linked and unit-linked)	health (similar to life)	Technical provisions calculated as a whole	R0620			-
		Best Estimate	R0630			-
		Risk margin	R0640			-
	Technical provisions –		R0650			
	life (excluding health					-
	and index-linked and unit-linked)	Technical provisions calculated as a whole	R0660			-
		Best Estimate	R0670		-	-
		Risk margin	R0680			-
Technical provisions –			R0690			
index-linked and unit- linked	Technical provisions c	alculated as a whole	R0700			-
	Best Estimate		R0710			-
	Risk margin		R0720			-
Other technical provision	_		R0730	-		-
Contingent liabilities			R0740			
Provisions other than to	echnical provisions		R0750			
Pension benefit obligat	<u> </u>		R0760			
Deposits from reinsure			R0770			
	13					
Deferred tax liabilities			R0780			
Derivatives			R0790			
Debts owed to credit institutions			R0800			
	Debts owed to credit in domestically		ER0801		-	
	Debts owed to credit in the euro area other tha	an domestic	ER0802 ER0803		•	
Einonoial liabilities	Debts owed to credit in rest of the world	ISUITUTIONS RESIDENT IN			-	
Financial liabilities other than debts owed	Daleta a 11		R0810			
to credit institutions	Debts owed to non- credit institutions	I=	ER0811		-	
		Debts owed to non- credit institutions resident domestically	ER0812			
		Debts owed to non- credit institutions resident in the euro area other than domestic	ER0813			
		Debts owed to non- credit institutions resident in rest of the world	ER0814			

### Annex I

### S.02.01.02

### Balance sheet

			Solvency II value	Statutory accounts value	Reclassification adjustments
			C0010	C0020	EC0021
	Other financial liabilities (debt securities issued)	ER0815		-	
Insurance & intermedia	aries payables	R0820	276,203	276,203	-
Reinsurance payables		R0830			
Payables (trade, not in	surance)	R0840	146,824	146,824	-
Subordinated liabilities	8	R0850			
	Subordinated liabilities not in Basic Own Funds	R0860			
	Subordinated liabilities in Basic Own Funds	R0870			
Any other liabilities, no	t elsewhere shown	R0880	340,330	340,330	-
Total liabilities		R0900	151,180,190	151,689,027	- 508,837
Excess of assets over liabilities		R1000	40,641,829	44,889,263	-

### Annex I S.05.01.02

Premiums,	claims	and	expenses	by line	of	business	

Premiums, claims a	and expenses by line o	f business					Line of Busine	ess for: non-life insuran	ce and reinsurance obliga	itions (direct business an	d accepted proportion	al reinsurance)				Line	of Business for: accepte	ed non-proportional reinsu	ırance	Total
				Medical expense	Income protection	Workers'		Other motor insurance	Marine, aviation and	Fire and other damage	General liability	Credit and suretyship	Legal expenses	Assistance	Miscellaneous	Health	Casualty	Marine, aviation,	Property	
				insurance	Insurance	compensation insurance	insurance			to property insurance	insurance	insurance	insurance		financial loss			transport		
				C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	Gross - Direct Busine		R0110				27,338,152							1,756,782			-	-	-	29,094,934
	Gross - Proportional	reinsurance accepted	R0120													-	-	-	-	-
	Gross - Non-proportio	onal reinsurance accepted	R0130	-	-	-		-	-	-	-		-							-
	Reinsurers' share		R0140				24,677,476													24,677,476
	Net		R0200				2,660,676							1,756,782						4,417,458
Premiums earned				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	Gross - Direct Busine	SS	R0210				27,338,152							1,756,782		-				29,094,934
	Gross - Proportional	reinsurance accepted	R0220													-	-		-	-
	Gross - Non-proportio	onal reinsurance accepted	R0230	-	-	-	-	-					-		-					-
	Reinsurers' share		R0240				24,677,476													24,677,476
	Net		R0300				2,660,676							1,756,782						4,417,458
Claims incurred				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	Gross - Direct Busine	SS	R0310				29,291,409							119,608		-	-	-	-	29,411,017
	Gross - Proportional	reinsurance accepted	R0320																	-
	Gross - Non-proportion	onal reinsurance accepted	R0330																	-
			R0340																	25,426,737
	Reinsurers' share		R0340 R0400				25,426,737 3,864,672							119.608						25,426,737 3,984,280
Changes in other	, and		110400	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
Changes in other technical provisions	Gross - Direct Busine	SS	R0410	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
		reinsurance accepted	R0420																	-
																-	-	-	-	
	Gross - Non- proporti	onal reinsurance	R0430																	-
	accepted			-	-	· ·	•		-	-		-	•	·						
	Reinsurers' share		R0440																	-
	Net		R0500																	-
Expenses incurred	France of		R0550				503,935			-				115,767						619,702
	Administrative expenses	Corres Direct	R0610	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
		Gross - Direct Business	KUBTU				363,402							106,736		-	-		-	470,138
		Gross - Proportional	R0620																	
		reinsurance accepted														_	_	_	-	
		Gross - Non-	R0630																	-
		proportional reinsurance accepted		-		-			-	-	-	-								
		·																		
		Reinsurers' share	R0640																	470,138
		Net	R0700				363,402			-				106,736						
	Investment management	Gross - Direct	R0710	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	expenses	Business	RUTTU													-	-		-	
		Gross - Proportional reinsurance accepted	R0720																	-
																-	-	-	-	
		Gross - Non- proportional	R0730			_														-
		reinsurance accepted					-			-										
		Reinsurers' share	R0740																	-
		Net	R0800																	-
	Claims management			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	expenses	Gross - Direct Business	R0810				140,533							9,031		_			-	149,564
		Gross - Proportional	R0820																	
		Gross - Proportional reinsurance accepted	R0820															_		
		Gross - Non-	R0830																	-
		proportional reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-					
		Reinsurers' share	R0840 R0900				140.533							9.031						149,564
	Acquisition expenses	IVEL	KU9UU	(Abstract)	(Abstract)	(Abstract)	14U,533	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	9,031 (Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	149,564 (Abstract)
				(ADSIIBLE)	(Abstract)	(Abstract)	(ADSIIBCI)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(ADSIIact)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)

