Solvency & Financial Condition Report 2023

Assurant Europe Insurance N.V.

Contents

Executive Summary

Assurant Europe Insurance N.V. (further referred to as “AEI” or “the company”), is a Non-Life insurance company, incorporated in the Netherlands as a Naamloze Vennootschap (public limited company) on 29 October 2018. It received its license to operate on 9 June 2020. AEI is supervised by De Nederlandsche Bank (“DNB”) and the Autoriteit Financiële Markten (“AFM”).

This report has been prepared to comply with the reporting requirements of the EU-wide regulatory framework for insurance companies, Solvency 2, which came into force 1 January 2016.

Business and performance

AEI engages in the following three segments of insurance:

- Connected Living – comprising the insurance of electronic devices for extended warranty, theft and accidental damage. The most important product is that of the insurance of mobile phones.
- Auto – comprising extended warranty and ancillary insurances that are tied to a vehicle; and
- Creditor – comprising disability, unemployment, accident, and life. This segment went into run-off in 2018 and no new policies were written since.

These are primarily consumer insurance products that are sold in the European Union through freedom of service arrangements and distributed on a Business-to-Business-to-Consumer basis, via relationships with vehicle importers/dealers, manufacturers, retailers, and other distributors.

The company started writing smaller volumes of business as of July 2020 and assumed two EU-insurance portfolios of two Assurant group companies domiciled in the United Kingdom on 2 November 2020.

AEI closed 2023 with a statutory profit after tax of Euro 8.9m. This comprised an operational pre-tax profit of Euro 5.3m and investment income of Euro 6.5m.

Section A provides an overview of business performance in the year under review.

System of governance

AEI is governed by a two-tier board structure with a Board of Directors and a Supervisory Board of Directors. AEI implemented the governance requirements of the Solvency 2 regime and has four key functions: actuarial, compliance, risk management and internal audit.

Refer to section B for further details.

Risk profile

As a provider of Non-Life and Health (income protection) insurance as well as some ancillary services, the company is exposed to a number of risks, the main ones being Underwriting risk and Market risk. The company invests substantial amounts in fixed income instruments and is exposed to market volatility and default risk, both for which appropriate amounts of solvency capital are set aside. In addition, existing and emerging regulation poses operational risks, which, whilst not necessarily having a very large financial impact, could impede the company’s medium-term outlook for doing business when not properly addressed.

Section C demonstrates in further detail to which risks the company is exposed and how these risks are mitigated.

Valuation for solvency purposes

This SFCR provides insight in the company's balance sheet and available capital prepared in accordance with Solvency 2 guidelines. These guidelines strive for a market consistent valuation. In comparison to the statutory financial statements (BW2 Titel 9), Solvency 2 portrays a current and economic view on shareholder value and liabilities to policyholders. Under Dutch GAAP many items, such as policyholder liabilities, are valued at historical cost and gains are recognised over the lifetime of products.

Chapter D explains the differences between Solvency 2 and statutory valuation in more detail.

Capital management

The company's capital management focusses on facilitating the acceptance of new business and the orderly run-off of its Creditor portfolio. The company's solvency position is above average for a Non-Life carrier, which is intended given anticipated growth. The year-end solvency position is as follows:

	2023	2022
€'000		
Eligible Own Funds	99,787	92,720
SCR	41,534	41,746
Solvency Ratio %	**240%**	**222%**

The SCR remained stable, even when the UW-risk module shows significant changes compared to 2022, mainly in relation to the implementation of a SLT model for the company's Creditor portfolio.

Own funds increased in spite of a Euro 20m repayment of share premium in 2023, which is a result of a positive operational result and the implementation of a SLT model for the Creditor portfolio.

Further detail is provided in Section E.

Outlook

The outlook for 2024 is fairly stable in spite of macro-economic uncertainties in relation to heightened inflation, driven by energy prices / conflicts in the region.

AEI's products often but not always provide fixed claim payment for a loss event and are therefore only partially impacted by (sustained) inflation. AEI's expense provisions are considered sufficiently robust but it should be recognised that a prolonged period of higher than usual inflation would impact the company at some point in time.

The above increases the potential volatility of future outcomes to above what we have seen in the past decade and the level of volatility of future economic outcomes may be higher than historical developments would indicate.

A Business and performance

A.1 Business

A.1.1 Name and legal form

AEI is a Non-Life insurance company based in Amsterdam, the Netherlands. The company was incorporated on 29 October 2018 and received its license to operate as a Non-Life insurer on 9 June 2020. It is a Naamloze Vennootschap.

A.1.2 Name and contact details of the responsible supervisory authorities

Prudential supervision of AEI is the responsibility of De Nederlandsche Bank (“DNB”), Westeinde 1, 1000 AB, Amsterdam, The Netherlands.

Financial conduct is supervised by the Autoriteit Financiële Markten (“AFM”), Vijzelgracht 50, 1017 HS, Amsterdam, The Netherlands.

TWG Europe Ltd, AEI’s shareholder, is supervised by the Prudential Regulation Authority (“PRA”), 20 Moorgate, London, EC2R 6DA, United Kingdom.

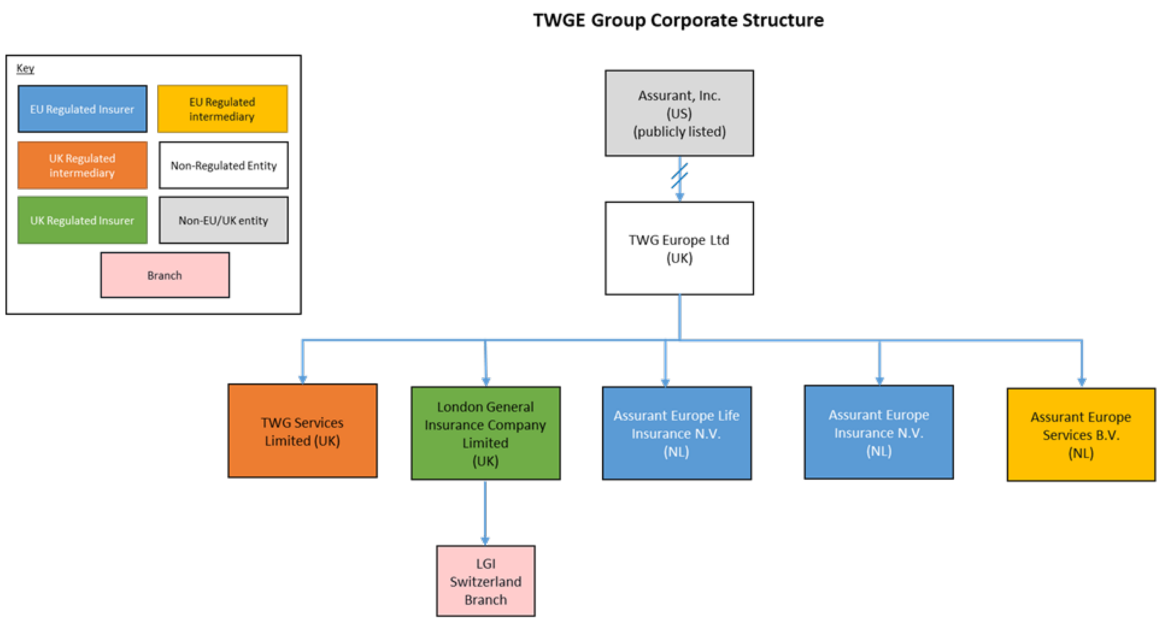
A.1.3 Name and contact details of external auditor

AEI’s external auditor is Deloitte Accountants B.V., Gustav Mahlerlaan 2970, 1081 LA, Amsterdam, The Netherlands.

A.1.4 Shareholders and position within the group

AEI’s shares are held by TWG Europe Ltd, one of the holding companies ultimately owned by Assurant Inc, a public company listed on the New York Stock Exchange (ticker: AIZ), registered in Delaware, United States of America.

A simplified version of the group’s corporate structure is shown below.



Notes:

1. *TWGE Group refers to TWG Europe Limited and its subsidiaries.*
2. *All depicted entities are 100% owned by their immediate shareholder (shown by blue connecting lines) except for Assurant, Inc. which is publicly listed.*
3. *This chart does not show (a) intermediary holding companies above TWGE or (b) entities within the TWGE Group which are in liquidation.*

AEI has issued 43,600,001 shares which are owned by TWG Europe Ltd.

A.1.5 Material lines of business and material geographical areas where business is carried out

AEI's principal activity is the underwriting of Non-Life insurance risk in the European Union. Its main clients are larger Mobile phone operators, Mobile phone distributors, Automotive industry manufacturers or distributors/dealers and (online) retailers.

AEI distinguishes the following segments:

- Connected Living (insurance of electronic devices including mobile phones)
- Auto (provision of extended warranty periods)
- Creditor (disability, unemployment). This segment is in run-off since 2018.

Its Solvency 2 lines of business are:

- Fire and Other Property Damage
- Income Protection (Health SLT)
- Miscellaneous Financial Loss

The material lines of business are illustrated in the table below, using financial information for the year ended 31 December 2023.

	Technical Provisions (excl. risk margin)			Premiums earned		
€'000	Gross	Ceded	Net	Gross	Ceded	Net
Fire and other property damage	5,409	5,717	-308	167,072	75,159	91,912
Health SLT	-9,586	39	-9,625	6,424	125	6,299
Miscellaneous financial loss	21,032	2,063	18,969	24,995	4,419	20,576
Total	**16,855**	**7,819**	**9,036**	**198,491**	**79,703**	**118,788**

The four largest territories of operation are France, Spain, Germany and Italy.

A.1.6 Significant business or other events that have occurred during the reporting period

The following events had a significant impact on the company:

Interest rate environment

In the course of 2023, market interest rates in the European Union reduced, driving substantial investment income for the company.

Inflation

The level of inflation remained above the European Central Bank's desired long term average. This had a negative impact on the company's technical result as on some programs cost per claim and claims handling costs increased.

A.1.7 Business performance

Whilst this report generally provides information that is based on valuation rules required by the Solvency 2 reporting regime, the sections A.2, A.3 and A.4 are required to be reported in accordance with the measurement basis as shown in the company's financial statements, which in AEI's case, is Dutch GAAP (BW2, Titel 9). The disclosure rules of Solvency 2 do require the business performance of the company to be analysed using three distinct sections, being:

- Underwriting performance
- Investment performance
- Performance of other activities

The table below shows the performance of the company's operations by section.

		2023	2022
€'000			
Underwriting performance	Section A.2	3,651	8,743
Investment performance	Section A.3	8,238	-18,828
Performance of other activities	Section A.4	0	0
Profit before tax in statutory financial statements		**11,888**	**-10,085**

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A.2 Underwriting Performance

Underwriting performance per Solvency 2 line of business is summarised in the following table.

