



CNA / HARDY

CNA Insurance Company (Europe) S.A.
Solvency and Financial Condition Report
For the year ended 31 December 2024

35F avenue J.F. Kennedy, L-1855, Luxembourg

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Summary

Introduction

The Directors of CNA Insurance Company (Europe) S.A. ("the Company" or "CICE") present the Company's Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2024. CICE was incorporated in the Grand-Duchy of Luxembourg on 7 March 2018 and was authorised to operate as a non-life insurance company by the Commissariat aux Assurances ("CAA") on 17 July 2018.

Key elements of this report are as follows:

Business and performance

CICE is a commercial insurer offering a range of specialist products to targeted industry segments. The Company is headquartered in Luxembourg and underwrites business throughout the EEA through a network of branches. Direct and facultative commercial insurance products are underwritten, which are predominantly placed through brokers.

CICE's immediate parent undertaking is CNA Insurance Company Limited ("CICL") which is wholly owned by CNA Europe Holdings Limited ("CNAEH"). CNAEH is wholly owned by Continental Casualty Company ("CCC") and The Continental Insurance Company ("CIC"). CCC and CIC are part of CNA Financial Corporation ("CNAF") which, in turn, is controlled by Loews Corporation. References to "CNA" in this report are to CNAF and its group undertakings including CNAEH and CICL.

CNA is the one of the largest commercial property and casualty insurance companies in the United States of America ("US"). As of 31 December 2024, it has approximately 6,500 employees and its insurance products include commercial property and casualty coverages, including surety. CNA's products and services are primarily marketed through independent agents, brokers and managing general underwriters to a wide variety of customers, including small, medium and large businesses, insurance companies, associations, professionals and other groups.

As disclosed in the 2024 Annual Accounts, the Company reported an after-tax profit of €31.8 million, compared to a profit of €17.7 million in the previous year.

Underwriting activities

The Company reported underwriting profits of €7.0 million for the 2024 financial year compared to a loss of €16.3 million for 2023.

Investment return

The Company benefited from strong financial and operating cash flows and, to the extent possible, these were re-invested in the Company's investment portfolio. The Company has in place processes to monitor operating cash flows, which ensure that investment returns are optimised, whilst maintaining adequate cash resources to meet operating expenses and claims.

System of governance

The core purpose of the Company is to be a leading specialty insurer with the aim of creating preference through the delivery of underwriting and service excellence. The Board has responsibility for the ultimate performance of the Company and its risk taking activity and therefore has established an organisational structure that supports an effective system of corporate governance to assess, manage and monitor risk.

The system of governance has a clear allocation of responsibilities by risk types and is reviewed at least annually by the CICE Board. The Company operates the "Three Lines of Defence" assurance model to support the Board and its Committees.

Summary - continued

Risk profile

The CICE Board has overall responsibility and accountability for risk management. The Company's appetite for accepting and managing risk is defined by the Board. The Board has delegated to the Risk Committee the responsibility of identifying and assessing all material risks and reviewing the Company's actual risk exposure against stated risk appetite on a regular basis.

Valuation for solvency purposes

Section D2 compares the valuation of net technical provisions between the statutory accounts basis and the Solvency II basis. The key differences being that in Solvency II technical provisions are discounted, include a risk margin and a provision for future losses not yet incurred.

Capital management

The available and eligible amount of own funds to cover the company's SCR at 31 December 2024 was €384.0 million (2023: €341.5 million). This represented a surplus of €141.0 million (2023: €112.9 million) over the SCR of €243.1 million (2023: €228.7 million). The MCR was €70.0 million (2023: €67.5 million). The Solvency ratio, expressed as eligible own funds as a percentage of the SCR as at 31 December 2024 was equal to 158% (2023: 149%).

A Business and performance

A1 Business information

Name and legal form of entity

Name: CNA Insurance Company (Europe) S.A.
Registered number: B222697
Legal form: Société Anonyme

Registered office

35F, avenue J.F. Kennedy,
L-1855 Luxembourg,
Grand-Duchy of Luxembourg

Primary regulatory supervisor

Commissariat aux Assurances
11, rue Robert Stumper
L-2557 Luxembourg
Grand-Duchy of Luxembourg

Group supervisor

Prudential Regulatory Authority
20 Moorgate
London
EC2R 6DA
United Kingdom

External auditor

Deloitte Société Coopérative
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand-Duchy of Luxembourg

Material lines of business and geographic locations

The Company underwrites the following lines of business: marine and transport insurance, fire and other damage to property, liability insurance and miscellaneous financial loss.

In addition to its head office in Luxembourg, the Company operates through branch offices in Belgium, Denmark, France, Germany, Italy, the Netherlands and the UK. The Company underwrites both domestic business and on a cross-border basis under Freedom of Services into other EEA countries.

Significant business events in the reporting period

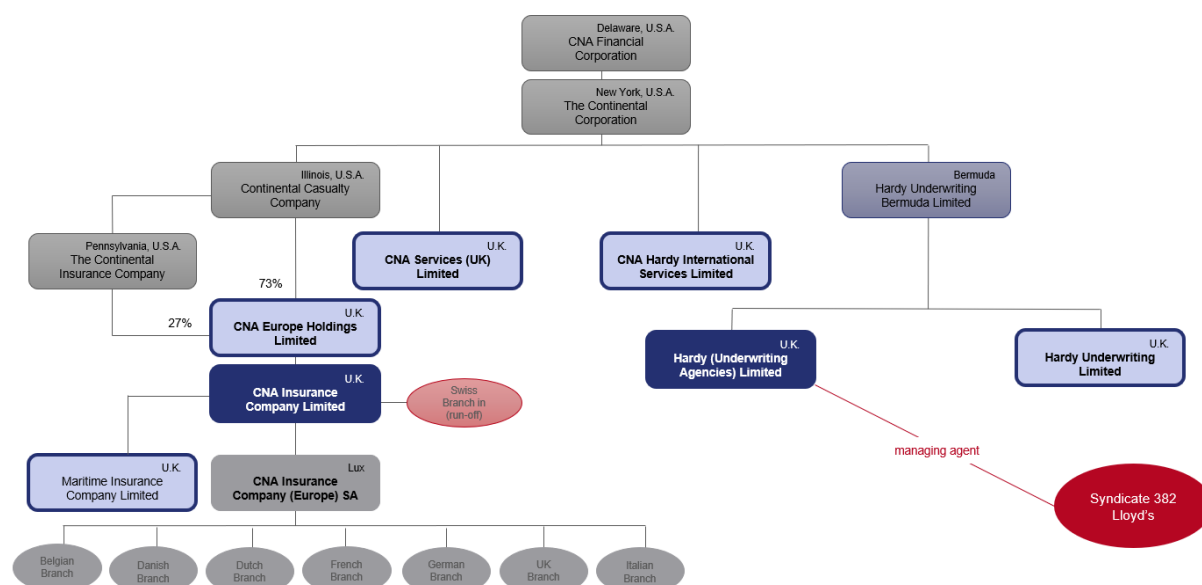
Under Luxembourg GAAP, the Company reported an after-tax profit of €31.8 million, compared to a profit of €17.7 million in the previous year. The calendar year combined ratio in 2024 was 96.1% (2023: 108.7%). The profit was driven by positive underwriting results and investment returns of €34.4 million (2023: return of €39.2 million) due to portfolio growth, higher yields and the reversal of losses experienced in prior years.

A Business and performance - continued

A1 Business information - continued

Group structure

The group structure and the Company's position within the group is set out below:



A Business and performance - continued

A2 Underwriting performance

Underwriting performance by material line of business is set out below.

	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Misc. financial loss	Total
2024	€'000	€'000	€'000	€'000	€'000
Premiums written					
Gross	39,986	9,466	166,463	9,179	225,094
Reinsurers' share	(472)	(2,102)	(22,102)	(2,197)	(26,873)
Net	39,514	7,364	144,361	6,982	198,221
Premiums earned					
Gross	40,517	9,820	163,105	8,315	221,757
Reinsurers' share	(461)	(2,153)	(23,272)	(2,736)	(28,622)
Net	40,056	7,667	139,833	5,579	193,135
Claims incurred					
Gross	13,004	4,954	100,831	2,037	120,826
Reinsurers' share	422	(4,899)	(15,657)	3,346	(16,788)
Net	13,426	55	85,174	5,383	104,038
Expenses incurred	15,427	529	63,173	2,971	82,100
Underwriting gain/(loss)	11,203	7,083	(8,514)	(2,775)	6,997
	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Misc. financial loss	Total
2023	€'000	€'000	€'000	€'000	€'000
Premiums written					
Gross	34,372	6,810	173,007	7,594	221,783
Reinsurers' share	(873)	(3,356)	(28,806)	(1,811)	(34,846)
Net	33,499	3,454	144,201	5,783	186,937
Premiums earned					
Gross	33,450	7,217	168,717	8,160	217,544
Reinsurers' share	(813)	(2,741)	(28,129)	(2,073)	(33,756)
Net	32,637	4,476	140,588	6,087	183,788
Claims incurred					
Gross	18,896	12,061	109,943	(7,856)	133,044
Reinsurers' share	(65)	(1,919)	(13,329)	5,061	(10,252)
Net	18,831	10,142	96,614	(2,795)	122,792
Expenses incurred	16,137	2,077	55,081	3,983	77,278
Underwriting (loss)/gain	(2,331)	(7,743)	(11,107)	4,899	(16,282)