### Annex I S.05.01.02

				Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)													d non-proportional reinsu	rance	Total
			Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
			C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Gross - Direct Business	R0910													-	-	-	-	
	Gross - Proportional reinsurance accepted	R0920													-	-	-	-	
	Gross - Non- proportional reinsurance accepted	R0930	-	-			-	-	-	-	-	-	-	-					
	Reinsurers' share	R0940																	
	Net	R1000																	
Overhead expenses			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstra
	Gross - Direct Business	R1010														-			
	Gross - Proportional reinsurance accepted	R1020														-	-		
	Gross - Non- proportional reinsurance accepted	R1030		-	-	-		-	-		-		-		-				
	Reinsurers' share	R1040																	
	Net	R1100																	
expenses		R1200	-	-	-	-	-		-		-		-	-		-	-		1
xpenses		R1300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2

### Annex I S.05.02.01

Premiums, claims ar	nd expenses by country		Home country
			Home country
		1	C0080
Premiums written			(Abstract)
	Gross - Direct Business	R0110	
	Business		
	Gross - Proportional	R0120	
	reinsurance accepted		
	Gross - Non-	R0130	
	proportional		
	reinsurance accepted		
	Reinsurers' share	R0140	
	Net	R0200	
Premiums earned	ivet	K0200	
Fremiums eamed	Gross - Direct	R0210	(Abstract)
	Business	R0210	
	Gross - Proportional reinsurance accepted	R0220	
	remadrance accepted		
	Gross - Non-	R0230	
	proportional reinsurance accepted		
	Reinsurers' share	R0240	
	Net	R0300	
Claims incurred			(Abstract)
	Gross - Direct	R0310	
	Business		
	Gross - Proportional	R0320	
	reinsurance accepted		
	Gross - Non-	R0330	
	proportional		
	reinsurance accepted		
	Reinsurers' share	R0340	
	Net	R0400	
Changes in other	<u> </u>		(Abstract)
technical provisions	Gross - Direct	R0410	, , ,
	Business		
	Gross - Proportional	R0420	
	reinsurance accepted		
	Gross - Non-	R0430	
	proportional		
	reinsurance accepted		
	Reinsurers' share	R0440	
	Net	R0500	
Expenses incurred		R0550	458,724
Other expenses		R1200	100,124
Total expenses		R1300	
Total Oxpolises		111000	-

Annex I S.05.02.01

Premiums, claims and expenses by country

Premiums, ciaims a	nd expenses by country						
				Country (by amount of	gross premiums written	) - non-life obligations	
			UNITED KINGDOM	FRANCE	GERMANY	NETHERLANDS	ITALY
			OTTI E I TITO DOM	TTOWOL	OLI (W) (V)	NETTIEREANDO	117.21
Premiums written			(Abstract)				
	Gross - Direct	R0110	13,079,172	3,995,458	4,076,397	588,053	6,464,275
	Business			, ,	, ,	,	
	Gross - Proportional	R0120					
	reinsurance accepted						
	Gross - Non-	R0130					
	proportional reinsurance accepted						
	Reinsurers' share	R0140	11,738,422	3,426,520	3,614,360	519,452	4,777,348
	Net	R0200	1,340,750	568,938	462,037	68,601	1,686,927
Premiums earned	Oraca Di i	Doore	(Abstract)	0.005.455	4.070.00	500.055	2.101.5==
	Gross - Direct Business	R0210	13,079,172	3,995,458	4,076,397	588,053	6,464,275
	Gross - Proportional	R0220					
	reinsurance accepted	NOZZO					
	Gross - Non-	R0230					
	proportional						
	reinsurance accepted						
	Reinsurers' share	R0240	11,738,422	3,426,520	3,614,360	519,452	4,777,348
	Net	R0300	1,340,750	568,938	462,037	68,601	1,686,927
Claims incurred	•		(Abstract)				
	Gross - Direct Business	R0310	10,867,718	258,366	5,842,660	1,345,257	8,691,255
	Gross - Proportional reinsurance accepted	R0320					
	· ·						
	Gross - Non-	R0330					
	proportional	10000					
	reinsurance accepted						
	Reinsurers' share	R0340	9,298,990	271,471	5,023,074	1,197,699	7,387,894
	Net	R0400	1,568,728 -	13,105	819,586	147,558	1,303,362
Changes in other			(Abstract)				
technical provisions	Gross - Direct	R0410					
	Business						
	Gross - Proportional	R0420					
	reinsurance accepted						
	Gross - Non- proportional	R0430					
	reinsurance accepted						
	Poincurore! chare	D0440					
	Reinsurers' share Net	R0440 R0500					
Expenses incurred	1401	R0550	- 40,423 -	125,895	101,249	9,207	359,106
Other expenses		R1200	*	120,000	101,240	5,207	
Total expenses		R1300	*				