	Fire & Other Damage to Property	Miscellaneous Financial Loss	Health (SLT)	**Total**
€'000				
Premiums written				
Gross - Direct Business	190,126	26,974	6,316	223,416
Reinsurers' share	82,653	811	118	83,581
Net	107,473	26,163	6,198	139,835
Premiums earned				
Gross - Direct Business	167,072	24,995	6,424	198,491
Reinsurers' share	75,159	4,419	125	79,703
Net	91,912	20,576	6,298	118,788
Claims incurred				
Gross - Direct Business	42,074	4,410	-3,065	43,418
Reinsurers' share	21,565	1,698	78	23,341
Net	20,509	2,712	-3,143	20,077
Expenses incurred				
Other expenses	76,038	15,619	3,402	95,059
Total expenses				95,059
Underwriting result	**-4,634**	**2,245**	**6,040**	**3,651**
(+) Investment income allocated				1,695
Technical result in statutory financial statements				**5,346**

Premiums earned (net)

This represents the sum of premiums earned during the year, net of premiums attributable to reinsurers. Premiums earned follow the risk emergence pattern of the different types of policies. The earning patterns vary substantially and range from monthly earning of monthly billed premiums to earning a single premium received after only three years (extended warranty products).

Claims incurred (net)

Comprises the sum of the claims paid and the change in the provision for claims outstanding during the financial year, net of reinsurance.

Changes in other technical provisions

Not applicable.

Expenses incurred

This represents all technical expenses incurred by the company in relation to its insurance operations.

Underwriting result

The underwriting result was positive overall, with the Health line of business benefiting from the run-off of the portfolio and the implementation of the SLT model. The other lines performed worse as a result of claim levels settling in at pre-Covid levels and increased cost per claim as a result of general inflation.

Geographical areas

All business is underwritten in the EU and all risks are in the EU. An overview of premiums, claims and expenses by significant risk location is provided in the appended schedule 05.02.

A.3 Investment Performance

A.3.1 Investment holdings

The company's investment portfolio as at 31 December of the current period and the investment income generated in the period under review is as follows.

	Position as at end of period		Income for the period	
	€'000	%	€'000	%
Government bonds (*)	9,958	7.6%	455	5.4%
Corporate bonds (*)	99,443	75.8%	7,158	84.3%
Loans to corporate borrowers (*)	7,138	5.4%	597	7.0%
Money markets	2,609	2.0%	59	0.7%
Cash and deposits	12,052	9.2%	224	2.6%
			8,493	
Asset management expenses			-255	
Total	**131,200**	**100%**	**8,238**	**100%**

(*) On Solvency II valuation basis, which includes accrued interest. See also at D.1.1.

Income for the period was positive as a consequence of the interest rate and spread decreases in the capital markets, especially towards the end of the year. Short term cash instruments also yielded higher returns than in the prior year.

The income on the Loans to corporate borrowers was in line with expectations and is less volatile than that generated on the bond markets.

Except for one investment (Loans to corporate borrowers), the company holds a very liquid and diversified portfolio of relatively high credit standing. Investment income, consequently, is lower than that of a portfolio that would also hold less liquid fixed-income or equity instruments.

A.4 Performance of other activities

The company's only activity is that of Non-Life insurance business.

A.5 Any other disclosures

There is no other information required to be disclosed regarding the performance of the business.

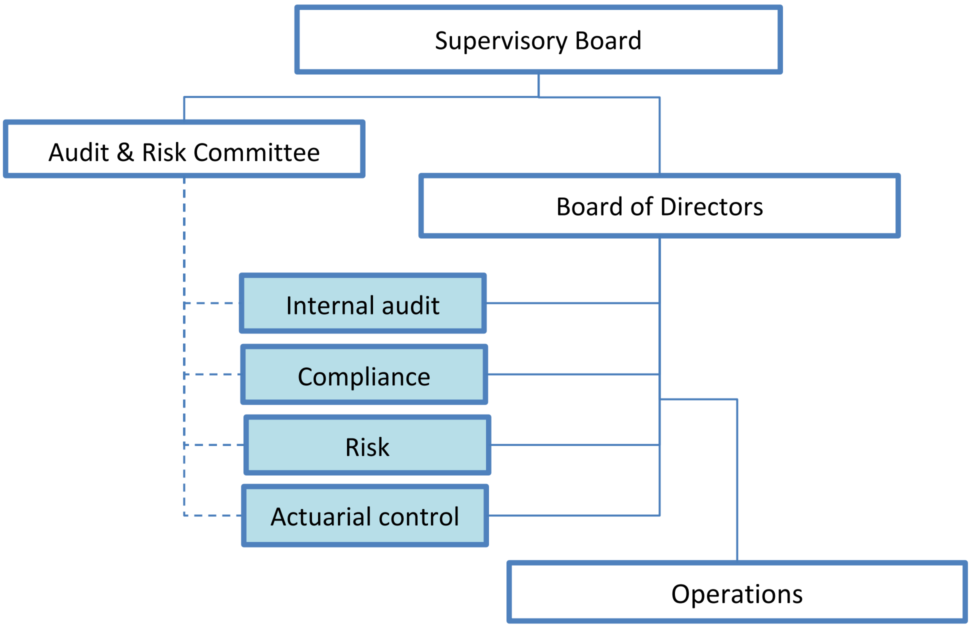
B System of governance

B.1 General information on the system of governance

B.1.1 Governance structure

AEI's system of governance is embedded within the overarching system of governance of the Assurant group. The design and effectiveness of system of governance is responsibility of the Board of Directors. The Board of Directors is supervised by an independent board of Supervisory Directors. The Board of Directors delegates responsibilities for certain functions to Key Function Holders (in blue in below table). The company maintains a governance map which documents the detailed implementation of the system of governance. This includes the terms of reference and detailed roles and responsibilities for the key function holders.

The governance structure is summarised in the picture below.



B.1.1.1 Supervisory Board

The Supervisory Board supervises the Board of Directors and oversees that the Board of Directors acts in accordance with the Company's strategy, policies and objectives. It is collectively responsible for coaching and assisting the Board of Directors when necessary.

Sub-Committee

The company's supervisory board has established an Audit Risk & Compliance Committee.

B.1.1.2 Board of Directors

The Board comprises the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the Head of Risk.

The Board of Directors sets the strategy and business plan within the context of Assurant group's plans and ensures that the necessary financial and human resources are in place to meet the organisation's objectives.

B.1.1.3 Key function holders

The Board of Directors has delegated the execution of certain key functions to senior management / key function holders. These are functions that have a material effect on the system of internal control in the business and influence material decision making. The key functions have been defined considering the requirements of Solvency 2 regulations and guidance from regulators. The key functions are as follows:

- Risk management
- Internal audit
- Actuarial (control)
- Compliance

Each Key Function Holder prepares a functional performance report to the board(s) on a quarterly basis (risk management & compliance) or annual basis (actuarial and internal audit).

The detailed responsibilities for each Key Function Holder are documented in the Governance Map which is reviewed and approved by the Board of Directors on a regular basis. This ensures that each Key Function Holder has the necessary authority and operational independence to carry out their role. On an annual basis, as part of the Business Planning process, each Key Function Holder will ensure that they have the necessary resources to deliver on their responsibilities. The Business plan is reviewed by the Board of Directors.

The responsibilities of each of the key-functions holders are summarised below.

- The Head of Risk, being a Board of Directors' member, attends the Board of Director's meetings and the Audit Risk & Compliance Committee meetings and has responsibility for the development and review of the risk management system, governance system and internal control system; implementation of risk management processes and systems; reporting on the risk profile of the business, preparation and presentation of the Own Risk and Solvency Assessment (ORSA).
- The 2nd line Actuary attends of the meetings of the Board of Directors at which his reporting is on the agenda. The 2nd line Actuary oversees all actuarial aspects of strategy and financial management. Oversight of the appropriateness of methodologies, models, bases of calculation of technical provisions; assessment of the sufficiency and quality of the data used in the calculation of technical provisions; reporting on the reliability and adequacy of the calculation of technical provision; advising of any concerns regarding the sufficiency of financial assets to meet liabilities to policies; the modelling of risk capital for the ORSA, including advising on suitable stress and scenario testing; reinsurance arrangements; oversight of investment strategy and asset-liability matching.
- The Head of Internal Audit provides reporting to the Board of Directors and directly to the Chair of the Audit Risk & Compliance Committee and is responsible for providing reasonable assurance to the Board of Directors and the Audit Risk & Compliance Committee about the adequacy and effectiveness of the internal control environment including procedures, controls and policies and for the establishment of an annual audit plan.
- The Head of Compliance provides reporting to the Board of Directors and directly to the Chair of the Audit Risk & Compliance Committee and is responsible for ensuring that the company fulfils its regulatory, legislative, and corporate standards and obligations and for assessing the adequacy of measures taken to prevent non-compliance. The Head of Compliance is also responsible for upholding sanction and anti-money-laundering measures.

B.1.2 Material changes in the system of governance

In the reporting period, no material changes were made to the system of governance.

B.1.3 Information on the remuneration Policy

The Board of Directors, management and employees of AEI are employed by Assurant Europe Services BV (AES). AEI and AES are under common management and AES applies the same practices that would have applied if management and employees would have been employed by AEI directly.

The Remuneration policy for the Board of Directors is set by the Annual General Meeting. The periodical determination of its remuneration is set by the Supervisory Board, in accordance with that Remuneration policy.

The Board of Directors, management and employees are remunerated as follows:

- Fixed remuneration, based on a (group wide) benchmark / role content basis.
- Variable remuneration, based on personal and company financial performance, such within the local legal limits applying (performance related variable remuneration up to 20% of fixed/guaranteed income).

Variable remuneration is not deferred.

Supervisory Board members receive a fixed fee.

B.1.4 Transactions with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body.

The company did not enter into transactions with subject persons or bodies.

B.1.5 Assessment of the adequacy of the system of governance

The system of governance is set up in accordance with Solvency 2 guidelines and the design is assessed on an annual basis. The Board of Directors reviews effectiveness of the system of governance on a periodical basis. This review comprises the following:

- An annual attestation by management of the Company with regards to the proper functioning of policies within the Company.
- Review of the quarterly reporting of the Key Function Holders (Head of Risk, Actuarial function, Head of Compliance, Head of internal audit), which reporting provides insight into functioning of policies and guidelines, both in terms of adherence and in terms of breaches and incidents.
- Incidental reviews requested by regulators, which entail a detailed review of certain aspects of the governance framework.
- Obtaining feedback from the Internal and External audit functions with regards to their opinions on the functioning of the governance framework.

Key Function Holders and External audit have direct access to the Audit Risk & Compliance Committee and the Supervisory Board to share any concerns they may have about the governance framework.

B.2 Fit and proper requirements

The company has a Fit and proper policy that addresses that appropriate resource are in place to deliver effective and efficient management of the business. The Company takes appropriate steps to ensure that (senior) managers, individuals responsible for key functions and those working in key functions are fit and proper to carry their responsibilities. The requirements are proportionate to the role and responsibilities of the position. Checks are made on initial appointment and are re-assessed when deemed required. The results of all assessments are reported to the Board of Directors. For new employees, these tests included some or all of the following:

- Criminal record checks.
- Credit referencing.
- Curriculum Vitae detailing skills, qualifications and experience.
- Continuous professional development / performance management framework.
- Membership of professional institutes.
- The recruitment and selection process in place at the time of appointment.
- Permanent education requirements, which are reported on quarterly and monitored by the Compliance Officer.

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

B.3.1.1 Risk Management System

AEI has established a risk management system which comprises:

(a) a strategy;
(b) risk management and internal control policies;
(c) risk management processes;
(d) control activities.

In addition, it includes a risk management system review; reporting and disclosure; independent assurance and regulatory compliance monitoring.

The risk management system applies to all categories of risk, and, unless stated otherwise, the following information applies for each separate risk category.