A Business and performance - continued

A2 Underwriting performance - continued

2024	Luxem- bourg €'000	France €'000	Nether- lands €'000	Italy €'000	Denmark €'000	Other €'000	Total €'000
Premiums written							
Gross	71,383	49,783	26,785	21,857	19,145	36,141	225,094
Reinsurers' share	(11,832)	(5,106)	(2,678)	(1,667)	(1,516)	(4,074)	(26,873)
Net	59,551	44,677	24,107	20,190	17,629	32,067	198,221
Premiums earned							
Gross	66,394	50,290	26,299	23,522	19,338	35,914	221,757
Reinsurers' share	(11,786)	(5,756)	(2,972)	(1,880)	(1,669)	(4,559)	(28,622)
Net	54,608	44,534	23,327	21,642	17,669	31,355	193,135
Claims incurred							
Gross	32,551	57,779	(1,179)	16,326	4,816	10,533	120,826
Reinsurers' share	(644)	(12,868)	333	(1,572)	491	(2,528)	(16,788)
Net	31,907	44,911	(846)	14,754	5,307	8,005	104,038
Expenses incurred	20,914	20,150	6,162	10,887	4,600	19,387	82,100
Underwriting gain/(loss)	1,787	(20,527)	18,011	(3,999)	7,762	3,963	6,997
2023	Luxem- bourg €'000	France €'000	Italy €'000	Denmark €'000	Nether-lands €'000	Other €'000	Total €'000
Premiums written							
Gross	68,521	52,925	24,024	22,891	20,592	32,830	221,783
Reinsurers' share	(12,641)	(7,333)	(3,589)	(2,503)	(2,893)	(5,887)	(34,846)
Net	55,880	45,592	20,435	20,388	17,699	26,943	186,937
Premiums earned							
Gross	68,336	51,266	24,464	21,841	20,044	31,593	217,544
Reinsurers' share	(12,431)	(7,282)	(3,241)	(2,761)	(2,859)	(5,182)	(33,756)
Net	55,905	43,984	21,223	19,080	17,185	26,411	183,788
Claims incurred							
Gross	69,990	34,046	11,628	7,505	4,985	4,890	133,044
Reinsurers' share	(9,574)	(4,072)	(669)	(591)	(391)	5,045	(10,252)
Net	60,416	29,974	10,959	6,914	4,594	9,935	122,792
Expenses incurred	18,301	17,982	7,126	8,213	5,457	20,199	77,278
Underwriting (loss)/gain	(22,812)	(3,972)	3,138	3,953	7,134	(3,723)	(16,282)

Certain items above have been classified following Solvency II rules leading to presentational difference compared to the Company's annual report and accounts. For example, Claims handling expenses and investment management expenses are shown in expenses incurred instead of net claims incurred and investment income respectively.

A Business and performance - continued

A2 Underwriting performance - continued

The Company achieved gross written premiums of €225.1 million in 2024 (2023: €221.8 million) with an underwriting profit of €7.0 million (2023: loss of €16.3 million). Net earned premiums were €193.1 million (2023: €183.8 million). The slight increase in gross premiums written was due to increases in the Company's Commercial and Specialty business units.

The Company recorded a loss ratio of 53.9% and a combined ratio of 96.4% (2023: 66.8% and 108.7%).

The expense ratio of 42.5% represented €82.1 million (2023: 42.0% and €77.3 million).

A3 Investment performance

Income and expenses arising from investments by asset class is as follows:

	Corporate bonds €'000	Government bonds €'000	Bank interest and other €'000	Total €'000
2024				
Income from investments	25,810	1,026	614	27,450
Realised gains on investments	9,005	289	1,078	10,372
Unrealised (losses)/gains on investments	(5,478)	2,354	338	(2,786)
Investment management expense	(530)	(66)	-	(596)
Total	28,807	3,603	2,030	34,440
	Corporate bonds €'000	Government bonds €'000	Bank interest and other €'000	Total €'000
2023				
Income from investments	18,568	977	33	19,578
Realised (losses)/gains on investments	(926)	72	23	(831)
Unrealised gains on investments	16,658	4,340	32	21,030
Investment management expenses	(456)	(72)	-	(528)
Total	33,844	5,317	88	39,249

A Business and performance - continued

A4 Performance of other activities

A4.1 Other income and expenses

Details of other income and expenses are as follows:

	Note	2024 €'000	2023 €'000
Items recognised in profit and loss on a Lux GAAP basis:			
Other income	1	2,522	1,411
Other charges, including value adjustments	2	(200)	(1,068)
Tax charge on loss on ordinary activities	3	(12,473)	(5,944)
Items recognised directly in equity on a GAAP basis:			
Currency translation differences		(19)	7

1. In 2024, other income arose from subtenant revenue, currency translation and interest on intercompany balances (in 2023, other income arose from subtenant revenue and interest on intercompany balances).
2. In 2024, other charges arose from foreign exchange and interest on intercompany balances (in 2024, other charges arose from foreign exchange, interest on intercompany balances and currency translation)
3. Tax on profit or loss on ordinary activities represents current tax, including wealth tax, corporation tax and foreign tax, provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

A4.2 Material operating lease arrangements

Information on leasing arrangements is included in Section D1 and D3.

A5 Other material information

A5.1 External factors

The Company continues to monitor the development of geopolitical risks including, but not limited, to the events in the Middle-East and Ukraine. We do not believe the Company has material exposure to these events.

B System of governance

B1 General Information on the system of governance

B1.1 Roles and responsibilities of the administrative body and key functions

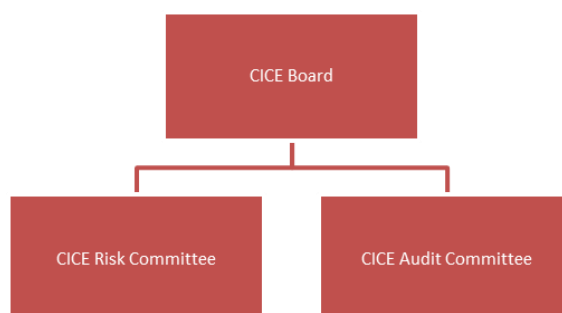
The core purpose of the Company is to be a leading specialty insurer with the aim of creating preference through the delivery of underwriting and service excellence. The Board has responsibility for the ultimate performance of the Company and its risk taking activity and therefore has established an organisational structure that supports an effective system of corporate governance to assess, manage and monitor risk.

CICE operates a three lines of defence governance model.

The CICE Board is supported by two governance committees; the Risk Committee and Audit Committee. The Risk Committee and the Audit Committee are chaired by Independent Non-Executive Directors ("INEDs"). Each committee has terms of reference that document and define the matters for which it is responsible.

The system of governance has a clear allocation of responsibilities by risk types and is reviewed at least annually by the CICE Board.

B1.1.1 Overview of the Board and Committees



B System of governance - continued

B1 General Information on the system of governance - continued

B1.1.2 The Board

Ultimate responsibility for the Company's affairs rests with the Board of Directors. The Board is responsible for approving the Company's business plan and its strategies. The Board provides leadership based on a framework of controls and risk management disciplines and sets the Company's risk appetite. The Board also seeks to ensure the Company is compliant with all relevant internal and external regulations governing CICE's activities. The Board meets at least quarterly.

The Board is responsible for ensuring that the implemented risk management process is suitable, effective and proportionate to the nature, scale and complexity of the risks inherent in the business.

The structure of the Board and executive responsibilities ensures appropriate segregation of responsibilities, overseen by the governance committees.

Composition of the Board

As at 31 December 2024 the Board had six directors, of which two are INEDs, three are non-executive directors and one is an Executive Director and CICE General Manager. The Chair of the Board is the Chief Executive Officer of CICL.

The duties of the Board or its delegated representatives include:

- Overall responsibility for the Company's strategy, management and business performance;
- Approval of the Company's long-term objectives and commercial strategy, including but not limited to, the Company's business plan and Own Risk and Solvency Assessment Report ("ORSA");
- Setting the Company's risk appetites and ensuring that the organisation has an embedded risk management framework and risk absorption capability to support its business strategy;
- Ensuring the maintenance of a sound system of internal controls and risk management including reviewing the effectiveness of the Company's risk and control processes;
- Approval of the financial reports including the annual accounts;
- Reviewing and approval of material policies, and any reports and returns required by the Regulators including confirmation statements regarding Solvency II compliance;
- Maintaining appropriate capital to support the undertaking;
- Setting the Company's values and standards, and providing appropriate opportunities for organisational learning, including lessons learned and ongoing training and development; and
- Oversight of corporate governance matters.

B System of governance - continued

B1 General Information on the system of governance - continued

B1.1 Board Committees

Risk Committee

The Risk Committee is responsible for the following areas:

- Risk management strategy;
- Risk appetite and tolerance;
- Risk profile;
- Management and mitigation of risks;
- Capital Management and the ORSA;
- Regulatory and compliance;
- Oversight of the risk and compliance functions; and
- Economic, Social and Governance Framework.

Audit Committee

The Audit Committee is responsible for the following areas:

- Financial reporting (including monitoring the integrity of the financial statements);
- Internal financial controls;
- Whistleblowing and fraud;
- Internal audit; and
- External audit.

B 1.2 Changes to the system of governance

There was one change to the Board composition during 2024, the CICE General Manager and Executive Director was appointed.

There were no material changes in the system of governance during 2024.

B System of governance - continued

B1 General Information on the system of governance - continued

B 1.3 Adequacy of the system of governance

The system of governance was deemed to be adequate in the latest review of the overall governance system carried out by the Board. The review of the governance system is conducted regularly. A Board effectiveness reviewed is conducted annually.