### Annex I S.05.02.01

### Premiums, claims and expenses by country

Premiums, claims an	d expenses by country		
			Total Top 5 and home country
			C0140
Premiums written			(Abstract)
	Gross - Direct Business	R0110	28,203,357
	Gross - Proportional reinsurance accepted	R0120	-
	Gross - Non- proportional reinsurance accepted	R0130	-
	Reinsurers' share	R0140	24,076,104
	Net	R0200	4,127,253
Premiums earned			(Abstract)
	Gross - Direct Business	R0210	28,203,357
	Gross - Proportional reinsurance accepted	R0220	-
	Gross - Non- proportional reinsurance accepted	R0230	-
	Reinsurers' share	R0240	24,076,104
	Net	R0300	4,127,253
Claims incurred	•		(Abstract)
	Gross - Direct Business	R0310	27,005,256
	Gross - Proportional reinsurance accepted	R0320	-
	Gross - Non- proportional reinsurance accepted	R0330	-
	Reinsurers' share	R0340	23,179,128
	Net	R0400	3,826,128
Changes in other			(Abstract)
technical provisions	Gross - Direct Business	R0410	-
	Gross - Proportional reinsurance accepted	R0420	-
	Gross - Non- proportional reinsurance accepted	R0430	-
	Reinsurers' share	R0440	-
	Net	R0500	-
Expenses incurred		R0550	559,469
Other expenses		R1200	1,502,884
Total expenses		R1300	2,062,354

						Direct business and accepted proportional reinsurance									accepted non-proportional reinsurance							
						Medical expense insurance	Income protection insurance	Workers' compensation	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport	Fire and other damage to	General liability insurance	Credit and suretyship	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty	Non-proportional marine, aviation	Non-proportional property	obligation
								insurance			insurance	property insurance		insurance					reinsurance	and transport reinsurance	reinsurance	
echnical provisions					R0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
culated as a whole	Direct business				R0010																	
		reinsurance business			R0030													-		-		
	Accepted non-proporti				R0040		•	•	-	-	-	-	•	•	-	-	-					
nterparty default as	om reinsurance/SPV an ssociated to TP calculate	d Finite Re after the ad ed as a whole	ustment for expected los	sses due to	R0050																	
chnical provisions ulated as a sum E and RM	Post estimate					(Abstract) (Abstract)	(Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract)	(Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstract) (Abstract)	(Abstrac
E and RM	Dest estillate	Premium provisions				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstrac
			Gross - Total		R0060																	
				Gross - direct business	R0070													-	-	-	-	
				Gross - accepted proportional reinsurance business	R0080													-	-	-		
				Gross - accepted non- proportional reinsurance business	R0090									-								
			Total recoverable	remoutance pusifiess	R0100																	
			from reinsurance/SPV and Finite Re before the adjustment for expected losses due	Recoverables from reinsurance (except	R0110																	
			to counterparty default																			
				Recoverables from SPV before adjustment for	R0120																	
				expected losses  Recoverables from Finite Reinsurance before adjustment for expected losses	R0130																	
			Total recoverable from Finite Re after the adju losses due to counterp	n reinsurance/SPV and stment for expected arty default	R0140																	
			Net Best Estimate of P	Premium Provisions	R0150																	
		Claims provisions				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstrac
			Gross - Total		R0160 R0170				148,119,957 148,119,957							372,935 372,935						148,49
				Gross - direct business					148,119,957							372,935		-	-	-	-	148,49
				Gross - accepted proportional reinsurance business	R0180													-		-	-	
				Gross - accepted non- proportional reinsurance business	R0190			-	-		-	-		-	-	-	-					
			Total recoverable from reinsurance/SPV		R0200				127,112,072													127,11
			and Finite Re before the adjustment for expected losses due	Recoverables from reinsurance (except	R0210				127,112,072													127,11
			to counterparty default	SPV and Finite Reinsurance) before adjustment for expected losses																		
				Recoverables from SPV before adjustment for expected losses	R0220																	
				Recoverables from Finite Reinsurance before adjustment for	R0230																	
				expected losses																		