B.3.1.2 Risk management strategy

AEI's risk management strategy ensures that the company's risk appetite is not exceeded. Risks are assessed, defined and approached in one of the following four ways, depending on the nature of the risk and related circumstances:

- Risk acceptance: AEI accepts risks that fall within the boundaries/limits defined in the risk appetite statement. Any risk falling outside the specified limits or boundaries is reviewed to ascertain if the risk appetite requires updating or if an exception should be granted.
- Risk reduction/minimisation: these activities generally relate to control and mitigation activities, and therefore this strategy may include, amongst others, any or all of the following: the design of new process or accounting controls, contracting controls, changes in product design, improvement in a set of Terms and Conditions, or other changes designed to control and/or mitigate risk.
- Risk transfer: risk is transferred principally through reinsurance agreements. These may include, but are not limited to stop loss, excess of loss, quota share, or other such treaties. Other types of risk transfer can also be considered.

- Risk Avoidance: where an activity is outside the risk appetite of the AEI, AEI will seek to avoid exposure to that type of risk.

B.3.1.3 Process

AEI implemented the three lines of defence model and enforces the requirement for first line management of risk, with oversight and challenge from the second line risk, actuarial and compliance functions and third line internal audit function confirmation, as follows.

Oversight	Supervisory Board	• Supervisory Board - independent oversight of Board of Directors
Responsibility	Board of Directors	• Establishes risk appetite and strategy • Responsible for 1st and 2nd line activities
3rd Line of Defence	Internal Advisory Services (Internal Audit)	• Provides independent assurance on the effectiveness of first and second line of defence functions
2nd Line of Defence	Risk Management Function Compliance Function Actuarial Function	• Design, interpret and develop overall risk management framework • Overview of AEI risk registers • Monitor controls in place against key risks • Challenges risk mitigation and acceptance • Reports on risk exposures, issues, mitigations, and resolutions
1st Line of Defence	Business / Functions	• Executive risk owners • Owner of the risk management process • Identifies, manages, and mitigates risks • Identifies, manages, and reports on issues

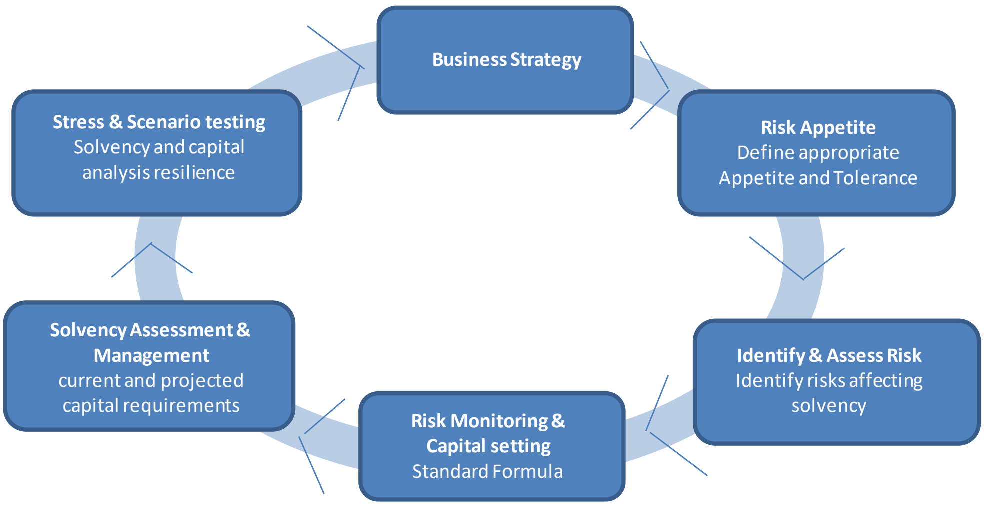
Business areas are responsible for completing quarterly Risk and Control Self-Assessments (RCSAs) which contribute to the Risk Register of the business.

B.3.2 Own Risk and Solvency Assessment

AEI annually conducts an Own Risk and Solvency Assessment (ORSA). This assessment considers the company's strategy, its operating environment, and the risks to which it is exposed and results in a forward-looking assessment of the potential risks and capital impacts which the company uses to assess its current and future capital needs.

ORSA Process

The table below show the steps in the ORSA process.



B.4 Internal control system

B.4.1 Description of system of internal control

AEI's internal control system is designed to provide reasonable assurance that its reporting is reliable, compliant with applicable laws and regulations and its operations are effectively controlled.

The Company operates a "three lines of defence model" for the management of risks and performance of internal control, which is adapted and applied for a company of the size and complexity of AEI. This is illustrated in the overview below. Broadly this means that the risk function is responsible for providing a framework for risk management and internal control, the business functions are responsible for implementing the framework and the Internal audit function is responsible for independently validating the appropriateness of both the design and its implementation. The actuarial and compliance functions also provide second line challenge, oversight and assurance.

1st Line Business functions	•Ownership of risk management policies defining key controls •Operation of business processes including control activities •Management of incidents / crystallised risk events •Governance of outsourcers processes and controls
2nd Line Risk, compliance & actuarial functions	•Review and challenge of risk management policies and adequacy of control environment •Actuarial review •Compliance monitoring
3rd Line Audit function	•Independent testing of control activities •Provide an independent perspective and challenge the process

B.4.2 Implementation of the compliance function

The Compliance Function operates within Assurant group's broader risk management framework and:

- is responsible for oversight and monitoring of compliance risk management and related control systems.
- supports the Board of Directors in managing compliance risks and embedding a culture of integrity in the organisation.
- develops the enterprise compliance strategy, structure, and processes of adherence to ethical standards and applicable rules and regulations.
- supports implementation of the compliance program and establishes and maintains effective compliance management and control systems.

The Compliance Function is independent of and takes an objective view on the operational activities of AEI. It provides timely advice to the Board of Directors or, where applicable the Supervisory Board on compliance related matters. If and when potentially significant misconduct in connection with AEI's business is detected, it ensures that reasonable steps are taken to respond to and resolve the (potential) misconduct. It oversees effective whistleblowing reporting channels and conducts or coordinates internal investigations of compliance violations. It develops and implements compliance policies and procedures, education, and trainings, and keeps abreast of regulatory and industry trends.

At least on an annual basis, the Compliance Function will draft the compliance plan, which describes the monitoring activities which the Compliance Function will perform, considering the risk ratings, supervisor priorities and audit results. The monitoring activities will be executed accordingly.

B.5 Internal audit function

B.5.1 Description of how the internal audit function is implemented

AEI's Head of Internal Audit (HoIA) is responsible for internal audit activities, in coordination with Assurant Inc.'s group Internal Audit Services (IAS) function. The HoIA is accountable to the Audit Risk & Compliance Committee (ARCC) of the Supervisory Board and has administrative responsibility to AEI's Chief Executive Officer.

The HoIA is responsible for regularly assessing the adequacy of governance, risk management and the internal controls system and reports his findings to the Board of Directors and the Audit Risk & Compliance Committee of the Supervisory Board.

Internal audit activities are coordinated with IAS as to ensure coordination of audit plans, coordination of resource planning, alignment on audit process, reporting and follow-up monitoring.

The annual audit plan (based on a three-year cycle) is prepared and submitted to the Supervisory Board for review and confirmation. Upon confirmation, the HoIA distributes the plan to business leaders and executes the plan during the course of the audit plan period. Additionally, at HoIA discretion or at the request of the ARCC, or management, other unannounced audits may be performed.

Initially the entire risk universe is considered during annual audit planning and subsequent revisions to plan, the highest-risk items are included as risk-based audits. Certain processes, while not rising to a level of significant risk, are still included on a cyclical basis to ensure breadth of coverage over a span of time.

Secondly, risks associated to the audit are identified and their mitigation evaluated via an assessment of the design and operational effectiveness of key internal controls, information systems, governance, risk management, and financial reporting supplemented where necessary by a programme of testing, creating audit programs for every project.

B.5.2 Description of how the internal audit function maintains independence and objectivity

The Internal audit function's mandate and responsibilities are documented in the Internal Audit Charter. It defines the framework for the activities of the Internal Audit function and is approved by the Supervisory Board. The charter allows Internal audit to be independent of the functions audited and it provides full, free, and unrestricted access to all operations, records, property, and personnel. Additionally, it provides the authority to allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives.

B.6 Actuarial function

The Board of Directors appoints the Actuarial Function Holder. The holder needs to meet the fit and proper requirements and hold an appropriate practicing certificate from the Actuarial Society (Actuarieel Genootschap) or a comparable foreign qualification.

The Actuarial Function Holder reports to the Head of Risk for management purposes but has a line of escalation to the Supervisory Board (via the Audit Risk & Compliance Committee).

The responsibilities of the Actuarial Function Holder are defined in a Charter. As part of ensuring responsibilities are carried out in an effective and efficient manner, the Actuarial function operates in close cooperation with the members of the 1st line actuarial function team.

The Actuarial Function Holder coordinates the calculation of technical provisions, provides opinions on the underwriting policy and reinsurance arrangements, and contributes to the effectiveness of the risk management system.

The actuarial function is responsible for the process of calculating the technical provisions, as well as for the calculation of the SCR and the MCR. In addition, the actuarial function is responsible for reviewing and calculating the appropriateness of insurance product pricing and contributing to the governance committees, capital initiatives and regulatory returns where appropriate.

The Actuarial Function Holder provides quarterly updates and an annual report to the Board of Directors and the Supervisory Board, detailing the methodology, assumptions, and results of its work.

B.7 Outsourcing

AEI operates as part of the Assurant group and is tightly linked to the European - and partially, US - operations. The company does not employ staff itself but instead benefits from shared services centres and centres of excellence and has entered into service agreements with the group entities that provide these services.

Similarly, AEI does often not employ its own claim-adjusters and policy maintenance staff but instead engages third parties that have proven expertise in dealing with electronic devices and digital customer experience journeys. Assurant group employees supervise such third parties, based on detailed service level agreements.

In the Netherlands, Assurant employees are employed by Assurant Europe Services B.V., a group company under the same management as AEI. The activities of these employees are not considered "outsourcing".

AEI distinguishes between two types of outsourcing:

- Activities for which the Board of Directors cannot outsource functional responsibility but for which AEI makes use of individuals and infrastructure that are employed or owned by other group entities. These activities are managed as if directly employed /owned by AEI and are not considered "outsourcing".
- Activities for which functional responsibility can be outsourced and which is considered critical or important outsourcing as defined by Solvency 2 definitions.

AEI's Outsourcing policy sets the standards and controls required for selection of internal and external service providers as well as the requirements for ongoing management of such providers, with the aim of ensuring adequate oversight and governance of performance.