CICE is committed to ensuring that its strategy, leadership, decision making and control framework are all central to the reasonable expectations of, and reflect the fair treatment of, its policyholders.

CICE believes that the quality of its relationship with customers is key to the success of the business. The Company continues to review its commitment to its customers to ensure that its values are maintained. Accordingly, the Company ensures conduct risk management is embedded into its risk management framework, supported by appropriate management information ("MI").

The fair treatment of customers remains at the heart of the CICE business model. The Company is satisfied that its policies and procedures are designed and implemented in such a way as to ensure that treating customers fairly outcomes are delivered.

B 1.4 Remuneration Policy

B 1.4.1 Principles of the remuneration policy

The Company's remuneration policy addresses the business philosophy and takes account of regulatory guidelines by ensuring that the overall remuneration package:

- Is fair, competitive, transparent, and appropriate for the market in which the Company operates to attract, retain, and motivate the workforce, the Company's key business asset, over the long term;
- Is affordable and sustainable and supports the delivery of the company's corporate and strategic goals, incorporating sound risk management controls to align with our risk appetite;
- Provides a demonstrated link between pay, and Company and individual performance;
- Reflects an appropriate balance between fixed and variable pay and short term and long term incentives; and
- Applies to all employees and does not encourage or reward inappropriate risk-taking by Executive Directors or employees. It reflects the role that individuals perform, the skills or expertise required to perform a role and its value to the business. Total remuneration comprises a basic salary, benefits, a discretionary Annual Incentive Plan bonus and if eligible, a Long Term Incentive Plan. This is generally reflective of market practices.

To ensure that the Company's remuneration strategy remains appropriate and managed effectively, the following actions are taken:

- Responsibility for the Company's overall remuneration policy is delegated by CNAF to the Company;
- No Executive Director or employee is involved in decisions concerning their own remuneration;
- Market remuneration reviews are conducted on a regular basis for all roles within the organisation;
- The Company has access to independent external advice from international remuneration and legal advisors as needed from time to time;
- A performance management system is in place which clearly details the objectives for each employee within the business. This provides for the assessment of performance against this, with the link to reward in the form of the annual pay review and participation in the Annual Incentive Plan and in the Long Term Incentive Plan as applicable.

The remuneration structure and policy have not changed over the last twelve months.

B System of governance - continued

B1 General Information on the system of governance - continued

B 1.4.2 Share options, shares or variable components of remuneration

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on a range of factors affecting the performance of the Company. This is achieved through formal and informal meetings and regular Company briefings. All employees are eligible to be included in the Annual Incentive Plan, subject to scheme rules, which assesses performance objectives and behaviours against defined targets or standards.

Fixed remuneration

This is the core element of remuneration which allows individuals to be remunerated through regular monthly salary payments. It is the Company's policy to pay a market rate compared to other insurers in the relevant market.

Variable remuneration – Annual Incentive Plan

The variable remuneration is in the form of an Annual Incentive Plan. The plan is designed to incentivise and reward employees who have delivered against their pre-determined individual and collective company targets over the year. Bonus pool funding is based on relative financial performance against plan components and relative performance to other Group companies.

The Company promotes a high performance culture supported by a pay for performance philosophy and practice. The actual results achieved by the Company influence the determination of individual bonus awards. The greatest influence on each award is individual performance and contribution to results and they remain the most influential aspects of bonus calculations.

Variable remuneration – Long-Term Incentive Plan

The Company also operates a longer term incentive programme for eligible senior employees to help to align performance with the longer term strategy of the Company by deferring an element of a participant's total remuneration. The Annual Performance Share Plan provides eligible participants with an opportunity to earn an award when CNA's pre-established financial goals, based on its annual net operating income, are achieved over a one-year period. Awards are granted at the beginning of each performance year and are subject to a two-year vest after the Company's annual performance has been determined.

As a wholly owned subsidiary of CNAF, restricted share options are not available to the Company's employees.

B 1.4.3 Supplementary pension or early retirement schemes for the members of the administrative, management or supervisory body and other key function holders

The Company's pension schemes differ according to the market practice of the country in which the branch operates.

B 1.5 Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

No material transactions took place in the last financial year.

B2 Fit and Proper requirements

B 2.1 Requirements for skills, knowledge and expertise

CICE ensures that all employees are fit to undertake their delegated responsibilities and possess the relevant knowledge, skills, and experience to effectively carry out their role. There is a robust on-boarding process including regulatory references, identification and credit checks, and criminal record checks. There is also an annual fitness and propriety assessment to ensure that employees remain fit and proper to carry out their roles. The assessment considers the employee's honesty (including openness with self-disclosures, integrity, and reputation), competence and capability, and financial soundness. For UK Directors, a further assessment is undertaken which considers their knowledge and skills.

B System of governance - continued

B2 Fit and Proper requirements - continued

B 2.2 Fitness and propriety of persons

CICE is committed to ensuring that persons employed by it in regulated functions and key functions are fit and proper to fulfil their respective roles.

In order to evidence that those in regulated functions and key function holders are and remain fit and proper, CICE has:

- Defined corporate values that promote the values of honesty and integrity;
- Job descriptions that clearly detail the applicable regulatory responsibilities for each regulated function and key function holder within the business, and provide for assessment of performance against these;
- An appraisal process that includes ongoing performance review and annual appraisal which is documented, with objectives set and training needs identified; and
- A fit and proper assessment which is completed on appointment of any member of staff being employed in a regulated function or as a key function holder. This information is reported to the CAA, who carry out an independent assessment of fitness and propriety. On an annual basis, CICE carries out an assessment of any member of staff being employed in a regulated function or as a key function holder, to ensure they remain fit and proper to fulfil their roles.

In addition, CICE staff members directly involved in insurance or reinsurance distribution shall demonstrate their good repute and meet legal requirements in terms of knowledge and skills. Good repute shall be checked at the start of each reference period. Training requirements are met in terms of hours / content, namely: (i) a minimum of 15 hours of professional training in each 12 month period, and (ii) a minimum amount of hours per each of the three content pillars within a three year reference period (for a total of 45 hours).

B3 Risk Management including the ORSA

B 3.1 Risk Management Framework

The Risk Management Framework ("RMF") is designed to provide a consistent approach to the management of risks, ensuring an agreed and widely understood approach and language (taxonomy) is used in the identification, assessment, management, monitoring and reporting of all risks faced by the Company. Qualitative and quantitative risk assessments are performed to produce a comprehensive picture of risks and exception reporting ensures that significant risks are reported and monitored at the appropriate levels.

The chart below outlines the key elements of the Company's RMF.



B System of governance - continued

B3 Risk Management including the ORSA - continued

B 3.1 Risk Management Framework - continued

The objective of the RMF is to support the Company in achieving its strategic goals and business plans and promote a positive risk culture. A strong risk culture enables informed risk-taking and provides open lines of communication throughout the organization, allowing the business to effectively prevent potential losses and/or damage to its reputation.

Risk Appetite and Policies

Risk appetite is the amount and type of risk that the Company is willing to accept to meet its strategic objectives. It defines the risks the Company wishes to acquire, avoid, retain and/or remove.

CICE's risk appetites support the delivery of the strategy, organisational objectives, business plans, ensuring stakeholder expectations are met.

Risk Appetite Statements are supported by risk metrics (KRIs) and risk tolerances which have been developed in partnership with the business, to support their delivery. The Board formally reviews and approves the Risk Appetite Statements on an annual basis, or more frequently upon changes to risk profile, to ensure alignment to business plan.

Performance against KRIs is monitored and reported on a quarterly basis to the Risk Committee and Board.

Risk policies are key components of the Company's RMF. They are formal documents approved by Risk Committees and Boards, and used by the Company to set-out the principles that guide decision-making and behaviour in relation to the management of risk.

The risk policies are aligned to the Company's strategy and objectives.

Risk and Control Assessment

CICE faces many risks, detailed and classified according to an agreed risk taxonomy, in the Risk Register.

Risk Owners, assisted by the Risk Function, conduct a formal review of risk and controls as part of the Risk and Control Self-Assessment (RCSA) process conducted on a quarterly basis or when there is a material change to the risk profile, to identify the risks to achieving strategic and operational objectives within their areas. Input from risk events, Internal Audit reviews and Compliance reviews would all be factors considered in this assessment process.

The aim of a risk assessment is to focus management on key risks, support informed decision-making, and enable appropriate treatment of risks.

Each risk is assessed against financial, legal / regulatory, reputational / customer and operational efficiency impact assessment factors.

Controls

Controls are defined as 'any action taken by management, the Board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.'

Controls operate at all levels of the business to manage risk within acceptable levels. Controls may include policies, procedures, systems, and processes that help protect the Company from risk.

When assessing residual risks, the Company focusses on 'critical controls', those controls that are required to provide reasonable assurance that material errors will be prevented or detected and that if they were to fail, there is reasonable likelihood that a material error would not be prevented or detected on a timely basis.

The Internal Control Policy and the Assurance Forum exist with the overarching goal of enhancing risk management practices, refining governance structures to delineate clear roles and responsibilities, and ensuring robust reporting mechanisms to address any identified control deficiencies.

B System of governance - continued

B3 Risk Management including the ORSA - continued

B 3.1 Risk Management Framework - continued

Risk Mitigation

In the event that the Company does not want to accept the level of risk it is exposed to, or a business unit is operating outside of appetite it is reported and mitigating actions are identified, and timelines agreed for delivery. Alternatively, the Company may review its risk appetite and decide to accept more risk.