Non-life Technical P	rovisions
----------------------	-----------

											ted proportional rein:	surance							portional reinsurance		Total Non-Life
					Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	obligation  C0180
			Total recoverable from reinsurance/SPV and	R0240	00020	00000	00040	124,433,884	00000	00070	00000	C0090	00100	COTTO	C0120	C0130	C0140	00130	C0100	C0170	124,433,884
			Finite Re after the adjustment for expected losses due to counterparty default	R0240				124,433,884													124,433,884
1			Net Best Estimate of Claims Provisions	R0250				23,686,073							372,935						24,059,008
i		Total Best estimate -	gross	R0260				148,119,957							372,935						148,492,892
		Total Best estimate -	net	R0270				23,686,073							372,935						24,059,008
	Risk margin			R0280				1,812,782							111,159						1,923,941
Amount of the transitional on					(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
Technical Provisions	TP as a whole			R0290																	-
	Best estimate			R0300																	-
	Risk margin			R0310																	-
Technical provisions - total	Technical provisions -			R0320	(Abstract)	(Abstract)	(Abstract)	(Abstract) 149,932,739	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract) 484,094	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract) 150,416,833
			and Finite Re after the adjustment for expected	R0320				149,932,739							484,094						150,416,833
	osses due to counterp		and I linke it e and the adjustment for expected	K0330				124,453,004													
Те	Technical provisions r	ninus recoverables from	m reinsurance/SPV and Finite Re- total	R0340				25,498,855							484,094						25,982,949
Line of Business: further segmentation					(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
(Homogeneous Risk Groups)	Premium provisions -	Total number of homo	geneous risk groups	R0350																	- 1
Cr	Claims provisions - To	otal number of homoge	neous risk groups	R0360																	-
Cash-flows of the					(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
Best estimate of Premium Provisions	Cash out-flows				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
(Gross)		Future benefits and c	laims	R0370																	-
1		Future expenses and	other cash-out flows	R0380																	-
C	Cash in-flows				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
1		Future premiums		R0390																	-
		Other cash-in flows ( subrogations)	incl. Recoverable from salvages and	R0400																	-
Cash-flows of the					(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
Best estimate of Claims Provisions	Cash out-flows				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
(Gross)		Future benefits and o	laims	R0410																	-
		Future expenses and	other cash-out flows	R0420				436,394													436,394
Cr	Cash in-flows				(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
		Future premiums		R0430																	-
		Other cash-in flows ( subrogations)	incl. Recoverable from salvages and	R0440																	-
Percentage of gross Best	st Estimate calculated	using approximations		R0450																	-
Best estimate subject to to	transitional of the inte	erest rate		R0460																	-
Technical provisions with	hout transitional on in	terest rate		R0470																	-
Best estimate subject to v	volatility adjustment			R0480																	-
Technical provisions with	hout volatility adjustm	ent and without others	transitional measures	R0490																	-

### Annex I

S.19.01.21 Non-life Insurance Claims Information

von-me msu	rance Claims Information						1		i								
	Line of business [general]:	Motor vehicle liability insurance [direct	Applicable standard:	Accident year [AY]	Original/exposure currency:	Total/NA	Currency conversion approach:	Not applicable / Expressed in									
		business and						(converted to)									
		accepted proportional						reporting currency									
		reinsurance]						.,									
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	10,895,071
V-14	R0110	-	-	-	-	-	-	-	23,750,349	992,066	11,085,058	1,323,650	88,220	57,839	88,633	- 957,379	
V-13	R0120	-	-	-	-	-	-	20,879,567	544,773	- 148,892	103,487	571,649	127,373	662,425	- 1,167	•	
V-12	R0130	-	-	-	-	-	19,917,088	548,861	803,565	711,672	428,474	410,105	180,129	- 102,296	•	•	٠
V-11	R0140	-	-	-	-	31,068,405	1,853,467	1,323,802	1,423,332	898,344	940,716	2,345,333	86,423	•		•	٠
V-10	R0150	-	-	-	26,802,323	2,953,387	324,417	1,156,382	707,765	758,368	634,835	- 163,984	•	•	•	•	•
4-9	R0160	-	-	19,673,970	2,087,449	1,252,817	1,126,933	1,503,089	1,045,237	294,712	537,874	•	•	•	•	•	•
4-8	R0170	-	10,603,425	3,987,243	3,201,780	3,017,306	3,024,610	4,268,257	1,342,570	2,791,002	•	•	•	•		•	٠
1-7	R0180	5,279,389	5,646,915	3,976,788	2,250,828	2,119,234	1,175,552	965,390	679,954	•		•	•	•	•	•	•
<b>1-6</b>	R0190	4,711,026	4,825,726	4,737,917	2,383,325	1,933,357	1,807,785	460,330	•			•	•	•	•	•	
V-5	R0200	3,826,929	4,311,294	2,400,042	2,826,875	2,617,361	1,640,462	•	•			•				•	
V-4	R0210	1,097,582	3,071,735	3,782,586	6,418,266	3,343,569	•		•			•				•	
4-3	R0220	1,626,696	4,221,536	5,347,320	2,968,051	•	•		•	•		•	•	•	•	•	•
V-2	R0230	3,528,167	6,683,801	6,097,116	•	•	•	•	•			•	•	•	•	•	•
V-1	R0240	4,341,991	1,538,132	•	•		·		•	•		•	•	•	•	•	•
N .	R0250	3,834,021	•		•		•		•							•	•