Critical or important outsourced functions are:

Outsourced Function	Outsourced to
IT & infrastructure management	Assurant group companies (US/UK)
Oversight over third party administrators	Assurant group companies (UK)
Financial administration	Assurant group companies (UK)
Policy administration and claims management	Various third parties (EU)

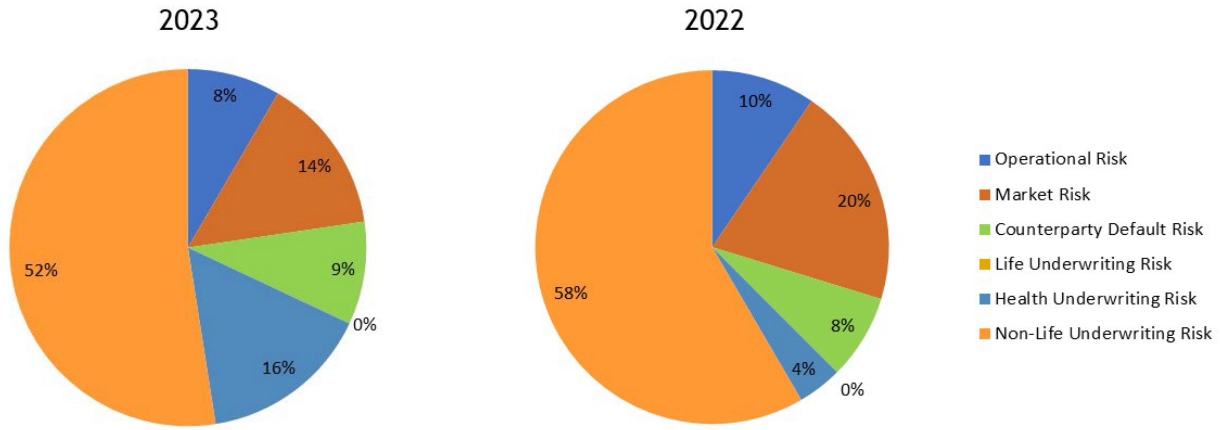
B.8 Any other disclosures

None.

C Risk management

The sections below provide a qualitative and quantitative summary of the risk profile for each category of risk. Where information is specific to each risk category it has been set out under the relevant heading. Where the information is common across all risk categories it has been included in Section C.7.

AEI is mainly exposed to Non-Life underwriting risk. The chart below shows the distribution of the gross SCRs by risk module (excluding the diversification effects between the risk modules) as at current and prior year-end.



The main change compared to the prior period is the increase of Health Underwriting Risk. This is caused by the implementation of a Similar to Life Techniques model for the Health line of business.

C.1 Underwriting risk

C.1.1 Qualitative review of risk profile

Non-Life Underwriting Risk - Premium and Reserve Risk

AEI is exposed to the risk of having to pay more claims, or incur higher than expected costs per claim, than foreseen when pricing its insurance products. Its insurance risk is generally more driven by claim frequency as the insurances generally cover high volume low value categories. Depending on the individual program, the risk concerning the cost of individual claims may have been negated by up-front agreements with original or alternative manufacturers of parts or devices.

Non-Life Underwriting Risk - Lapse Risk

Lapse risk arises mainly due to the loss of future income if lapses are higher than expected. Lapse risk can be driven by external events such as an economic recession or by internal factors such as poor customer service delivery.

Non-Life Underwriting Risk - Catastrophe Risk

In some territories AEI is exposed to this risk, for example due to floods or windstorm. This risk is generally remote.

Health SLT Underwriting Risk - Mortality and Longevity Risk

AEI has a (very) small exposure to mortality and longevity risk as the duration of payment of periodical benefit payments to insured is dependent on the average expected lifetime of each insured.

ASSURANT

Health SLT Underwriting Risk – Disability-Morbidity Risk

AEI is exposed to disability-morbidity risk; the probability of having to pay out more benefits due to increased disability-morbidity.

In case of annuities, disability-morbidity risk carries the possibility of recovery, meaning insureds can recover from their illness and benefits can cease to be paid at that point. Some covers involve a lump sum payment only.

AEI did not write policies on a standalone basis, but as wrappers to consumer borrowing arrangements, like mortgage loans or consumer credits, meaning they were less exposed to disability-morbidity risk compared to insureds that had a health driven incentive to buy protection.

Health SLT Underwriting Risk – Health Expense Risk

The Company is exposed to expense risk. This arises if future expenses turn out to be higher than expected or higher than those provisions are carried for. Cost increases have different causes, such as non-recurring regulatory change costs, or recurring inflation increases. This risk can be mitigated only partially.

Health SLT Underwriting Risk - Revision Risk

Revision risk applies to annuity insurances where the benefits 'could increase because of changes in inflation, the legal environment or the state of health of the person insured.' AEI's insurances do not provide such benefits; therefore, this risk is not applicable.

Health SLT Underwriting Risk - Lapse Risk

Lapse risk arises mainly due to the loss of future income if lapses are higher than expected. Lapse risk can be driven by external events such as an economic recession or by internal factors such as poor customer service delivery.

Health Underwriting Risk - Catastrophe Risk

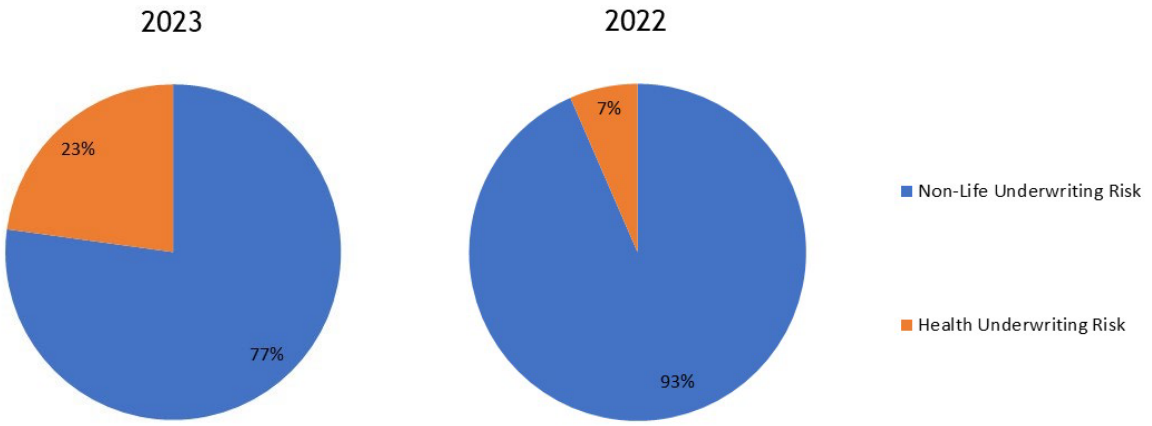
Health Catastrophe Risk applies in the event that a natural catastrophe event would impact the company's insureds, for example due to becoming disabled by such event. The portfolio does not have concentrations of insured through and the exposure is not material.

Health Underwriting risk – Unemployment

AEI is exposed to the risk of unemployment. The Company did not write this risk on a standalone basis, but as a wrapper to a consumer borrowing arrangement, like a mortgage loan or consumer credit. The risk of unemployment tends to be related to the stages of the economic cycle. The Company is not exposed to unemployment risk in a particular industry or region.

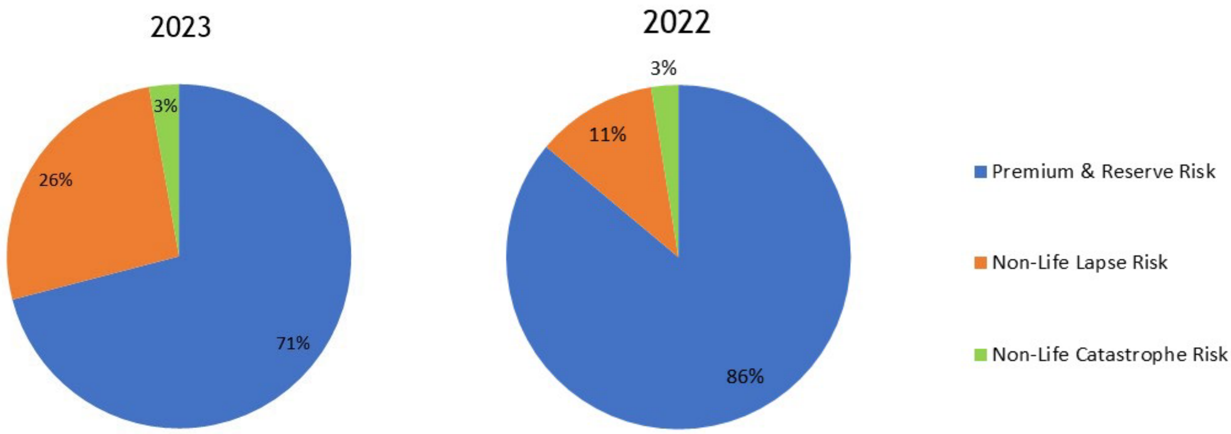
C.1.2 Quantitative review of risk profile

The graphs below show the underwriting risk profile of the Company using the risk capital requirements calculated by the standard formula as at 31 December of the current and prior year.



The SCR for Health risk increased due to the implementation of a Similar to Life Techniques model.

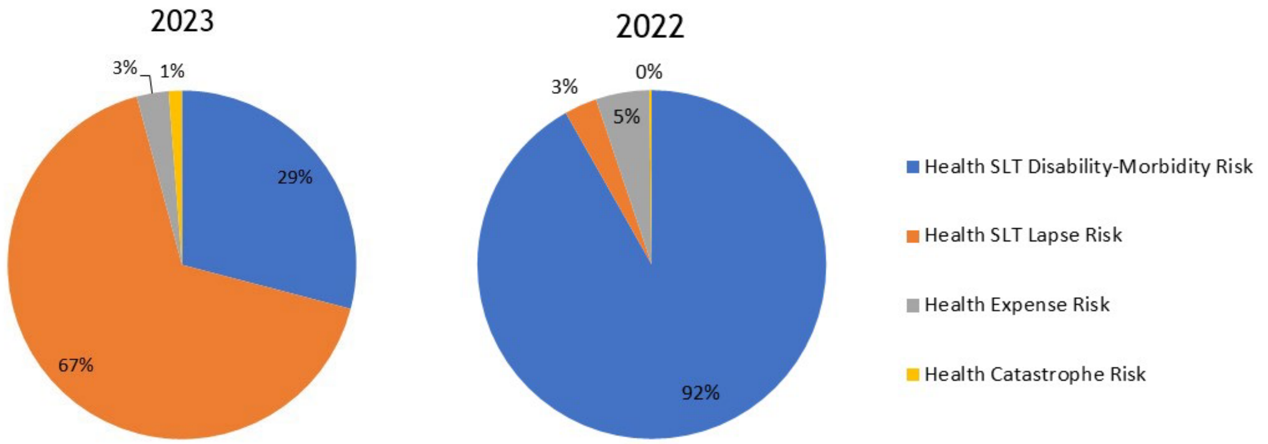
The development of the SCR for Non-Life Underwriting Risk is illustrated below.



Most of the Non-Life Underwriting Risk SCR is made up by Premium and Reserve Risk, which is common for a Non-Life insurer. Catastrophe risk is relatively low as the terms and conditions of many products exclude catastrophe risk or the policies are written in a territory where catastrophe risk is covered by national schemes.

Lapse risk increased in 2023 due to the implementation of a SLT model that includes cashflows up to policy expiry.

The development within the SCR for Health SLT Underwriting Risk is illustrated below.



The implementation of a similar to life techniques model for the Health portfolio had the following impacts:

- The inclusion of all future policy cashflows, up to expiry of each policy, increases the amount of Own Funds (as more premiums will be received than that claims will be paid out).
- The SCR for Lapse risk increased to reflect that in case of lapse of policies, the company would on a net basis receive less future cashflows.