Risk Events

Risk events are occurrences that result in a negative impact on the Company and/or its customers. Near misses are events which could have had ("near miss"), a negative financial, regulatory, operational, or reputational impact on the Company and/or its customers. There are various causes for risk events such as inadequate or failed controls or processes, human error, poor communication, fraud or inadequate training and causes can be either internal or external to the business.

Risk event reporting is an important tool for the measurement and management of risk. By promoting an open and transparent culture where staff can report risk events and near-misses, crucial data is captured on actual and potential control failings. In addition, the data collected can be used to proactively address issues with Risk Owners and to calibrate Internal Capital Model outputs.

Risk events are assessed, with support of the Risk Function, and logged by Risk Owner. Risk Owners assess the nature and quantum of actual or potential losses, and root causes are documented. Control weaknesses/failings identified are considered when quantifying risk unless remedial action has been completed and been shown to be effective. Risk events reporting is provided regularly to the relevant senior management forum / Committee.

Risk event data is used as part of the RCSA process each year to ensure controls assessment is accurate / realistic. This data is also used in the development of stress scenario testing as part of the ORSA.

Monitoring and Reporting

Risk exposures versus agreed tolerances are monitored through Key Risk Indicators (KRIs) and other risk metrics and reported to the Risk Committees quarterly. It is the responsibility of the Risk Function to oversee and co-ordinate the production of the Risk Committee reports. The focus of reporting is on material and thematic issues.

Risk Owners are expected to provide the Risk Function with regular updates on their risks and controls as well as KRI information. Risk Owners provide quarterly commentary on the risk environment in their business unit/branch/department to the Risk Function for the Risk Committee reports.

Where risk metrics show a deteriorating trend in the risk posture, the Risk Owner should provide appropriate commentary to explain the situation and the actions that are being taken to remediate the situation. The aim is to identify adverse risk movements as early as possible and manage the 'path to green' before a risk breaches risk appetite.

Governance

The Company through its various Board Committees, oversees the effective management of risks. The Risk Committee reporting to the Board and have delegated authority from the Board for reviewing and challenging key aspects of the Company's RMF such as risk appetites and tolerances, economic and regulatory capital, and overall monitoring of risk profile.

The Board is responsible for ensuring that the implemented risk management process is suitable, effective, and proportionate to the nature scale and complexity of the risks in the business.

Systems & Tools

The Company's RMF is supported by several systems and tools to enable accurate assessment of risks and controls, as well as enabling the embedding of risk management practices within the day-to-date management of the business.

B System of governance - continued

B3 Risk Management including the ORSA - continued

B 3.1 Risk Management Framework - continued

Training and Awareness

Training on Risk Management is provided in line with direction from the Board which is responsible for ensuring that appropriate training is delivered. The Risk Function supports senior leaders and managers across the business on embedding risk management practices, awareness, risk culture, and broader requirements of the role of Risk Owner and/or Control Owner.

B4 Internal control system (“Three Lines of Defence”)

The Company operates the “Three Lines of Defence” assurance model to support the Board and its Committees.

B 4.1 First Line of Defence

Risks are owned and managed in the first line by those that have a responsibility for risk taking and decision making.

The appetites, tolerances and limits set by the Board, provide the parameters within which the Company operates. It is the duty of the first line to operate within these and therefore support the level of risk taking that the Board has deemed acceptable as part of its strategy.

Staff undertaking day to day activities are best placed to understand the risks of that activity and be able to spot risk issues and improvements. Therefore, all staff are responsible for managing the risks that are within their areas of responsibility and for ensuring that the risks they assume on behalf of the Company are appropriate to the nature and appetite of the business, and within the scope of their authorities.

B 4.2 Second Line of Defence

The second line of defence supports the first line in risk management by providing oversight and guidance in the implementation of risk management practices. The Risk Function, in the second line, is responsible for co-ordinating and managing the RMF and maintaining an effective risk management and ORSA processes. They assist the Board by providing objective monitoring and oversight of the risk position against appetite.

The Board is also supported in the second line by Compliance, which is responsible for overseeing the framework relating to regulatory risk including assessing the adequacy of the measures adopted by the Company to prevent non-compliance (including compliance monitoring).

Chief Risk Officer (CRO)

The Board has assigned to the CRO responsibility for ensuring effective risk management within the Company by providing overall leadership, vision, and direction for enterprise risk management.

Risk Function

The Risk Function coordinates and manages the RMF. It assists the Board, Risk Committee and CRO to implement and maintain an effective risk management process and ORSA.

The Risk Function also co-ordinates risk related activities with other business functions including resilience, information security and third-party risk management.

The Risk Function is responsible for:

- Coordinating the RCSA process.
- Coordinating the Emerging risk assessment and reporting process.
- Risk Reporting.
- Deep Dives on material initiatives and areas of interest / concern.

B System of governance - continued

B4 Internal control system (“Three Lines of Defence”) - continued

B 4.2 Second Line of Defence - continued

Compliance Function

The Compliance Function is responsible for the oversight of compliance with internal policies and external law and regulation, in accordance with a defined Compliance Framework. It advises the Board and executive management on regulatory change, and compliance with regulation and internal procedures.

The Function is managed according to a Compliance Policy which sets out key authorities, responsibilities, competencies, and reporting obligations. A Compliance Framework is used to identify compliance risks and to assess the related internal controls environment.

The Compliance Function defines, through a risk-based approach, an annual Compliance Plan, including a Compliance Monitoring Plan, to accomplish its statutory and regulatory mandates. As part of the Compliance Plan, there is a systematic monitoring of regulatory developments to identify legislative or regulatory changes impacting the Company. Regulatory developments are escalated to the appropriate function so that applicable controls can be considered and adjusted where required. This maintains the suitability of those controls considering new legislative measures and emerging and evolving regulatory risks.

B5 Internal Audit Function

B 5.1 Implementation of the Internal Audit Function (“Third Line of Defence”)

Internal Audit’s role is to provide independent, objective assurance and consulting services designed to add value and improve the Company’s operations. Internal Audit will help CICE accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes whilst meeting the requirements of the relevant regulatory authorities.

The scope of Internal Audit’s work is to determine whether the Company’s network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning appropriately.

B 5.2 Independence of the Internal Audit Function

To provide for the independence of Internal Audit, its personnel report to the Head of Internal Audit, who reports functionally to the Chairman of the Audit Committee and administratively to the Chief Financial Officer. The Head of Internal Audit meets routinely with the Chair and members of the Audit Committee without management being present.

B6 Actuarial Function

The Actuarial Function is responsible for the estimation and recommendation of reserves and technical provisions as well as the design, parameterisation, maintenance and monitoring of pricing models. It is also responsible for the Economic Capital Model and for the production of the Standard Formula capital calculation.

The Actuarial Function produces an annual written report setting out the tasks that have been undertaken by the Actuarial Function, which identifies any limitations or deficiencies, and gives recommendations on how these should be remedied.

Actuarial Function’s contribution to Risk Management

CICE operates an enterprise-wide risk management framework that covers all the material risks that the business faces. This includes a specific Reserving Risk that covers all aspects of the actuarial reserving process. The risk considers the reserving process and the performance and adequacy of the control environment. The risk position is reported quarterly to the Risk Committee by the group Chief Actuary and Risk Officer, with issues escalated to the Board if necessary.

There are key Risk Appetites specific to reserving, measuring reserving strength and the sufficiency of the reserves. These are monitored at various points through the reserving governance framework.

B System of governance - continued

B6 Actuarial Function- continued

Regular meetings are held between the Risk Management department and Reserving on both the reserving risk and on broader risks, issues and controls that are influenced by, or are an influencer of, the Reserving and Technical Provisions processes. Broader involvement includes the Actuarial Function contributing to the Risk Appetite setting and monitoring process, and through being an active part of the risk review of the business plan to ensure the plan is realistic and supportable, all of which feed into the annual ORSA.

Other areas in which the Actuarial Function is involved in contributing to effective risk management include:

- Oversight on risks related to the use and development of critical models – reserving, capital – throughout the business;
- Contribution to the process of managing emerging risks;
- Setting risk-based capital estimates;
- Advising on the appropriateness of reinsurance arrangements; and
- Providing an underwriting opinion

B7 Outsourcing Policy

The Group has an agreed Outsourcing Policy which sets out the requirements and conditions for undertaking outsourcing activities, including those specific to CICE. This policy also captures the regulatory requirements mandated by CICE's relevant regulators.

The Outsourcing Policy initially classifies the outsourcing arrangement as either standard outsourcing or material outsourcing. There are differing levels of due diligence and governance in place for approval of outsourcing arrangements.

The Company is currently utilising several service providers to undertake critical or important functions on its behalf. The details of these service providers, and the jurisdictions they operate in, are provided below:

External Outsourcing

- Investment Management - Fund management is outsourced for the Company's investments and the jurisdiction of the provider is the UK.

Intragroup Outsourcing

- CNA Services - Provides key services to the Company including, among others, IT, internal audit, risk management or actuarial services and is located in the UK;
- CCC – Provides IT services and Infrastructure support through an agreement between CCC and the Company. The supplier provides around the clock support including desktop, network, voice and infrastructure services for the Company. In addition, all IT infrastructure is owned by the provider. CCC is located in the United States of America, however service is provided from locations worldwide.

B8 Any other information

No further information.