Non-life Ins	rance Claims Information																
	Line of business [general]:	Motor vehicle liability insurance [direct business and accepted proportional reinsurance]	Applicable standard:	Accident year [AY]	Original/exposure currency:	GBP	Currency conversion approach:	Expressed in currency of denomination (not converted to reporting currency)									
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100	•	•	•	•	•	•	•	•	•	•	•	•	•	•		230,823
N-14	R0110	-	-	-	-	-	-	-	3,634,056	-	-	2,120	-	-	-	0	•
N-13	R0120	-	-	-	-	-	-	5,271,323	221,852	- 207,890	155	-	-	-	163,986	•	•
N-12	R0130	-	-	-	-	-	3,334,420	10,312	- 2,000	8,033	789	362	-	-	•	•	•
N-11	R0140	-	-	-	-	5,443,564	375,448	275,481	15,353	1,451	- 1,005	588	-	•			•
N-10	R0150	-	-	-	4,453,575	1,740,084	643,976	224,807	333,005	165,837	78,679	2,874	•	•		•	•
N-9	R0160	-	-	1,837,831	553,230	255,277	157,087	72,485	7,112	294	- 0	•	•	•		_	•
N-8	R0170	-	1,056,434	1,076,962	615,326	170,979	99,390	- 1,646	14,671	-		•	•				•
N-7	R0180	261,032	1,457,889	805,824	772,261	730,375	73,626	73,398	132,849			•	•				•
N-6	R0190	563,472	1,175,001	938,840	596,561	779,351	334,866	31,091	•	•		•	•	•		•	•
N-5	R0200	546,887	1,781,851	1,054,727	738,519	627,858	874,668	•				•	•				•
N-4	R0210	444,143		965,699	1,060,143	1,593,292		•					•	•			•
N-3	R0220	587,846		1,584,978	954,078	•		•	•	•		•	•			•	•
N-2	R0230	565,425	3,717,810	2,013,032	•	•	•	•	•	•	•	•	•	•	•	•	•
N-1	R0240	1,312,000		•	•	•	•	•		•	•	•	•	•	•	•	•
N	R0250	1,150,644	•	•		•	•	•	•			•	•	•			•

Non-life Insu	rance Claims Information																
	Line of business [general]:	Motor vehicle liability insurance [direct business and accepted proportional reinsurance]	Applicable standard:	Accident year [AY]	Original/exposure currency:	CHF	Currency conversion approach:	Expressed in currency of denomination (not converted to reporting currency)									
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	3,467
N-14	R0110	-	-	-	-	-	-	-	2,001,421	129,806	85,569	-	-	-	-	-	•
N-13	R0120	-	-	-	-	-	-	762,248	-	-	-	-	1,922	-	-	•	•
N-12	R0130	-		-	-	-	1,648,823	17,986	270,778	4,309	-	33,094	-	0	•		
N-11	R0140	-	-	-	-	8,269,440	47,839	845,638	528,424	361,692	228,556	442,000	81,200	•			•
N-10	R0150	-	-	-	1,321,156	17,903	18,498	410,517	26,696	-	11,688		•		•	•	•
N-9	R0160	-	-	809,918	43,869	55,506	19,833	40,801	16,141	-	141,860		•	•	•	•	•
N-8	R0170	-	574,933	61,858	15,614	47,244	67,735			-	•	•	•		•	•	•
N-7	R0180	522,849	241,622	37,150	53,464	16,023	7,116	3,098	50,266	•	•	•	•	•	•	•	•
N-6	R0190	507,748	312,470	146,381	67,690	9,065	=	342	•	•	•	•	•	•	•	•	•
N-5	R0200	426,101	208,762	34,720	21,976	-	1,026	•	•			•	•		•	•	•
N-4	R0210	-	-	-	-	-	•						•				•
N-3	R0220	-	-	-	-	•	•	•	•	•	•	•	•	•	•	•	•
N-2	R0230	-	-	-	•	•	•	•	•	•	•	•	•	•	•	•	•
N-1	R0240	-	-	•	•	•	•	•	•			•	•		•	•	•
N	R0250		•		•		•		•					•	•		