C.1.3 Risk mitigation techniques

The below table sets out the techniques used for mitigating (material) risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Premium & reserve risk (Non-Life)	▪ Underwriting guidelines include conditions that limit maximum duration of individual policies and claim re-pricing rights for policies that have a longer duration. ▪ Underwriting practices allow for profit-sharing mechanisms due to which the interests of AEI and its program client are more closely aligned. ▪ Reinsurance guidelines prescribe the use of reinsurance if the underwriting risk is outside of AEI's risk appetite. ▪ Regular experience investigations and monthly review of programs avoid insufficient technical provisions. ▪ Emerging risk reviews focus on market developments that may prove a program under-reserved.
Underwriting risk - Disability/Morbidity Risk/ Unemployment Risk (Health SLT)	▪ Regular experience investigations, and industry analysis, to support best estimate assumptions and identify trends. ▪ Policy conditions include (low) limits in amount and duration of payment(s).
Expense Risk	▪ Stringent regime of budgetary control, monitored as part of the annual planning and quarterly reporting cycles. ▪ Outsourcing strategy keeps costs variable.

Risk Category	Key Controls and Risk Mitigation Techniques
Lapse Risk	▪ Regular experience investigations to support best estimate assumptions and identify trends. ▪ Stringent management of customer service delivery and adherence to treating customers fairly (TCF) principles.
Catastrophe Risk	▪ Given low exposure to this risk, no specific mitigation measures are in place.

C.2 Market risk

C.2.1 Qualitative review of risk profile

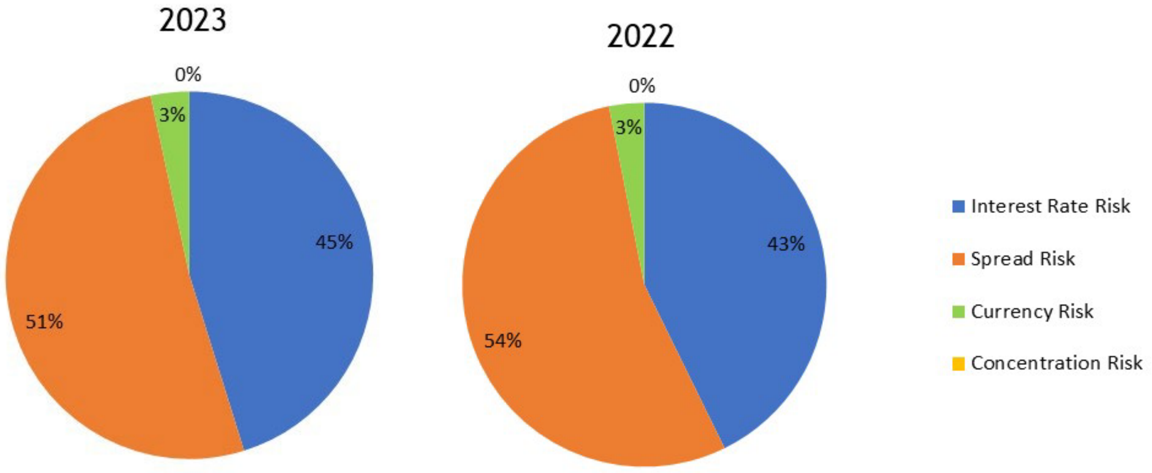
Market risk emerges in different ways. It arises directly, because of interest rate and spread movements or exchange rate movements but also due to a loss of funds if a debtor is not able to repay its debt. This indirect risk is credit risk is treated in section C.3.

AEI does not seek market risk to increase revenue or profit but rather incurs it as a consequence of having to invest funds to cover policyholder liabilities and hold capital for regulatory purposes.

The following risk categories are included within market risk.

Risk category	Description
Interest Rate Risk	Interest risk is inherently present. Given that a major part of AEI's assets are bonds, interest fluctuations will impact these assets' values. Fluctuations in interest rates also affect liabilities' values. The overall impact of interest risk is therefore depending on how well the assets and liabilities are matched. Given that AEI has a larger exposure on interest sensitive assets than exposure on liabilities, decreasing interest rates are beneficial to its solvency position.
Spread Risk	Given the large share of corporate bonds in its asset portfolio, AEI is exposed to spread risk. Spread is the part of the interest rate above the risk-free rate. When spreads increase, the market value of assets reduces.
Currency Risk	Currency risk emerges when currencies lose value compared to the Euro, the companies reporting currency. AEI only operates in the European Union, and therefore its exposure to currency risk is limited.
Concentration Risk	Depending on the diversity of the investment portfolio, concentration risk can emerge.
Equity risk	AEI had no exposure to equity risk as at 31 December.
Property Risk	AEI had no exposure to property risk as at 31 December.

C.2.2 Quantitative review of risk profile



The company is exposed mostly to interest-rate risk and spread risk, both a as result of investing its Own funds mostly in a corporate bonds portfolio. Spread risk is the largest category as there are no off-sets available in liabilities, unlike for interest rate risk.

Currency risk is small as this concerns business underwritten outside of the Euro-zone only.

Concentration risk is nil percent, as the company's investment policy contains concentration limits that are stricter than those allowed by Solvency 2 standard model.

C.2.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Interest Risk	Matching of assets and liabilities to reduce the impact of adverse interest rate movements.
Spread risk	Investing in Investment grade bonds only, with diversification over many regions and sectors.
Concentration Risk	Diversified portfolio of investments with smaller notional exposures to avoid concentration of risk.
Currency Risk	Investments in Euro bonds only. For non-Eurozone exposures maintain current accounts in these currencies against the liabilities denominated in these currencies.

The company does not use any derivatives or other specific risk mitigation instruments to manage its market risk exposure.

C.2.5 Assets invested in accordance with the Prudent person principle.

C.2.5.1 Prudent Person Principle

The Company holds assets to back its various liabilities and its shareholder funds. Through pro-active investment management the Company can achieve an appropriate level of investment return. Achieving an appropriate level of investment return is not the sole aim though, as the Company needs to keep the risks within its risk tolerance limits, which are set with the aim to achieve pay outs in line with policyholders' reasonable expectations.

The Company has a limited risk appetite to incur losses on investments that are held to cover policyholder liabilities. These investments are held to match the best estimate cash outflows and returns on funds are of lower priority (since the liabilities do not hold guarantees and are discounted against the EIOPA curve).

The Company has a higher risk appetite for invested shareholder funds. For these, return on investment has a higher priority and with that comes a more positive risk appetite towards credit and spread risk.

Finally, the Company has a limited risk appetite for liquidity risk and concentration risk. Subsequently, when setting the asset mix and determining suitable investments it is important to maintain a minimum level of cash holdings and to ensure that the company does not invest too much with a single counterparty, for which strict limits exist.

C.2.5.2 Investment management

The Board of Directors is responsible for ensuring that the controls for investment management are appropriate and effective. As such the board is responsible for the approval of the Investment policy and oversight of its operation. This includes signing off major changes in the approach used for investment management. At AEI, also the Supervisory Board signs off the Investment policy.

C.3 Credit risk

C.3.1 Qualitative review of risk profile

Two types of exposures are distinguished:

<u>Type 1</u>

The Company holds significant amounts of funds with banks in The Netherlands. Counterparty default risk would emerge if one or more of these banks would not be able to repay the balances held.

The Company has placed reinsurance with certain reinsurers, for specific programs in its portfolio. From time to time the Company has significant amounts receivable, both current and future, from these reinsurers.

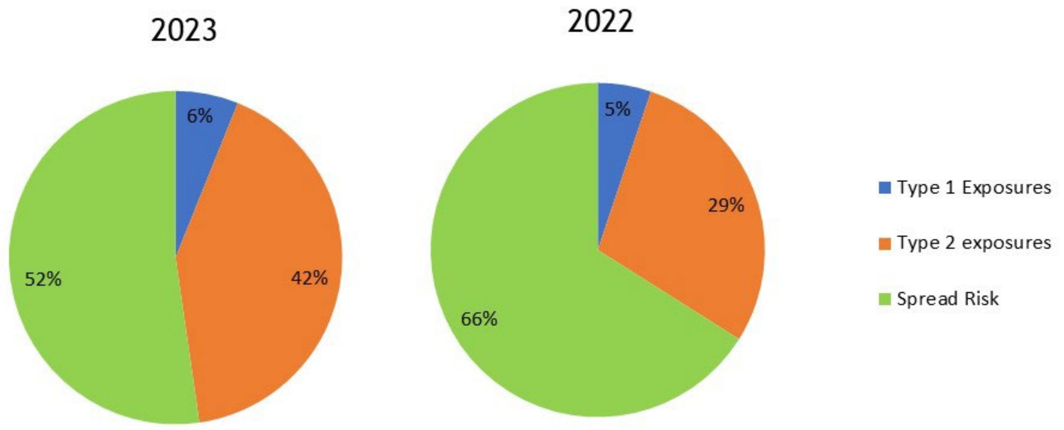
<u>Type 2</u>

The company has significant amounts due from intermediaries.

Spread risk, reflecting credit risk on the corporate bond portfolio, is treated in paragraph C.2.

C.3.2 Quantitative review of risk profile

The graphs below show the credit risk profile of the Company using the risk capital requirements calculated by the standard formula as at 31 December of current and prior year.



In comparison, the credit risk on the bond portfolio is larger than that associated with type 1 and 2 exposures. The capital held for type 1 exposures is relatively modest as exposure to reinsurers is mostly covered by liabilities or collateral and exposure to banks is mainly to higher rated banks (which also are Globally Systemic Important Banks).

Type 2 exposure is growing in line with the growth of the portfolio. In relative terms the risk is modest as many programs know monthly premium cycles or single premium payments up-front.

C.3.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Credit and counterparty default	▪ Operation of controls which limit the level of exposure to any single counterparty and impose limits on exposure by credit rating. ▪ Product design allowing for cancellation of coverage when premiums unpaid. ▪ Bank accounts held with G-SIBs. ▪ Reinsurance treaties only with highly rated reinsurers and/or with set-off and collateral clauses.

C.4 Liquidity risk

Liquidity risk is defined as the risk that the company will have insufficient liquid assets available to meet liabilities as they become due.

C.4.1 Qualitative review of risk profile

Liquidity risk arises when cash outflows to policyholders or pay-out patterns deviate from expectations, or when cash outflows are not properly matched by cash inflows. The company holds almost all its invested assets in liquid instruments (cash at bank and government and corporate bonds) which are directly or almost directly available. The only illiquid investment is in a closed fund that originates private loans, which accounts for 5.9% of total invested assets. Therefore, liquidity risk is not considered a major residual risk.

Other liquidity issues could arise from counterparty default risk (see section C.3).

C.4.2 Quantitative review of risk profile

Given the very large excess of liquid investments over policyholder liabilities, no further details ae provided.

C.4.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Liquidity	▪ Funds held at GSIB banks with limits per institution. ▪ Investment policy prescribes investment in liquid assets. ▪ Quarterly cash flow forecasts to anticipate funding requirements over the following three months and considering wider funding requirements from the business planning and/or group dividend payments. ▪ Weekly / monthly / quarterly treasury reporting showing the liquid assets held and how these compare to the minimum threshold set in the Investment policy. ▪ ORSA liquidity stress scenarios.

C.4.5 Expected Profit in Future Premiums

As required by Article 260(2) of the S2 Directive, the company calculated the amount of discounted expected profit in future premiums included in the best estimate technical provisions.

	2023	2022
€’000		
Expected profit in future premiums	42,644	10,148
Total EPIFP	**42,644**	**10,148**

The increase compared to prior year is a result of a Similar to Life Techniques model for the Health portfolio.