C Risk profile

Principal risks and uncertainties

The Company's appetite for accepting and managing risk is defined by the Board. The Chief Risk Officer has responsibility for ensuring an effective risk management process is in place and is assisted by the Risk Function. The RMF is designed to provide a consistent approach to the management of risks, ensuring an agreed and widely understood approach and language (taxonomy) is used in the identification, assessment, management, monitoring and reporting of all risks faced by the Company. Qualitative and quantitative risk assessments are performed to produce a comprehensive picture of risks and exception reporting ensures that significant risks are reported and monitored at the appropriate levels.

Set out below are the principal risks and uncertainties to which the Company is exposed.

C1 Strategic risk

Strategic risk is the potential impact on earnings or capital from an incorrect strategy being set, improper business decisions, failure to execute plans or strategic ambitions, lack of responsiveness to industry changes and ill-disciplined growth in a soft market.

In addition, the Company considers any form of risk that could affect multiple areas of the business simultaneously to be a strategic combination risk. Any event which would have an adverse impact to the Company's reputation would also rank as a strategic risk, which is mitigated through proactive management of the issue supported by public relations. Annual business plans are agreed by senior management and tracked against actual performance throughout the year.

C1.1 Strategic risk: Group risk

Group risk reflects the risk to the Company arising specifically from being part of the wider CNAF Group, including potential financial and operational impacts.

C1.2 Strategic risk: Capital and Solvency

A risk-based approach is used to determine the amount of capital required to support the activities of the Company. Recognised stochastic modelling techniques are used to measure risk exposures, and capital to support business activities is allocated according to risk profile. Stress and scenario analysis is performed, and the results are reviewed against Board risk appetite. Overall, this is considered to be of high materiality and is assessed through the ORSA process.

C1.3 Strategic risk: External Factors

Environmental, Social and Governance ("ESG")

Environmental, Social and Governance ("ESG") factors are integrated into the Company's RMF by considering physical, liability and transition risks. The Company's approach reflects the principles of Supervisory Statement 3/19, issued by the Prudential Regulation Authority ("PRA") of the Bank of England.

ESG is managed across the Company through the ESG Governance Framework. The ESG Governance Framework consists of four workstreams: Underwriting, Disclosure and Reporting, Investments and Human Capital and Operations. Each workstream is focused on distinct objectives which feed into the overall strategy and reports to the quarterly ESG Steering Committee.

The Company is subject to ESG related risks due to its risk profile and business plan. Environmental risks include climate change-related events. This is managed through catastrophe modelling, portfolio management and communication between Underwriting and the Exposure and Catastrophe Management team. Social risks involve customer relations, diversity, and inclusion which are managed by the Regulatory Affairs and Human Resources teams, respectively. Governance risks include regulatory non-compliance and lack of transparency which are both monitored within the ESG Governance Framework and by the Board.

C Risk profile - continued

C2 Insurance risk

Insurance risk is the risk associated directly with the Company's underwriting activities. This includes the risk associated with inaccurate or inadequate pricing of insurance policies, inappropriate or poorly controlled underwriting guidelines and authority limits, unexpectedly high frequency, or severity of claims experience, and inadequate or inaccurate loss reserving.

To mitigate these risks, the Company has in place controls and governance processes designed to closely monitor its underwriting activities. These include, but are not limited to, the oversight of the Underwriting Committee, the operation of the underlying working groups, the issuance of underwriting authority limits and guidelines, the extensive use of technical pricing models, and regular underwriting audits.

C2.1 Underwriting risk

Underwriting risk represents risk associated with the issuance of insurance policies by the Company. This relates to the uncertainty as to whether premiums received will be sufficient to cover future losses, and other expenses, as well as risks associated with potential volatility in claims experience.

Processes used to manage underwriting risk include the setting of underwriting and pricing standards and limits on risk-taking. The Company also monitors and manages its natural and non-natural catastrophe exposures and uses catastrophe modelling software to assess its risk. Where necessary, reinsurance is used to mitigate and transfer risk falling outside risk appetite. Additionally, the Company employs a business model that achieves diversification through the spread of business across territories and sectors. The Group's Underwriting Committee provides governance over managing underwriting risk, reporting to the Board.

Sensitivity testing is carried out around the key assumptions of planned premium rate and growth. This allows the Company to identify the levels of rate and growth where the plan becomes unsustainable.

C2.1.1 Aggregation risk

Within an insurance business, aggregations of risk may arise from a single insurance contract or through a number of related contracts. Whilst some level of claims activity from these aggregations is expected on a regular basis, certain events, or a series of events, may occur that stress the business financially. Examples of such events are damage to property by fire and liability losses. The extent of the impact may also be very dependent on the size and location of the insured events.

Measurement and control of exposures are how volatility within the portfolio is constrained. It goes to the heart of the business' appetite for risk since exposures are contained at a level that represents the extent to which the Company is prepared to bear a net loss. Control of aggregating exposures in vulnerable locations is clearly vital and is the key to maximising the potential for good underwriting profit in loss-free periods without, on the downside, over-exposing capital to the impact of large and costly events. Factors which would impact the assumption of risk in these circumstances include an appropriate pricing of risk, a spread of risk across geographical territories, and the availability, subject to cost, of a suitable reinsurance programme. The Company determines the maximum total exposure levels to a range of events that it is prepared to accept. Beyond this level, no further exposure may be assumed. At any point in time, the current exposure position for the underwriting portfolio is available to underwriters, to enable them to assess the impact of individual risk exposures on the whole account.

The Company monitors and controls exposures to all material types of aggregating risk, including natural catastrophe and man-made perils. For the most material natural catastrophe perils of windstorm, flood and earthquake, the Company uses the AIR catastrophe model to quantify and manage exposures. Reinsurance is purchased to protect against aggregating events, to ensure that the Company's net exposure to aggregating events is within risk appetite. A range of stress and scenario tests are also run during the year to examine the exposure to specific types of events.

C Risk profile - continued

C2 Insurance risk - continued

C2.2 Reinsurance risk

Treaty reinsurance is purchased to proactively manage the volatility inherent in the business. The Company seeks to balance cost versus protection through outward reinsurance treaty protections.

Reinsurance is used to protect the business against large individual risk losses as well as against catastrophe accumulations of risk. Both proportional and non-proportional reinsurances are employed. Facultative reinsurance may also be used in certain predetermined circumstances for individual risks.

The erosion and ongoing adequacy of the reinsurance programme as well as the reinsurance credit risk are actively monitored.

C2.3 Reserve risk

Reserve risk is associated with liabilities the Company has from insurance policies issued in the past. This is the risk that technical provisions and related claims handling reserves will be materially inadequate relative to the ultimate cost of settlement.

Reserves for business underwritten in the past are established through detailed actuarial studies of the Company's insurance liabilities. These studies are subject to extensive management review and discussion by the Company's Reserve Committee and Audit Committee. The Company sets its reserves using a variety of established methodologies for all claims liabilities, reported and unreported. Where necessary, policies or parts of the portfolio that give rise to uncertainty are segmented and analysed separately as part of the reserving process. The drivers of underlying changes in estimates of reserves are identified and analysed. For the current accident year, additional sources of uncertainty, such as changes in pricing levels, catastrophe claims, significant external events, or the mix of business underwritten, are explicitly considered when setting reserves. To monitor the adequacy of previously established reserves, claims experience is reviewed each quarter to identify any deviations against expectations.

Critical to the reserve setting process is the assumption that the past claims development experience can be used to predict the future claims development, and hence the ultimate cost of claims. Triangulation statistics that show the historical development of premiums and claims for each class of business and underwriting year are used to assist in the process of determining reserves. Numerous other factors and assumptions are applied to the claims historical progression data to assist in setting these estimates. The factors include changes over time to the business mix and method of acceptance within each class of business, rating and conditions, legislation and court awards, claims inflation, and economic conditions. By its nature, the process involves a significant amount of judgement, although every effort is made to ensure that the process and resultant reserves are set on a best estimate basis and will be sufficient to meet the cost of claims when they are finally settled.

There is a significant amount of uncertainty in the reserve established, which may ultimately prove to be more or less than adequate. The level of uncertainty varies between classes of business, and generally increases for longer tail classes of business. Any change in the estimate of a reserve, or a settlement at a value other than the reserve provided, is recognised in the reporting period in which the change is identified. Given the significant uncertainty in the best estimate reserve established, the booked reserve in GAAP also includes an additional management margin for prudence. This margin increases the probability that the booked claim reserves will prove adequate. The margin amount is set by the Board and reflects both the degree of uncertainty around the actuarial best estimate and the reserve risk appetite of the Company.

Sensitivity testing is carried out around the key assumptions to assess the extent to which uncertainty in those assumptions leads to uncertainty in the projected capital requirement. A 5% increase in the existing net earned reserves would lead to a 2.3 percentage point increase in the SCR. The Company's exposure to long-tailed classes of business makes loss inflation a key driver of underwriting performance and reserve volumes. A scenario in which loss inflation during the next year is 3 percentage point higher than that currently anticipated in reserve projections. This scenario led to a decrease in 2024 pre-tax profit of €18 million, and a 1.6% SCR increase.

C Risk profile - continued

C3 Financial risk

C3.1 Market risk

Market risks are principally related to the Company's investment activity, notably its holding of debt and other fixed income investments. Within this area, the primary risks to which the Company is exposed are currency risk and interest rate risk.

The Company manages these exposures through its Investment Group. The Investment Group is responsible for establishing and maintaining an Investment Policy in line with the risk appetite of the Company. In addition, the Investment Group is responsible for the management of all investment asset risks, the selection of its investment managers and reviewing investment performance.