Non-life Ins	urance Claims Information																
	Line of business [general]:	Assistance [direct business and accepted proportiona reinsurance]	Applicable standard:	Accident year [AY]	Original/exposure currency:	Total/NA	Currency conversion approach:	Not applicable / Expressed in (converted to) reporting currency									
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	-
N-14	R0110	-	-	-	-	-	-	-	279,273	-	-	-	-	-	-	-	•
N-13	R0120	-	-	-	-	-	-	395,555	-	-	-	-			-	•	•
N-12	R0130	-	-	-	-	-	142,927	-	-	-	- 573	-	-	-	•	•	•
N-11	R0140			-	-	400,125	-	-	805	-	-	-	-	•			•
N-10	R0150	-	-	-	152,092	-	-	-	-	-	-	-	•	•	•		•
N-9	R0160	-		184,544	633	-	-	-	-	-	-	•	•	•	•	•	•
N-8	R0170	-	104,538	2,928	-	-	-	-	-	-	•	•			•	•	•
N-7	R0180	140,472		4,625	74	-	-	-	-	•	•	•	•	•	•	•	•
N-6	R0190	76,503		5,387	-	-	-	-	•	•	•	•	•	•	•	•	•
N-5	R0200	127,613		9,502	900	-	-	•	•	•	•	•			•	•	•
N-4	R0210	132,401		1,657	-	-	•	•	•	•	•	•	•	•	•	•	•
N-3	R0220	273,718		-	•	•	•	•	•	•	•	•	•	•	•	•	•
N-2	R0230	113,882		-		•	•	•	•	•		•	•	•	•	•	•
N-1	R0240	186,899		•	•	•	•	•	•	٠	٠	•	•	•	•	•	•
N	R0250	90,724	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

Line of business [general]:	Property [accepted non-proportional reinsurance]	Applicable standard:	Accident year [AY]	Original/exposure currency:	Total/NA	Currency conversion approach:	Not applicable / Expressed in (converted to) reporting currency									
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
R0100	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	-
R0110		-	-	-	-	-	-	٠	-	-	-	-	-	-	-	•
R0120		-	-	-	-	-	-		-	-	-	-	-	-		
R0130	-	-	-	-	-	-	-		-	-	-	-	-	•	•	٠
R0140	-	-	-	-	-	-	-		-	-	-	-	•	•		
R0150	-	-	-	-	-	-	-	-	-	-	-					
R0160	561,155	-	-	-	-	-	-	-	-	-	•	•		•	•	•
R0170	-		-	-	-	-	-	-	-							
R0180	-	-	-	-	-	-	-		•	•		•				
R0190	-	-	-	-	-	-	-		•					•	•	•
R0200	-		-	-	-	-	•									•
R0210	-	932,088	-	-	-	•	•									•
R0220	-	34,134	1,061	-		•	•							•	•	•
R0230	•	-	-	•	•	•	•	٠	•	•	•	•	•	•	•	•
R0240	,		•	•	•	•	•	•	•	•		•	•	•	•	•
R0250	-	•			•			•		•	•			•	•	•

Non-life Ins	rance Claims Information																
	Line of business [general]:	Motor vehicle liability insurance [direct business and accepted proportional reinsurance]	Applicable standard:	Accident year [AY]	Original/exposure currency:	EUR	Currency conversion approach:	Expressed in currency of denomination (not converted to reporting currency)									
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100	•	•	•	•	•	•	•	•	•	•	•	•		•	•	14,511,888
N-14	R0110	-	-	-	-	-	-	-	17,614,385	870,837	11,005,142	1,321,161	88,220	57,839	88,633	- 606,900	•
N-13	R0120	-	-	-	-	-	-	13,978,572	284,295	95,194	103,304	571,649	125,578	662,425	123,997	•	•
N-12	R0130	-	-	-	-	-	14,462,231	519,956	553,027	698,216	427,548	378,773	180,129	215,226	•	•	•
N-11	R0140	-		-	-	16,953,998	1,367,972	210,591	911,797	558,846	728,442	1,931,847	1,173,981			•	•
N-10	R0150	-		-	20,339,474	893,618	- 448,957	509,041	291,849	563,657	531,542	337,829			•	•	•
N-9	R0160	-	-	16,759,749	1,396,926	901,255	923,973	1,379,878	1,021,812	294,367	632,194				•	•	•
N-8	R0170	-	8,826,110	2,665,001	2,464,738	2,772,436	2,844,655	4,268,624	1,326,740	2,995,552			•		•	•	•
N-7	R0180	4,484,605	3,709,537	2,995,968	1,294,178	1,246,729	1,082,462	876,320	754,721							•	•
N-6	R0190	3,575,249	3,154,322	3,498,907	1,619,680	1,009,848	1,414,615	715,545	•	•	•				•	•	•
N-5	R0200	2,786,876	2,024,237	1,129,251	1,939,249	1,880,187	932,656	•	•				•		•	•	
N-4	R0210	576,109	1,348,947	2,648,750	5,173,543		•				•					•	
N-3	R0220	936,500	1,759,099	3,486,383	2,092,990					•	•	•			•	•	•
N-2	R0230	2,864,296	2,318,685	4,029,031	•					•	•	•			•	•	•
N-1	R0240	2,801,560	31,583	•	•		·		•				•		•	•	
N	R0250	2,537,029	•	•			·		•						•		