C.5 Operational risk

C.5.1 Qualitative review of risk profile

The company typically carries the same operational risks as most insurers. Operational risks manifest themselves in a wide variety of forms. The company is considered to be most exposed to IT-related risks (continuity of processing, data security, data privacy) and regulation related risks (changes in regulation that increase the cost base or changes in regulations that are applied retro-actively and for which no means of compensation exists). Other categories of operational risk that the company is exposed to, either directly or via its business partners / outsource partners, are:

- Supply chain and customer experience interruptions (IT or otherwise)
- Internal or external fraud

- Conduct and reputational risk

Operational risks are assessed periodically and captured in a risk register.

C.5.2 Quantitative review of risk profile

In the first section of this chapter C, a graph shows the distribution of the four main risk groups that are part of the SCR, including operational risk, calculated by the standard formula as at 31 December of the current and prior period. This graph shows that as at current year-end operational risk is, from a quantitative perspective, relatively material, contributing circa 10% of its final SCR.

Whilst the company is exposed to many operational risks and has quantified the (external) cost of these scenarios, the impact of each scenario does not exceed the SCR as determined at 31 December.

C.5.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Operational risk	▪ Close oversight of the performance and risk management of (IT-) service providers. ▪ SOX review of major IT applications. ▪ Ongoing monitoring and testing of business continuity plans. ▪ (Preventive) health and safety measures. ▪ Remote work facilities.

C.6 Other material risks

In February 2022, the Russian Federation invaded Ukraine, which triggered the start of a period of global economic uncertainty and the establishment of sanctions against the Russian Federation and Belarus. The company has no exposure to the countries concerned nor is it impacted by sanctions. It is however impacted by the inflationary effect that the reduced import of energy from the Russian Federation has on general price levels worldwide and the impact these price levels have on the companies that AEI invests in via its bond portfolio.

AEI's products often but not always provide fixed claim payment for a loss event and are therefore partially impacted by (sustained) inflation. AEI's expense provisions are considered sufficiently robust but it should be recognised that a prolonged period of higher than usual inflation would impact the company at some point in time.

C.7 Any other disclosures

C.7.1 Risk mitigation techniques and monitoring

Risk assessment

Section B.3.1 sets out the Risk management framework of the Company and section B.3.2 explains how the Company carries out its Own Risk and Solvency Assessment (ORSA). This provides the framework by which individual risks are identified, assessed, monitored and managed. As part of this framework, the Company quantifies the capital impact of different risks by:

- Determining the risk capital requirements using the standard formula as part of the quarterly financial reporting cycle.
- Performing additional stress and scenario testing to support the ORSA.

An assessment is carried out on an annual basis to confirm that the standard formula remains appropriate for establishing the regulatory capital requirements for the Company. This assessment is approved by the Board of Directors.

C.7.2 Stress testing and sensitivity analysis

C.7.2.1 Overview

The Company uses the standard formula to determine its regulatory capital requirements, and these are calculated and reported on a quarterly basis. As part of the Own Risk and Solvency Assessment (ORSA) the Company performs a forward-looking assessment of its ability to meet the regulatory capital requirements under a range of stresses and scenarios.

Full details of the stresses and scenarios, the methodologies used and the results are included in the ORSA report will be submitted to DNB.

C.7.2.2 Methodology

The stress and scenario tests are carried out with a base date of 31 December 2023.

In quantifying the financial impact of each stress, it is assumed that each stress occurs immediately after the year-end, i.e., as at 1 January 2024.

After applying the stress, risk capital is recalculated in accordance with the standard formula in order to re-establish the regulatory capital requirements.

C.7.2.3 Outcomes from the stress and scenario testing

Each stress and scenario test was performed using the methodology described above, and the Solvency ratio was compared to the base financial position. The analysis concluded that the amount of available capital at 31 December 2023 is sufficient to withstand the stresses and scenarios adopted by the Board of Directors.

D Valuation for Solvency purposes

This section of the Solvency and Financial Condition Report shows how the assets and liabilities of the Company have been valued, both for solvency and statutory reporting purposes. The below table summarises the Own funds (as measured on a solvency basis) and net assets (as measured on a statutory basis) and provides a reference where further information is provided:

€'000		Solvency 2	Statutory
Assets	Section D.1	190,277	281,022
Technical provisions	Section D.2	25,441	161,516
Other liabilities	Section D.3	65,050	58,042
Own funds / net assets		**99,786**	**61,464**

D.1 Assets

The table below shows separately each class of asset with Solvency 2 and statutory account value:

	Assets	Para.	Solvency II value	Statutory accounts value
			C0010	C0020
R0010	Goodwill			0
R0020	Deferred acquisition costs	**D 1.1**		49,587,554
R0030	Intangible assets		0	0
R0040	Deferred tax assets	**D 1.2**	0	1,419,632
R0050	Pension benefit surplus		0	0
R0060	Property, plant & equipment held for own use		0	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)		119,147,846	118,194,818
R0080	Property (other than for own use)		0	0
R0090	Holdings in related undertakings, including participations		0	0
R0100	Equities		0	0
R0130	Bonds	**D 1.3**	109,400,737	108,561,787
R0140	Government Bonds		9,958,124	9,922,044
R0150	Corporate Bonds		99,442,613	98,639,743
R0160	Structured notes		0	0
R0170	Collateralised securities		0	0
R0180	Collective Investments Undertakings		9,747,109	9,633,031
R0190	Derivatives		0	0
R0200	Deposits other than cash equivalents		0	0
R0210	Other investments		0	0
R0220	Assets held for index-linked and unit-linked contracts		0	0
R0230	Loans and mortgages		0	0
R0240	Loans on policies		0	0
R0250	Loans and mortgages to individuals		0	0
R0260	Other loans and mortgages		0	0
R0270	Reinsurance recoverables from:	**D 2**	7,819,709	25,896,896
R0280	Non-Life and Health similar to Non-Life		7,780,676	25,833,699
R0290	Non-Life excluding Health		7,780,676	25,833,699
R0300	Health similar to Non-Life		0	0
R0310	Life and Health similar to Life, excluding Health and index-linked and unit-linked		39,033	63,198
R0320	Health similar to Life		39,033	63,198
R0330	Life excluding Health and index-linked and unit-linked		0	0
R0340	Life index-linked and unit-linked		0	0
R0350	Deposits to cedants		0	0
R0360	Insurance and intermediaries receivables	**D 1.4**	48,777,598	69,546,409
R0370	Reinsurance receivables		12,298	12,298
R0380	Receivables (trade, not insurance)	**D 1.5**	2,467,411	4,311,756
R0390	Own shares (held directly)		0	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in		0	0
R0410	Cash and cash equivalents	**D 1.6**	12,052,310	12,052,310
R0420	Any other assets, not elsewhere shown		0	0
R0500	**Total assets**		190,277,172	281,021,673

The following table provides the differences between the value of total assets between the statutory financial statements and the column statutory values in Schedule 02.01:

€'000	Row	**2023**
Total assets in statutory financial statements		255,125
Reclassification of reinsurance share of provision for unearned premiums (statutory deducted from liabilities)	R0270	22,803
Reclassification of reinsurance share of provision for claims outstanding (statutory deducted from liabilities)	R0270	3,094
Total assets in statutory column in Schedule 02.01		**281,022**

D.1.1 Deferred acquisition costs

In Solvency 2, deferred acquisition costs, not being a future cashflow, are valued at nil.

D.1.2 Deferred tax assets

The deferred tax asset represents a tax claim out of historical loss carried forward. In the statutory accounts this presents the only deferred tax position. In the Solvency 2 balance sheet this item is presented on a net basis in the liability section.

D.1.3 Bonds

Bonds are measured at fair value.

The difference between the Solvency 2 and statutory value of investments is due to a difference in the classification of accrued investment income, which is recognised within Investments in Solvency 2 and within Other assets in the statutory financial statements.

€'000	Row	**2023**
Bonds in the statutory accounts	R0130	108,562
Reclassification of accrued interest to Bonds	R0380	839
Bonds in Solvency 2		**109,401**

D.1.4 Collective Investment Undertakings

Collective Investment Undertakings are measured at fair value.

The statutory valuation principle is historical cost, adjusted for other than temporary impairments in value if deemed necessary.

€'000	Row	2023
Collective Investment Undertakings in the statutory accounts	R0180	9,633
Revaluation to fair value		114
Collective Investment Undertakings in Solvency 2		**9,747**

D.1.5 Insurance and Intermediaries receivables

Insurance and intermediary receivables are measured at the undiscounted amount of the cash or other consideration expected to be received, net of any allowance for impairment.

€'000	Row	2023
Insurance and intermediary receivables in statutory accounts	R0360	69,546
Reclassification of premiums and commissions not yet due, to technical provisions	R0360	-20,769
Insurance and intermediary receivables in Solvency 2		**48,778**

D.1.6 Receivables (trade, not insurance)

Trade receivables are measured at the undiscounted amount of the cash or other consideration expected to be received, net of any allowance for impairment.

€'000	Row	2023
Receivables (trade, not insurance) in statutory accounts	R0380	4,312
Reclassification of accrued interest to Bonds	R0130	-839
Reclassification of inventory held for claims fulfilment in kind	R0540	-516
Prepayments not recognised in solvency 2	R0380	-489
Receivables (trade, not insurance) in Solvency 2		**2,468**

D.1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments and are measured at fair value. Highly liquid is defined as having a short maturity of three months or less at acquisition.

D.2 Technical provisions

The following table shows the net technical provisions under Solvency 2 and the statutory financial statements.

		Para.	Solvency II value	Statutory accounts value
	Liabilities		C0010	C0020
R0510	Technical provisions – Non-Life	D 2	31,755,765	145,027,761
R0520	Technical provisions – Non-Life (excluding Health)		31,755,765	145,027,761
R0530	Technical provisions calculated as a whole		0	0
R0540	Best Estimate		26,441,779	0
R0550	Risk margin		5,313,987	0
R0560	Technical provisions - Health (similar to Non-Life)		0	0
R0570	Technical provisions calculated as a whole		0	0
R0580	Best Estimate		0	0
R0590	Risk margin		0	0
R0600	Technical provisions - Life (excluding index-linked and unit-linked)	D 2	-6,314,706	16,488,492
R0610	Technical provisions - Health (similar to Life)		-6,314,706	16,488,492
R0620	Technical provisions calculated as a whole		0	0
R0630	Best Estimate		-9,586,280	0
R0640	Risk margin		3,271,574	0
R0650	Technical provisions – Life (excluding Health and index-linked and unit-linked)		0	0
R0660	Technical provisions calculated as a whole		0	0
R0670	Best Estimate		0	0
R0680	Risk margin		0	0
R0690	Technical provisions – index-linked and unit-linked		0	0
R0700	Technical provisions calculated as a whole		0	0
R0710	Best Estimate		0	0
R0720	Risk margin		0	0
	Assets			
R0270	Reinsurance recoverables from:	D 2	7,819,709	25,896,896
R0280	Non-Life and Health similar to Non-Life		7,780,676	25,833,699
R0290	Non-Life excluding Health		7,780,676	25,833,699
R0300	Health similar to Non-Life		0	0
R0310	Life and Health similar to Life, excluding Health and index-linked and unit-linked		39,033	63,198
R0320	Health similar to Life		39,033	63,198
R0330	Life excluding Health and index-linked and unit-linked		0	0
R0340	Life index-linked and unit-linked		0	0
	Net provisions		17,621,351	135,619,356

D.2.1 Bases, methods, and main assumptions

Under Solvency 2, liabilities must be valued at the amount for which they could be transferred between two knowledgeable parties.