The Investment Management Function is outsourced to an external fund manager. The Company has established an Asset Allocation Policy which outlines preference to invest primarily in listed debt, other fixed income securities and cash. The policy also stipulates that cash should only be held to meet known and potentially unanticipated cash requirements. Surplus cash should be placed in suitable investments in appropriate listed debt and other fixed income securities.

An investment management agreement has been established with the Company's external fund manager. The agreement includes specific guidelines for each individual portfolio to limit risks arising from duration, currency, liquidity, credit, and concentration exposures. The agreement also limits concentration of exposures to economic sectors and individual securities and provides for minimum standards of creditworthiness. The external fund manager provides quarterly affirmation of compliance with these guidelines. There are no material concentrations in asset holdings. Additionally, there are no material concentrations across risk categories.

C3.1.1 Market risk - Currency risk

The Company is primarily exposed to currency risk in respect of assets and liabilities relating to insurance policies denominated in currencies other than Euro. The Company looks to maintain an appropriate currency match of assets and liabilities with surplus funds in its investment portfolio being held in line with the currency profile policy for surplus investments.

The Company manages its exposure to foreign exchange risk by matching assets with liabilities. As part of the wider CICL group, a mismatch for the Company is acceptable so long as the combined CICL and CICE group is effectively managed. Any currency mismatch is reflected in the Standard Formula under Market Risk.

C3.1.2 Market risk - Interest Rate risk

The Company's exposure to interest rate risk is mainly through its investments in debt and other fixed income securities due to instrument duration and the associated duration of the liabilities arising from insurance activities. The investment portfolio is managed based on the characteristics of the underlying liabilities and the alignment of the duration of the investment portfolio to the duration of the liabilities.

Investment risk includes the impact of market volatility on asset values associated with interest rate volatility.

The investment portfolio is periodically analysed for changes in duration and related price change risk. The evaluation is performed by applying an instantaneous change in yield rates of varying magnitude on a static balance sheet to determine the effect such a change in rates would have on the fair value at risk and the resulting effect on shareholder's' funds.

To illustrate the downside risk within the debt and other fixed income securities portfolio, the impact of an increase of 100 basis points in interest yields across all portfolios simultaneously (principally Pounds Sterling, Euro, and US dollars) has been estimated. The Company does not hedge interest rate risk and, assuming this continues and that all other variables remain constant, such an increase would decrease the market value of the investment portfolio and lead to a decrease in the total investment return of €25.9 million (2023: €24.2 million).

C Risk profile - continued

C3 Financial risk - continued

C3.1 Market risk - continued

C3.1.2 Market risk - Interest Rate risk - continued

The impact on interest rate risk is partially hedged as durations of the assets held by the Company are informed by the durations of the liabilities.

On the basis that all other variables remain constant, a decrease of 100 basis points in interest rates at 31 December 2024 would have had an equal and opposite effect to the amounts shown above.

C3.2 Credit risk

Credit risk is the risk of loss if a counterparty fails to meet its contractual obligations, resulting in a financial loss to the Company. The Company is exposed to credit risk primarily through its investment and insurance activities.

The Company has exposure to bond default risk, which is the risk that an issuer of a bond may be unable to make timely principal and interest payments. The exposure to credit risk, from its holding of debt and other fixed income securities, is managed by adherence to the Company's investment guidelines which detail minimum issuer credit quality, duration limits, and the maximum value of individual holdings. The average AM Best credit rating of the Company's debt and other fixed income securities at 31 December 2024 was "A" (2023: "A").

The Company is also exposed to credit risk from its regular insurance and reinsurance activity. The areas of key exposure are the reinsurers' share of claims outstanding and debtors arising out of direct and reinsurance operations from both policyholders and intermediaries. Ceded reinsurance is used to mitigate risks arising from inwards business. Ceded reinsurance does not discharge the Company's liability as primary insurer. If a ceded reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. Reinsurance coverages are normally placed with reinsurers who are included on the approved reinsurance security listing used by the Company. Generally, these reinsurers will have a Standard & Poor's credit rating of "A" or better. With regard to direct insurance and reinsurance debtors, the Company operates processes to review broker security and to monitor arrangements with managing general agents. Debtors consist of payments of premium due from policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit ratings agencies.

Other financial investments are designated at fair value through profit or loss at inception, and their performance is evaluated on a fair value basis, in accordance with a documented investment strategy.

Reinsurers' share of claims outstanding includes a €0.7 million (2023: €1.0 million) provision for impairment. Debtors arising out of direct and reinsurance operations includes a €0.8 million (2023: €0.7 million) provision for impairment which represents 16.6% (2023: 13.7%) of the total past due amount.

Sensitivity testing is carried out around the key assumptions of reinsurer downgrade and default. This allows the Company to understand the effect of stressed conditions with respect to reinsurers. If all reinsurers were downgraded to a BBB Standard & Poor's ("S&P") credit rating, this would lead to an increase in the SCR of €1.3m (0.1%) at 31 December 2023.

C Risk profile - continued

C3 Financial risk - continued

C3.3 Liquidity risk

Liquidity risk is the risk that cash may not be available, or that assets cannot be liquidated at a reasonable price, to pay obligations when they fall due. The Company is exposed to daily calls on its available cash resources, mainly from claims arising through insurance and reinsurance contracts.

The Board manages this risk by structuring its working capital to ensure that there are available cash resources or sufficiently liquid investments to meet expected cash flow requirements. The Company's investment guidelines are structured to ensure that investments can be liquidated at short notice to meet higher levels of demand in exceptional circumstances.

There are no significant concentrations of liabilities that would result in a concentrated cash outflow or any significant concentration of assets that may result in restrictions in liquidating at short notice.

Liquidity stress tests are performed to test the sources of funds in the event of an unexpected liquidity event. The test showed that the Company has sufficient liquid funds to pay for a 1-in-200 year loss event within three months of the event. Liquid funds and cash flow forecasts are monitored regularly to ensure that the need for sufficient liquidity is balanced against investment return objectives.

The total amount of the expected profit included in future premiums is nil.

C4 Operational risk

Operational risk arises from the risk of losses due to inadequate or failed internal processes, people, systems, service providers or from external events. Risks include those from information security (including cyber) and technology related activities, legal and regulatory, financial reporting and financial crime as well as those from operations, outsourcing and change. The Company has in place business processes (including business continuity and resilience plans) and relevant internal controls to substantially mitigate operational risk, including a business continuity plan and IT disaster recovery plan.

The Company maintains a comprehensive register of all risks including operational risks, which builds upon the Company's risk taxonomy. The Risk Function facilitates a quarterly Risk and Control Self-Assessment with risk owners, to identify and assess the highest rated risks, and an annual refresh that assesses all risks in the register. The Risk Function reports on key risks at the Risk Committee.

The RMF includes a risk event reporting process. Risk Events are assessed, with support of the Risk Function, and logged by risk or control owners who are also responsible for assessing the nature and quantum of actual or potential losses, and root causes. Control weaknesses / failings identified are considered when quantifying risk unless remedial action has been completed and been shown to be effective. Risk Event reporting is provided regularly to the relevant senior management forum / Committee.

The Company also arranges Corporate Insurances to help protect against specific types of operational financial loss. The Company assesses potential operational loss events in stressed conditions. For example, a breach of data privacy or data theft by external parties, for which the maximum modelled impact can lead to a €6.0 million reduction in pre-tax profit.

C4.1 Operational Resilience

Operational Resilience is the ability of an organization to prevent, adapt, respond to, recover, and learn from operational disruptions. The Company has established a comprehensive Operational Resilience Framework aligned to the RMF.

The Company has an effective RMF in place to manage operational risks that is integrated into our organisational structures and decision-making processes and Operational Resilience is an outcome that benefits from the effective management of operational risks.

C Risk profile - continued

C4 Operational risk - continued

C4.2 Third Party Risk Management

Aligned to the Operational Resilience Framework and the RMF, the Company has implemented a Third-Party Risk Management (TPRM) program to ensure that the business is able to effectively manage its use of third parties.

Assessments on third-party service providers are performed at the outset of a new service as well as periodically throughout the relationship and these activities help relationship owners to understand risk related to the reliance on third party service providers.

C4.3 IT Security & Data

The Company has an established Information, Communication and Technology Risk Management Policy in place that provides a framework for managing information and sets out the appropriate measures in place to protect critical business operations, personnel, and information assets. The framework is the foundation for information security practices across the Company and establishes the requirement that appropriate administrative, technical, and physical safeguards are in place and operating effectively to ensure the security of business and financial information and systems.

C5 Other material risks

C.5.1 Emerging risk

Emerging Risks are newly developing or changing risks which are difficult to quantify, that could impact the Company's ability to achieve its strategic objectives. Emerging risks can be new risks or evolving familiar risks.

Proactively researching and discussing these risks allows the Company to reduce its exposure to these risks, develop strategies to protect the business and leverage these risks into commercial opportunities.

A framework is in place to identify, assess, mitigate, and monitor emerging risks via a working group of stakeholders across Risk, Claims, Risk Control, Exposure & Catastrophe Management and Underwriting.

Emerging risks are assessed on their velocity and potential impact on the Company's strategy, focusing on potential mitigation actions and recorded in an Emerging Risk Register categorised using the PESTLE (Political, Economic, Social, Technological, Legal and Environmental) framework.