Annex I S.19.01.21 Non-life Insurance Claims Information

	Line of bus	Motor vehicle liability	Applicable stand	Accident year	Original/ex	Total/NA	Currency c Not applicable
		insurance [direct business and accepted proportional reinsurance]		[AY]			/ Expressed in (converted to) reporting currency
		In Current year	Sum of years (cumulative)				
		C0170	C0180				
Prior	R0100	10,895,071	10,895,071				
N-14	R0110	- 957,379	36,428,436				
N-13	R0120	- 1,167	22,739,214				
N-12	R0130	- 102,296	22,897,598				
N-11	R0140	86,423	39,939,823				
N-10	R0150	- 163,984	33,173,494				
N-9	R0160	537,874	27,522,081				
N-8	R0170	2,791,002	32,236,192				
N-7	R0180	679,954	22,094,051				
N-6	R0190	460,330	20,859,466				
N-5	R0200	1,640,462	17,622,964				
N-4	R0210	3,343,569	17,713,739				
N-3	R0220	2,968,051	14,163,603				
N-2	R0230	6,097,116	16,309,084				
N-1	R0240	1,538,132	5,880,123				
N	R0250	3,834,021	3,834,021				
Total	R0260	33,647,178	344,308,958				

Annex I S.19.01.21

	Line of bus	Motor vehicle liability insurance [direct business and accepted	Applicable standa	Accident year [AY]	Original/ex	GBP	Currency of	Expressed in currency of denomination
		proportional reinsurance]						(not converted to reporting currency)
		In Current year	Sum of years (cumulative)					
		C0170	C0180					
Prior	R0100	230,823	230,823					
N-14	R0110	0	3,636,176					
N-13	R0120	163,986	5,449,426					
N-12	R0130	-	3,351,915					
N-11	R0140	-	6,110,878					
N-10	R0150	2,874	7,642,835					
N-9	R0160	- 0	2,883,317					
N-8	R0170	-	3,032,116					
N-7	R0180	132,849	4,307,253					
N-6	R0190	31,091	4,419,181					
N-5	R0200	874,668	5,624,511					
N-4	R0210	1,593,292	5,530,593					
N-3	R0220	954,078	5,224,182					
N-2	R0230	2,013,032	6,296,267					
N-1	R0240	1,391,172	2,703,172					
N	R0250	1,150,644	1,150,644					
Total	R0260	8,538,508	67,593,289					

	Line of bus	Motor vehicle liability insurance [direct business and accepted proportional	Applicable standa	Accident year [AY]	Original/ex	CHF	Currency o	currency of denomination (not converted
		reinsurance]						to reporting currency)
		In Current year	Sum of years (cumulative)					
		C0170	C0180					
Prior	R0100	3,467	3,467					
N-14	R0110	-	2,216,796					
N-13	R0120	-	764,170					
N-12	R0130	0	1,974,990					
N-11	R0140	81,200	10,804,788					
N-10	R0150	-	1,806,457					
N-9	R0160	141,860	1,127,928					
N-8	R0170	-	767,564					
N-7	R0180	50,266	931,588					
N-6	R0190	342	1,043,696					
N-5	R0200	1,026	692,585					
N-4	R0210	-	-					
N-3	R0220	-	-					
N-2	R0230	-	-					
N-1	R0240	-	-					
N	R0250	-	-					
Total	R0260	278,161	22,134,029					

	Tance Claims III		A 1' 1 1 6 1	A solidont vest	0	Total/NIA	Not applies his
	Line of bus	Assistance [direct business and accepted proportional reinsurance]	Applicable standa	[AY]	Original/ex	Total/NA	Currency c Not applicable / Expressed ir (converted to) reporting currency
		In Current year	Sum of years (cumulative)				
		C0170	C0180				
Prior	R0100	-	-				
N-14	R0110	-	279,273				
N-13	R0120	-	395,555				
N-12	R0130	-	142,353				
N-11	R0140	-	400,930				
N-10	R0150	-	152,092				
N-9	R0160	-	185,177				
N-8	R0170	-	107,467				
N-7	R0180	-	172,181				
N-6	R0190	-	111,175				
N-5	R0200	-	179,090				
N-4	R0210	-	186,765				
N-3	R0220	-	360,563				
N-2	R0230	-	146,510				
N-1	R0240	90,724	277,622				
N	R0250	90,724	90,724				
Total	R0260	181,448	3,187,479				