Technical Provisions are defined as the sum of a best estimate and a risk margin. The best estimate is the probability weighted mean average of all future cash-flows and the risk margin is the cost of providing the solvency capital required necessary to support these best estimate liabilities.

The following principles were applied for compiling the Solvency 2 technical provisions:

- The liabilities valued in the technical provisions are those associated with existing contracts at the valuation date. Under Solvency 2, contracts must be valued if there is a legal obligation to provide cover even if this is before the commencement date of the policy which is different to the approach under Dutch GAAP.
- The Non-Life business of AEI is split into homogeneous risk groupings referred to as “model points”. These homogeneous risk groups split the business by product and currency and, for significant ones, by program.
- The technical provisions for each model point are calculated using a cash-flow model. This is carried out by predicting the expected cash-flow for each model point separately for each future year until all existing contracts have expired.
- Expenses are projected as for the cash flow projections and allocated between model points and currency and between earned and unearned exposure.

- The best estimate is calculated separately for the premium provision and claim provision. Premium provisions are established in respect of unearned exposure and claims provisions are established in respect of earned exposure.
- Gross cash-flows are calculated separately from reinsurance cash flows, to recognize that there could be significant differences in the timing of these cash flows.
- The assumptions underlying the calculation of the technical provisions are derived based on the assumption that AEI will continue to write new business (going concern assumption).
- A yield curve is required to discount future cash flows. This is the EIOPA provided curve per currency (no VA or MA applied).

D.2.2 Level of uncertainty

There are several areas of uncertainty in the calculation of the technical provisions. Reserving is carried out by using standard actuarial methods of projecting the paid (or known) claims to estimate the ultimate claim experience. These methods are generally based on the assumption that the future experience will develop in the same way as historic experience. There is uncertainty in the actual future development patterns, for example due to changes in handling processes such as innovative ways to settle a claim or changes in consumer behaviour.

The main uncertainties concern:

- The number and amount of claims, which can, for example, change because of consumer behaviour, environmental developments or the cost of repair or replacement material.
- Lapse patterns. Generally, the shorter a policy remains in force the lower the income for the company.
- Expense developments. Higher than expected inflation could negatively impact the company’s income.

D.2.3 Differences between Solvency 2 and the statutory financial statements

The below table explains the main differences between statutory and Solvency 2 technical provisions.

	Row	2023	2022
€'000			
Technical provisions per statutory financial statements (Non-Life & Health SLT)			
Gross	R0510+R0600	161,516	145,221
Reinsurance	R0270	-25,897	-22,034
Net		135,619	123,187
Include Net deferred acquisition cost		-44,690	-33,031
Best estimate loss ratios (Solvency 2 loss ratios)		-44,562	-30,681
Reclassification of premiums not yet due		-19,093	-21,465
Best estimate claim handling & maintenance expenses		9,918	7,711
Inclusion of Non-Life future cashflow		-3,434	-2,920
Inclusion of Health SLT future cashflow		-29,282	-
Discounting		1,347	-3,434
Risk Margin		8,586	5,516
Profit share on future risk expiry		3,723	2,085
Reclassification of inventory held for claims fulfilment		-516	-542
Miscellaneous		6	27
		-117,998	-76,734
Gross technical provisions	R0510+R0600	25,441	53,360
Reinsurers' share of technical provisions	R0270	-7,820	-6,908
Net technical provisions per Solvency 2		**17,621**	**46,452**

D.2.3.1 Premium and claims provision

The methodology for the calculation of the premium provision for the Non-Life business, in AEI, under Solvency 2 is fundamentally different to that used in the financial statements. The premium provision is based on the probability weighted average of future cash flows related to policies within contract boundaries, whereas under Dutch GAAP, the unearned premium reserve is an allocation of premium income to the remaining time to expiry of the insurance contracts already issued. Though not directly comparable, the main difference arises due to the recognition of profit on issued policies and expected profit in future premiums.

D.2.3.2 Risk Margin

For Solvency 2, a risk margin is determined using a cost of capital approach which involves calculating the cost of holding the SCR per Standard formula calculation at each future time period until the technical provisions at the reporting date have run off. The amounts are then discounted back to the current time period. The calculation excludes new business and market risk. AEI determines its risk margin by projecting the SCR in line with the run-off of best estimate liabilities (method 2).

D.2.3.3 Discounting

Under Solvency 2 the best estimate technical provisions are discounted rather than at nominal value under Dutch GAAP.

D.2.4 Use of Long-term guarantee package

- AEI has not applied the matching adjustment referred to in Article 77b of Directive 2009/138/EC.
- AEI has not used the volatility adjustment referred to in Article 77d of Directive 2009/138/EC
- AEI has not applied the transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC.
- AEI has not applied the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.2.5 Reinsurance

Reinsurance recoverables represent the net discounted cash flow expected to be received from AEI's reinsurers. AEI only uses facultative reinsurance, primarily quota share, to cede risk on particular programs, either due to the business being outside of risk appetite or because program commercials so require.

D.2.6 Material changes in the relevant assumptions made in the calculation of technical provisions

No material changes were made compared to the prior period.

D.3 Other liabilities

The following table shows the other liabilities as per 31 December.

€'000	Row	Solvency 2	Statutory
Deferred tax liabilities	R0780	11,905	-
Insurance & intermediary payables	R0820	21,563	21,563
Reinsurance payables	R0830	13,463	13,463
Payables (trade)	R0840	18,119	23,016
Other liabilities		**65,050**	**58,042**

D.3.1 Deferred tax liabilities

The deferred taxes shown in the below table comprises net deferred tax liabilities on the temporary valuation differences between the statutory financial statements and Solvency 2.

€'000	Row	2023
Deferred tax asset out of losses carried forward	R0040	-
Deferred tax liabilities out of valuation differences	R0780	11,905
Total deferred tax liabilities	**R0780**	**11,905**

D.3.2 Insurance and Intermediaries payables

Insurance and intermediary payables are measured at the undiscounted amount of the cash or other consideration expected to be paid.

D.3.3 Reinsurance payables

Reinsurance payables are measured at the undiscounted amount of the cash or other consideration expected to be paid.

D.3.4 Trade Payables

Deferred reinsurance commissions are valued at nil under Solvency 2.

	Row	2023
€'000		
Payables (trade, not insurance) statutory value	R0840	23,016
Deferred reinsurance commission reclassified to Technical provisions	R0510	-4,897
Payables (trade, not insurance) in Solvency 2	**R0840**	18,119

D.4 Alternative methods for valuation

No alternative methods of valuation were used.

D.5 Any other disclosures

None.

E Capital management

E.1 Own funds

E.1.1 Capital Management Policy

AEI's Capital Management policy, which is approved by the Board of Directors and the Supervisory Board, describes the company's internal capital targets. Besides the aim to always fulfil regulatory capital requirements, the company has also determined internal buffers on top of that regulatory capital.

E.1.2 Analysis of Own Funds

The table below provides an overview of movements in and composition of Own funds.

€'000	31-Dec-22	Mvmt in year	Transfers	31-Dec-23
Tier 1:				
Share capital	43,600	-	-	43,600
Share premium reserve	35,767	-20,000	-	15,767
Total ordinary share capital	79,367	-20,000	-	59,367
Reconciliation reserve before deductions	13,352	27,067		40,420
Foreseeable dividends	-	-	-	-
Restricted own funds (ring fenced funds)	-	-	-	-
Total reconciliation reserve	13,352	27,067	-	40,420
Deductions for participations in financial institutions	-	-	-	-
Total tier 1 own funds after deductions	**92,720**	**7,067**		**99,787**
Eligible own funds to cover SCR:				
Tier 1	92,720	7,067	-	99,787
Tier 2	-	-	-	-
Tier 3	-	-	-	-
	92,720	**7,067**		**99,787**
SCR	41,746	-212		41,534
Solvency ratio	**222%**	**18%**		**240%**

E.1.3 Differences between equity in the statutory financial statements and excess of assets over liabilities as calculated for solvency purposes

The main differences between equity as shown in the company financial statements and the excess of assets over liabilities as calculated for solvency purposes are shown in the following table.

	Row	Statutory	Solvency 2	2023
€'000				
Shareholders' equity in the statutory financial statements				61,464
Derecognition of deferred acquisition costs	R0020	49,588	-	-49,588
Derecognition of deferred reinsurance commission	R0840	-4,897	-	4,897
Valuation differences C.I.U.	R0180	7,633	7,747	114
Valuation differences gross best estimate (*)	R0510&R0600	-140,231	-13,133	127,098
Valuation differences reinsurance best estimate	R0270	25,897	7,820	-18,077
Valuation differences gross best estimate - profit share on future risk expiry	R0510&R0600	-	3,723	-3,723
Risk margin on gross best estimate – Non-Life	R0550	-	-5,314	-5,314
Risk margin on gross best estimate - Health SLT	R0640	-	-3,272	-3,272
Prepayments		489	-	-489
Deferred tax asset on Net Operating Losses		1,419	-	-1,419
Deferred tax liabilities on valuation differences	R0040&R0780	-	-11,905	-11,905
				38,322
Own funds in Schedule 02.01				**99,787**

(*) After reclassification of premiums and commissions not yet due to technical provisions.

E.1.3 Items deducted from Own Funds

No items require deduction of Own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR as at 31 December amounts to:

€'000	2023	2022
Market Risk	10,192	11,343
Counterparty Default Risk	6,664	4,356
Non-Life Underwriting Risk	37,528	32,761
Life Underwriting Risk	-	-
Health Underwriting Risk	11,100	2,289
Sum of risk modules	**65,484**	**50,748**
Diversification between risk modules	-18,064	-10,782
Basic SCR	**47,420**	**39,966**
Operational Risk	6,019	5,341
Loss-absorbing capacity of deferred taxes	-11,905	-3,561
SCR	**41,534**	**41,746**

No undertaking specific parameters or simplifications are applied. No capital add-ons have been imposed by the DNB.

The MCR has been calculated using the linear calculation as set out in the Solvency 2 Directive.

€'000	Row	2023	2022
Linear MCR	R0300	15,310	12,868
SCR	R0310	41,534	41,746
MCR cap	R0320	18,690	18,786
MCR floor	R0330	10,383	10,436
Combined MCR	R0340	15,310	12,868
Absolute floor of the MCR	R0350	4,000	4,000
Minimum Capital Requirement	**R0400**	**15,310**	**12,868**

Details of the SCR and MCR calculations, including the MCR inputs and floor, are provided in the appended S.25.01 and S.28.01.

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

The company does not make use of the duration-based equity risk sub-module in the calculation of the SCR.

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

The company does not use an internal model.

E.5 Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement

The Company has met its SCR and MCR at all times during the year.

E.6 Any other disclosures

There is no other information regarding the capital management of the Company that is deemed material to report.