Emerging risks are regularly monitored as part of the quarterly review of all risks faced by the Company. In addition, the Risk Function performs an annual deep dive of emerging risks aimed to identify and assess emerging risks / trends based on their relevance and potential impact on the Company. The Risk Function reviews industry reports to identify emerging trends in the market. These insights are then supplemented with input from business stakeholders through a series of workshops.

Following the annual review, any agreed mitigating actions are monitored to completion. In certain circumstances, scenario testing of selected emerging risks may be performed as part of the ORSA process.

The Risk Committee receives regular updates on material changes and mitigating actions in respect of these identified emerging risks and the ESG Steering Committee regularly reports to the Risk Committee on climate change matters.

C Risk profile - continued

C6 Stress tests and scenario analysis

Stress and scenario tests (including reverse stress tests) are an important tool in the analysis of the financial condition of the Company. They explore, analyse and communicate potential vulnerabilities and opportunities to the Company over the short, medium and long term.

The Company has developed a suite of stress and scenario tests covering the key risks and downside scenarios in order to identify how profit and solvency respond.

Types of Stress Tests:

- **Single factor stress testing** is defined as a single event, either based on one that has occurred historically or based upon a modelled probabilistic stress that impacts one key aspect of the business.
- **Scenario stress testing** is defined as a combination of events that impacts the business at the same time or across a time period, and which potentially impact one or more key aspects of the business.
- **Reverse stress testing** is defined as the process of identifying the point at which a Company's business model becomes unviable and then identifying scenarios and circumstances that might cause this to occur.

The Stress and Scenario framework has been developed and approved by the Risk Committee in the year. This contains a comprehensive list of tests by single risks and across risks. From this list a selection of tests are run and representative tests are included in the ORSA Report.

D Valuation for solvency purposes

D1 Valuation of assets

	Solvency II		
	Lux GAAP	valuation adjustments	Solvency II
2024	€'000	€'000	€'000
Deferred acquisition costs	18,196	(18,196)	-
Deferred tax assets	-	9,727	9,727
Property, plant & equipment held for own use	317	1,827	2,144
Investments	845,697	16,847	862,544
Reinsurance technical provisions	113,333	(57,251)	56,082
Insurance and intermediaries receivables	80,435	(72,677)	7,758
Reinsurance receivables	1,629	-	1,629
Cash and cash equivalents	39,563	-	39,563
Any other assets, not elsewhere shown	25,707	(20,046)	5,661
Total assets	1,124,877	(139,769)	985,108
	Solvency II		
	Lux GAAP	valuation adjustments	Solvency II
2023	€'000	€'000	€'000
Deferred acquisition costs	17,240	(17,240)	-
Deferred tax assets (net)	-	15,218	15,218
Property, plant & equipment held for own use	517	2,490	3,007
Investments	762,568	14,012	776,580
Reinsurance technical provisions	97,237	(55,026)	42,211
Insurance and intermediaries receivables	73,458	(62,717)	10,741
Reinsurance receivables	213	2,962	3,175
Cash and cash equivalents	28,193	-	28,193
Any other assets, not elsewhere shown	14,097	(10,413)	3,684
Total assets	993,523	(110,714)	882,809

D Valuation for solvency purposes - continued

D1 Valuation of assets - continued

Unless otherwise stated, assets are valued in conformity with the Law on Accounts of insurance and reinsurance undertakings of 8 December 1994 (as amended from time to time), and with the generally accepted accounting principles for the insurance and reinsurance industry in the Grand Duchy of Luxembourg ("Lux GAAP"). The recognition and valuation basis applied to each material class of assets, including assumptions and judgements where applicable, are described below. Where applicable, material differences between the valuation basis used in the financial statements, and that used on a Solvency II basis, are set out below.

Deferred tax

Under Lux GAAP, deferred tax is not recognised. The deferred tax recognised under Solvency II includes the deferred tax that would otherwise be recognised under other reporting bases, such as the International Financial Reporting Standard ("IFRS") or UK Generally Accepted Accounting Policies ("UK GAAP"), plus a recognition of the tax effect from the adjustments from an accounting basis to a Solvency II basis.

Property, plant and equipment held for own use

On a Lux GAAP basis, property, plant and equipment held for own use are stated at cost net of amortisation or depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. These assets have been recorded at fair value in the Company's Solvency II balance sheet in accordance with the relevant Solvency II guidelines.

Under IFRS 16 – leases, leased properties are recognised on the Solvency II balance sheet in property, plant and equipment held for own use. For Solvency II the right-of-use asset is valued by discounting market rent at the relevant property yield. The base property investment yield benchmarks reflect the required return investors seek for freehold or long leasehold interest in a property based on their perception of risks associated with the asset and/or location. Adjustments to property yields are made to reflect the marketability and associated risks of shorter-term leases in addition to accounting for the differences in contract rents and market rent. It is expected that the calculation of Solvency II discount rates for lease assets and liabilities will be performed annually, with changes to the rates for quarterly reporting required if there were indication that either market property yields or market rents have moved materially.

Investments

Under Lux GAAP, debt securities and other fixed income transferable securities are valued at the lower of amortised historical acquisition cost or market value. The amortised historical acquisition cost includes expenses incidental to the purchase, as well as the amortisation of the positive differences and the accretion of negative differences between the acquisition cost and the redemption value.

The amortisation of the positive differences and the accretion of negative differences between the acquisition cost and the redemption value are released to interest earned on bonds in instalments over the period remaining to repayment.

The value adjustments which correspond to the negative difference between the realisable value and the amortised historical acquisition cost may no longer be carried if the reasons for which they were made cease to apply.

Shares in other variable yield transferable securities and units in unit trusts are valued at the lower of acquisition cost or market value and relate to funds held within units of compliant monetary UCI such as money market funds.

Under Solvency II, investments are held at fair value.

Reinsurance receivables and technical provisions

Refer to section D2.

Cash and cash equivalents

Cash and cash equivalents represent cash balances, money market deposits lodged with banks and other highly liquid investments with original maturity of less than three months and are recognised at nominal value under Lux GAAP and fair value under Solvency II.

D Valuation for solvency purposes - continued

D1 Valuation of assets - continued

Any other assets, not elsewhere shown

Other assets include prepayments, amounts due from CNA group companies and amounts due in respect of taxation and are recognised at fair value.

D2 Valuation of technical provisions

Analysis of technical provisions by Solvency II class

	Net best estimate	Risk margin	Total
2024	€'000	€'000	€'000
Marine, aviation and transport insurance	29,909	3,676	33,585
Fire and other damage to property insurance	169	21	190
General liability insurance	390,178	47,958	438,136
Miscellaneous financial loss	4,094	503	4,597
Non-proportional marine, aviation and transport reinsurance	26	3	29
Total	424,376	52,161	476,537

	Net best estimate	Risk margin	Total
2023	€'000	€'000	€'000
Marine, aviation and transport insurance	30,087	2,934	33,021
Fire and other damage to property insurance	11,816	953	12,769
General liability insurance	367,899	36,546	404,445
Miscellaneous financial loss	2,899	318	3,217
Non-proportional marine, aviation and transport reinsurance	40	2	42
Total	412,741	40,753	453,494

Basis, method and assumptions for determining technical provisions

There were no material changes to the methodology for determining technical provisions since the prior period.

The Company's Solvency II basis technical provisions consist of net best estimate claims and premiums provision plus a risk margin. These claims and premium provisions make allowance for future claims, premiums and expenses on a cashflow basis.

D Valuation for solvency purposes - continued

D2 Valuation of technical provisions - continued

Net best estimate claims provision for future claims

Net best estimate claim provisions for future claims are consistent with the technical provisions as reported in the financial statements, excluding management margin. The quarterly reserve process is designed to allow the selection of a point estimate of reserves, intended to represent a best estimate of the mathematical expected value of the distribution of reasonably foreseeable outcomes of the unpaid liabilities. No margins for optimism or prudence are intended to be reflected in the best estimate selections. These provisions consist of claims reported but not settled ("RBNS") and claims incurred but not reported ("IBNR").

Provision is made for claims outstanding and settlement expenses incurred at the balance sheet date, including an estimate for the cost of claims IBNR at that date. Included in the provision is an estimate of the internal and external costs of handling the claims outstanding. Allowance is made within the IBNR provisions for estimated salvage and other recoveries if there is a historical trend which indicates this is a feature of the class of business in question.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where there is more available information about the claim event. In calculating IBNR the Company uses a variety of estimation techniques. These are largely based on actuarial analysis of historical experience, which assumes the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in Company processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with the statistics from previous periods;
- changes in the legal environment;
- the effects of inflation;
- changes in the mix of business;
- the impact of large losses, including catastrophes; and
- movements in industry benchmarks.

Large and catastrophe claims are assessed separately by each business class, being measured on a case by case basis, to allow for the possible distortive impact of the development and incidence of these claims.

When calculating the provision for claims outstanding, the Company selects an estimation technique taking into account the individual characteristics of each business class.