	Line of bus	Property [accepted non-proportional reinsurance]	Applicable standa	Accident year [AY]	Original/ex	Total/NA	Currency c Not applicable / Expressed ir (converted to) reporting currency
			(cumulative)				
		C0170	C0180				
Prior	R0100	-	-				
N-14	R0110	-	-				
N-13	R0120	-	-				
N-12	R0130	-	-				
N-11	R0140	-	-				
N-10	R0150	-	-				
N-9	R0160	-	561,155				
N-8	R0170	-	-				
N-7	R0180	-	-				
N-6	R0190	-	-				
N-5	R0200	-	-				
N-4	R0210	-	932,088				
N-3	R0220	-	35,195				
N-2	R0230	-	-				
N-1	R0240	-	-				
N	R0250	-	-				
Total	R0260	-	1,528,438				

Annex I S.19.01.21

1 ton-me	surance Claims II					E	
	Line of bus	Motor vehicle liability insurance [direct business and accepted proportional reinsurance]		Accident year [AY]	Original/ex	EUR	Currency c    Currency c   Expressed in currency of denomination (not converted to reporting currency)
		In Current year	Sum of years (cumulative)				
		C0170	C0180				
Prior	R0100	14,511,888	14,511,888				
N-14	R0110	- 606,900	30,439,318				
N-13	R0120	123,997	15,945,014				
N-12	R0130	215,226	17,435,106				
N-11	R0140	1,173,981	23,837,475				
N-10	R0150	337,829	23,018,055				
N-9	R0160	632,194	23,310,154				
N-8	R0170	2,995,552	28,163,857				
N-7	R0180	754,721	16,444,520				
N-6	R0190	715,545	14,988,165				
N-5	R0200	932,656	10,692,456				
N-4	R0210	1,732,377	11,479,726				
N-3	R0220	2,092,990	8,274,972				
N-2	R0230	4,029,031	9,212,012				
N-1	R0240	31,583	2,833,143				
N	R0250	2,537,029	2,537,029				
Total	R0260	32,209,700	253,122,890				

### Own funds

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			10101	Tion I amounisted	1101 1 100110100	11012	1101 0
			C0010	C0020	C0030	C0040	C0050
Basic own funds							
before deduction for	Ondingersham	D0040	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
participations in other financial sector as foreseen in article 68 of Delegated	Ordinary share capital (gross of own shares)	R0010	6,866,246	6,866,246	-		-
Regulation 2015/35	Share premium account related to ordinary share capital	R0030	-		-		-
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-				-
	Subordinated mutual member accounts	R0050	-	-			
	Surplus funds	R0070	-		-	-	-
	Preference shares	R0090	-	-			
	Share premium account related to preference shares	R0110	-				
	Reconciliation reserve	R0130	33,770,124	33,770,124	-	-	-
	Subordinated liabilities	R0140	-				
	An amount equal to the value of net deferred tax assets	R0160	5,460			-	5,460
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
as Solvency II own funds	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220		*		-	-
Deductions			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	Deductions for participations in financial and credit institutions	R0230		,,	, , , , , ,	, , , , , , ,	
Total basic own funds after deductions R0290		R0290	40,641,830	40,636,370			5,460
Ancillary own funds			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	Unpaid and uncalled ordinary share capital callable on demand	R0300			-		-

S.23.01.01 Own funds							
			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
	Unpaid and uncalled preference shares callable on demand	R0320					
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360		*			-
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
	Other ancillary own funds	R0390					
Total ancillary own fun	ds	R0400		-	-		
Available and eligible			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
own funds	Total available own funds to meet the SCR	R0500	40,641,830	40,636,370			5,460
	Total available own funds to meet the MCR	R0510	40,641,830	40,636,370			-
	Total eligible own funds to meet the SCR	R0540	40,641,830	40,636,370			5,460
	Total eligible own funds to meet the MCR	R0550	40,641,830	40,636,370			-
SCR		R0580 R0600	24,130,746	-	-	-	-
MCR	MCR		6,032,687	-	-	-	-
Ratio of Eligible own funds to SCR		R0620	168.42%	-	-	-	-
Ratio of Eligible own fu	inds to MCR	R0640	673.69%				

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

	Article 112:	No		
		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	14,625,896	14,625,896	
Counterparty default risk	R0020	4,988,092	4,988,092	
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	6,084,541	6,084,541	
Diversification	R0060	- 6,022,570	- 6,022,570	*
Intangible asset risk	R0070			*
Basic Solvency Capital Requirement	R0100	19,675,959	19,675,959	*

### Annex I

### S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	2,482,112

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula comp	onent for non-l	ife insurance and reins	surance obligations
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance Income protection	R0020		
insurance and proportional reinsurance			
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	23,686,073	2,660,676
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120	372,935	1,756,782
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

### Annex I S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0070
Linear MCR	R0300	2,482,112
SCR	R0310	24,130,746
MCR cap	R0320	10,858,836
MCR floor	R0330	6,032,687
Combined MCR	R0340	6,032,687
Absolute floor of the MCR	R0350	2,500,000
Minimum Capital Requirement	R0400	6,032,687