F Quantitative reporting templates

	P.02.01.02 – Balance sheet	Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	119,148
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	109,401
R0140	Government Bonds	9,958
R0150	Corporate Bonds	99,443
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	9,747
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	0
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	0
R0270	Reinsurance recoverables from:	7,820
R0280	Non-life and health similar to non-life	7,781
R0290	Non-life excluding health	7,781
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	39
R0320	Health similar to life	39
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	48,778
R0370	Reinsurance receivables	12
R0380	Receivables (trade, not insurance)	2,467
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	12,052
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	190,277

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	31,756
R0520	Technical provisions – non-life (excluding health)	31,756
R0530	TP calculated as a whole	0
R0540	Best Estimate	26,442
R0550	Risk margin	5,314
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	-6,315
R0610	Technical provisions - health (similar to life)	-6,315
R0620	TP calculated as a whole	0
R0630	Best Estimate	-9,586
R0640	Risk margin	3,272
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	11,905
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	13,463
R0830	Reinsurance payables	21,563
R0840	Payables (trade, not insurance)	18,119
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	90,491
R1000	**Excess of assets over liabilities**	99,787

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P.04.05.21 – Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
			C0001.01	C0001.02	C0001.03	C0001.04	C0001.05
R0010			ES	FR	IT	HU	DE
		C0010	C0020.01	C0020.02	C0020.03	C0020.04	C0020.05
	Premiums written (gross)						
R0020	Gross Written Premium (direct)	23,032,841	58,951,011	47,236,710	28,481,603	20,056,688	17,535,858
R0021	Gross Written Premium (proportional reinsurance)	23,032,841	0	0	0	0	0
R0022	Gross Written Premium (non-proportional reinsurance)	23,032,841	0	0	0	0	0
	Premiums earned (gross)						
R0030	Gross Earned Premium (direct)	23,018,735	57,519,255	45,717,570	12,075,752	20,059,326	12,862,714
R0031	Gross Earned Premium (proportional reinsurance)	23,018,735	0	0	0	0	0
R0032	Gross Earned Premium (non-proportional reinsurance)	23,018,735	0	0	0	0	0
	Claims incurred (gross)						
R0040	Claims incurred (direct)	5,340,713	14,735,167	8,019,207	1,823,030	6,996,487	2,878,035
R0041	Claims incurred (proportional reinsurance)	5,340,713	0	0	0	0	0
R0042	Claims incurred (non-proportional reinsurance)	5,340,713	0	0	0	0	0
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)	9,075,172	21,087,528	18,475,749	4,530,894	8,009,545	4,309,454
R0051	Gross Expenses Incurred (proportional reinsurance)	9,075,172	0	0	0	0	0
R0052	Gross Expenses Incurred (non-proportional reinsurance)	9,075,172	0	0	0	0	0

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations				
			C0002.01	C0002.02	C0002.03	C0002.04	C0002.05
R1010			BE	ES	IE	IT	DE
		C0030	C0040.01	C0040.02	C0040.03	C0040.04	C0040.05
R1020	Gross Written Premium	6,082,256	192,429	39,618	1,887	0	0
R1030	Gross Earned Premium	6,141,674	251,771	45,612	1,816	-19,529	2,607
R1040	Claims incurred	-3,158,989	6,747	70,846	12,465	3,960	0
R1050	Gross Expenses Incurred	458,005	280,027	7,656	0	-6,741	1,403

P.05.01.02.01 – Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		Total
		Fire and other damage to property insurance	Miscellaneous financial loss	
		C0070	C0120	C0200
	Premiums written			
R0110	Gross - Direct Business	190,126	26,974	217,100
R0120	Gross - Proportional reinsurance accepted	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	-	-	0
R0140	Reinsurers' share	82,653	811	83,463
R0200	Net	107,473	26,163	133,636
	Premiums earned			
R0210	Gross - Direct Business	167,072	24,995	192,067
R0220	Gross - Proportional reinsurance accepted	0	0	0
R0230	Gross - Non-proportional reinsurance accepted			0
R0240	Reinsurers' share	75,159	4,419	79,578
R0300	Net	91,912	20,576	112,489
	Claims incurred			
R0310	Gross - Direct Business	42,074	4,410	46,483
R0320	Gross - Proportional reinsurance accepted	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	-	-	0
R0340	Reinsurers' share	21,565	1,698	23,263
R0400	Net	20,509	2,712	23,221
R0550	**Expenses incurred**	76,235	15,664	91,899
R1210	**Balance - other technical expenses/income**			0
R1300	**Total technical expenses**			91,899

		Line of Business for: **life insurance obligations**	**Total**
		Health insurance	
		C0210	C0300
	Premiums written		
R1410	Gross	6,316	6,316
R1420	Reinsurers' share	118	118
R1500	Net	6,198	6,198
	Premiums earned		
R1510	Gross	6,424	6,424
R1520	Reinsurers' share	125	125
R1600	Net	6,299	6,299
	Claims incurred		
R1610	Gross	-3,065	-3,065
R1620	Reinsurers' share	78	78
R1700	Net	-3,143	-3,143
R1900	**Expenses incurred**	3,416	3,416
R2510	**Balance - other technical expenses/income**		0
R2600	**Total expenses**		3,416
R2700	**Total amount of surrenders**	0	0

P.12.01.02 – Life and Health SLT Technical Provisions

		Health insurance (direct business)			Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees	
		C0160	C0170	C0180	C0210
R0010	**Technical provisions calculated as a whole**	0			0
R0020	**Total Recoverables from reinsurance/SPV and Finite Re** after the adjustment for expected losses due to counterparty default associated to TP as a whole	0			0
	Technical provisions calculated as a sum of BE and RM				
	Best Estimate				
R0030	**Gross Best Estimate**		-9,586	0	-9,586
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		39	0	39
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re - total		-9,625	0	-9,625
R0100	**Risk Margin**	3,272			3,272
R0200	**Technical provisions - total**	-6,315			-6,315

P.17.01.02 – Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance		**Total Non-Life obligation**
		Fire and other damage to property insurance	**Miscellaneous financial loss**	
		C0080	C0130	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0
	Technical provisions calculated as a sum of BE and RM			
	Best estimate			
	Premium provisions			
R0060	Gross	-1,133	19,902	18,768
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	3,604	1,318	4,922
R0150	Net Best Estimate of Premium Provisions	-4,737	18,583	13,846
	Claims provisions			
R0160	Gross	6,542	1,131	7,673
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	2,113	745	2,858
R0250	Net Best Estimate of Claims Provisions	4,429	386	4,815
R0260	**Total Best estimate - gross**	5,409	21,033	26,442
R0270	**Total Best estimate - net**	-308	18,969	18,661
R0280	**Risk margin**	2,692	2,622	5,314
	Technical provisions - total			
R0320	Technical provisions - total	8,101	23,655	31,756
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	5,717	2,063	7,781
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	2,384	21,591	23,975

P.19.01.21 - Non-life Insurance Claims Information (simplified template for the public disclosure)

Total Non-Life Business

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

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

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	**Prior**											0	0	0
R0160	**N-9**	0	0	0	0	0	0	0	41	0	0		0	41
R0170	**N-8**	0	0	0	0	0	0	59	0	0			0	59
R0180	**N-7**	0	0	0	0	0	60	0	0				0	60
R0190	**N-6**	0	0	0	4	61	0	2					2	67
R0200	**N-5**	0	0	9	64	2	10						10	84
R0210	**N-4**	0	534	828	11	0							0	1,373
R0220	**N-3**	8,893	5,464	53	5								5	14,415
R0230	**N-2**	43,684	7,639	67									67	51,390
R0240	**N-1**	37,337	6,294										6,294	43,631
R0250	**N**	40,706											40,706	40,706
R0260												**Total**	47,085	151,827

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	**Prior**											0	0
R0160	**N-9**	0	0	0	0	0	0	0	30	1	0		0
R0170	**N-8**	0	0	0	0	0	2	65	1	0			0
R0180	**N-7**	0	0	0	0	7	113	1	1				1
R0190	**N-6**	0	0	0	34	139	2	1					1
R0200	**N-5**	0	0	118	135	2	1						1
R0210	**N-4**	0	247	57	7	1							1
R0220	**N-3**	12,344	150	41	3								3
R0230	**N-2**	9,536	176	13									12
R0240	**N-1**	8,258	345										332
R0250	**N**	7,609											7,322
R0260												**Total**	7,673

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P.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
R0010	Ordinary share capital (gross of own shares)	43,600	43,600		0	
R0030	Share premium account related to ordinary share capital	15,767	15,767		0	
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	40,419	40,419			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	0
R0290	**Total basic own funds after deductions**	99,787	99,787	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	99,787	99,787	0	0	0
R0510	Total available own funds to meet the MCR	99,787	99,787	0	0	
R0540	Total eligible own funds to meet the SCR	99,787	99,787	0	0	0
R0550	Total eligible own funds to meet the MCR	99,787	99,787	0	0	
R0580	**SCR**	41,534				
R0600	**MCR**	15,310				
R0620	**Ratio of Eligible own funds to SCR**	2.4025				
R0640	**Ratio of Eligible own funds to MCR**	6.5178				

		C0060				
	Reconciliation reserve					
R0700	Excess of assets over liabilities	99,787	-			
R0710	Own shares (held directly and indirectly)	0	-			
R0720	Foreseeable dividends, distributions and charges	0	-			
R0730	Other basic own fund items	59,367	-			
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0	-			
R0760	**Reconciliation reserve**	40,419	-			
	Expected profits		-			
R0770	Expected profits included in future premiums (EPIFP) - Life business	25,303	-			
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	17,341	-			
R0790	**Total Expected profits included in future premiums (EPIFP)**	42,644	-			

	P.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula	Gross solvency capital requirement
		C0110
R0010	Market risk	10,192
R0020	Counterparty default risk	6,664
R0030	Life underwriting risk	0
R0040	Health underwriting risk	11,100
R0050	Non-life underwriting risk	37,528
R0060	Diversification	-18,063
R0070	Intangible asset risk	0
R0100	**Basic Solvency Capital Requirement**	47,420

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	6,019
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	-11,905
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	41,534
R0210	Capital add-on already set	0
R0211	of which, capital add-ons already set - Article 37 (1) Type a	0
R0212	of which, capital add-ons already set - Article 37 (1) Type b	0
R0213	of which, capital add-ons already set - Article 37 (1) Type c	0
R0214	of which, capital add-ons already set - Article 37 (1) Type d	0
R0220	**Solvency capital requirement**	41,534
	Other information on SCR	-
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

		Yes/No
	Approach to tax rate	C0109
R0590	Approach based on average tax rate	2 - No

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0600	DTA	-
R0610	DTA carry forward	-
R0620	DTA due to deductible temporary differences	-
R0630	DTL	-
R0640	LAC DT	-11,905
R0650	LAC DT justified by reversion of deferred tax liabilities	-11,905
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	-11,905

P.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

		C0010		
	Linear formula component for non-life insurance and reinsurance obligations			
R0010	MCRNL Result	14,781		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0020	C0030
R0080	Fire and other damage to property insurance and proportional reinsurance		0	107,473
R0130	Miscellaneous financial loss insurance and proportional reinsurance		18,969	26,163

		C0040		
	Linear formula component for life insurance and reinsurance obligations			
R0200	MCRL Result	529		
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0050	C0060
R0240	Other life (re)insurance and health (re)insurance obligations		0	
R0250	Total capital at risk for all life (re)insurance obligations			755,905

		C0070
	Overall MCR calculation	
R0300	Linear MCR	15,310
R0310	SCR	41,534
R0320	MCR cap	18,690
R0330	MCR floor	10,383
R0340	Combined MCR	15,310
R0350	Absolute floor of the MCR	4,000

		C0070
R0400	**Minimum Capital Requirement**	15,310