D Valuation for solvency purposes - continued

D2 Valuation of technical provisions - continued

Adjustments for SII basis

To determine technical provisions on a Solvency II basis, the Company then makes adjustments for the following items, including allowance for unearned future claims and future premium cashflows:

- i. Profit in unearned premiums: An allowance for premiums inception but unearned at the balance sheet date less expected claims using actuarially determined loss ratios which are estimated as part of the quarterly reserve reviews.
- ii. Future premiums: An allowance for expected future cash receipts related to premiums inception but unsettled at the balance sheet date.
- iii. Allowance for unaccepted legally obliged business: The Company includes an allowance for legally bound but unaccepted premiums at the balance sheet date, including business which renews on a tacit basis, less the estimate of expected claims related these premiums.
- iv. Allowance for future reinsurance purchases. An allowance for future reinsurance purchases which will be required to support the reinsurance recovery assumptions applied to gross written premiums.
- v. Allowance for future expenses: An allowance for future expenses related to inception and unaccepted business including bad debt expenses, unallocated loss adjustment expenses, investment management expenses and other administrative costs.
- vi. Allowance for events not in data ("ENIDs"): An allowance is made for extreme events that cannot be projected using historical data. ENIDs are allowed for to ensure that the Solvency II Technical Provisions reflect the mean of the full probability distribution of possible outcomes, including those which are not observed in historical data.
- vii. Allowance for unpaid paid claims: An allowance is made for claims which are recorded as paid claims but the physical cash flow has not yet occurred.
- viii. Discounting credit: Allowance to adjust for the time value of money. This is calculated using payment patterns derived during the reserving process.
- ix. Risk margin: The Solvency II basis technical provisions include a risk margin which ensures that the value of the technical provisions is equivalent to the amount insurers would be expected to require in order to take over and meet the Company's insurance obligations. The risk margin is calculated as the sum of the present values of the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance obligations over their lifetime.

D Valuation for solvency purposes - continued

D3 Other liabilities

Analysis of liabilities

2024	Solvency II		Solvency II
	Lux GAAP	valuation adjustments	
	€'000	€'000	€'000
Technical provisions	709,698	(229,240)	480,458
Risk margin	-	52,161	52,161
Financial liabilities other than debts owed to credit institutions	-	2,197	2,197
Insurance & intermediaries payables	17,167	-	17,167
Reinsurance payables	25,845	(25,845)	-
Deferred tax liabilities	-	20,217	20,217
Payables (trade, not insurance)	822	-	822
Any other liabilities, not elsewhere shown	3,138	24,905	28,043
Reinsurers' share of deferred acquisition costs	36,249	(36,249)	-
Total liabilities	792,919	(191,854)	601,065

Unless otherwise stated, liabilities are valued in conformity with Lux GAAP. The recognition and valuation basis applied to each material class of assets, including assumptions and judgements where applicable, are described below. Where applicable, material differences between the valuation basis used in the financial statements and that used on a Solvency II basis, are set out below.

2023	Solvency II		Solvency II
	Lux GAAP	valuation adjustments	
	€'000	€'000	€'000
Technical provisions	658,819	(203,867)	454,952
Risk margin	-	40,753	40,753
Financial liabilities other than debts owed to credit institutions	-	3,203	3,203
Insurance & intermediaries payables	2,168	-	2,168
Reinsurance payables	22,092	(22,092)	-
Deferred tax liabilities	-	9,334	9,334
Payables (trade, not insurance)	809	-	809
Any other liabilities, not elsewhere shown	3,511	26,533	30,044
Reinsurers' share of deferred acquisition costs	30,184	(30,184)	-
Total liabilities	717,583	(176,320)	541,263

D Valuation for solvency purposes - continued

D3 Other liabilities - continued

Reinsurance payables and technical provisions – best estimate and risk margin

Refer to section D2.

Insurance and intermediaries payables

Insurance and intermediaries payables consist of amounts due to brokers in respect of commissions and are stated at nominal value.

Financial liabilities other than debts owed to credit institutions

As at 31 December 2024, €2.2 million (2023: €3.2 million) of lease liabilities are recognised on the Solvency II Balance sheet. For Solvency II reporting, lease liabilities are valued by discounting actual rent at the relevant property yield. In the absence of quoted market prices for the same or similar assets, alternative valuation methods are allowed.

Any other liabilities, not elsewhere shown

Other liabilities include administration expense accruals, tax liabilities, insurance premium tax payables, and amounts owed to related companies and are recognised at nominal value under Lux GAAP.

E Capital management

E1 Own funds

E1.1 Objectives, policy and process for managing own funds

The Company's Board approves the Company's Capital Risk Appetite annually as part of the Risk Appetite process, set out in the Risk Management Policy. CICE's Capital Risk Appetite is as follows: to hold sufficient capital to remain solvent on an ongoing basis with the ability to withstand a 1 in 200 year event. This is managed by holding a buffer above the Solvency II regulatory capital requirements. Throughout 2024, the Company's capital level was maintained in accordance with this Risk Management Policy.

The Company monitors compliance with its Risk Management policy on a regular basis, taking into account relevant developments in the risk landscape and in its business portfolio. Surplus capital, which is not required to support expected growth and is in excess of the desired buffer, is considered to be distributable.

E1.2 Structure, amount and quality of own funds

The Company classifies own fund items at issue and annually according to the three tiers of capital as set out under Solvency II. A review is conducted annually to ensure that any contractual terms governing the tiering of assets are clear. The own funds are monitored against any agreements, connected transactions or consequences arising from the group structure that could impact their efficiency as capital. Any actions required to ensure the quality of an own fund item are identified and monitored by the CFO. The Company does not currently hold any ancillary own funds. If ancillary own funds were to be proposed, then arrangements would be put in place so that they could be called in a timely manner when necessary. The identification of any arrangements giving rise to ring fenced funds are monitored and documented by the CFO and considered as part of the medium term capital management plan in the ORSA.

The components of own funds are set out in section E1.5.

E1.3 Significant changes to own funds

None in the year.

E1.4 Key elements of the reconciliation reserve

The reconciliation reserve represents the differences in the valuation of assets, technical provisions or other liabilities in the adoption of the Solvency II valuation, as well as retained earnings, including current year results and the legal reserve. The reconciliation reserve is analysed as follows:

	2024 €'000	2023 €'000
Excess of assets over liabilities	384,043	341,546
Less: Ordinary share capital	(274,250)	(250,000)
Less: Share premium account	(93,135)	(93,135)
Less: Other own fund items	10,490	(5,884)
Reconciliation reserve	27,148	(7,473)

A description of the restricted own funds items is included in section E1.6.

E Capital management - continued

E1 Own funds - continued

E1.5 Eligible own funds

The Company's eligible own funds are analysed as follows:

	2024 €'000	2023 €'000
Ordinary share capital	274,250	250,000
Share premium account	93,135	93,135
Reconciliation reserve	27,148	(7,473)
Other own fund items	(10,490)	5,884
Available and eligible own funds	384,043	341,546
Own funds by tier:		
Tier 1 unrestricted	394,533	335,662
Tier 3	(10,490)	5,884
Total	384,043	341,546
Eligible own funds to cover the SCR	384,043	341,546
Eligible basic own funds to cover the MCR	394,533	335,662

Tier 3 own funds represent deferred tax assets (see section D1).

E Capital management - continued

E1.6 Material differences between Solvency II and Lux GAAP own funds

The material differences between Solvency II and Lux GAAP as at 31 December were as follows:

	2024 €'000	2023 €'000
Shareholder's funds reported under Lux GAAP	331,958	275,940
Property, plant & equipment held for own use	(370)	(713)
GAAP basis including technical provisions	539,482	513,929
Solvency II basis technical provisions	(476,537)	(453,494)
Deferred tax on Solvency II basis	(10,490)	5,884
Solvency II excess of assets over liabilities	384,043	341,546

E1.7 Deductions from own funds

Refer to section E1.6 for deductions from own funds.

E Capital management - continued

E2 SCR and MCR

The Company uses the standard formula to calculate the SCR. The SCR and MCR are as follows:

	2024 €'000	2023 €'000
MCR	69,992	67,509
SCR	243,091	228,652
Analysis of SCR:		
Non-life underwriting risk	184,066	176,626
Health underwriting risk	8	13
Market risk	86,480	75,749
Counterparty default risk	12,410	11,510
Diversification credit	(54,287)	(48,895)
Operational risk	14,414	13,649
Total	243,091	228,652

The MCR has been calculated using underlying source data, at the appropriate Solvency II class level, for net written premiums and net technical provisions in accordance with the requirements set out in the European Insurance and Occupational Pensions Authority delegated acts.

The Solvency II SCR does not include any undertaking specific parameters.

E3 Other information

There were no instances of non-compliance with the SCR or the MCR during the financial period.

F Appendix

1. Quantitative reporting templates

S.02.01 – Balance sheet

S.04.05 – Premiums, claims and expenses by country

S.05.01 – Premiums, claims and expenses by line of business

S.17.01 – Non-life technical provisions

S.19.01 – Non-life insurance claims information

S.23.01 – Own funds

S.25.01 – Solvency Capital Requirement – for undertakings on Standard Formula

S.28.01 – Minimum Capital requirement – Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
Assets		C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	9,725
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	2,144
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	862,544
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	0
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	830,965
R0140	<i>Government Bonds</i>	134,649
R0150	<i>Corporate Bonds</i>	696,088
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	228
R0180	<i>Collective Investments Undertakings</i>	31,579
R0190	<i>Derivatives</i>	0
R0200	<i>Deposits other than cash equivalents</i>	0
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	0
R0260	<i>Other loans and mortgages</i>	0
R0270	Reinsurance recoverables from:	56,082
R0280	<i>Non-life and health similar to non-life</i>	56,082
R0290	<i>Non-life excluding health</i>	56,082
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	0
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	7,758
R0370	Reinsurance receivables	1,629
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	39,563
R0420	Any other assets, not elsewhere shown	5,663
R0500	Total assets	985,107

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	532,619
R0520	<i>Technical provisions - non-life (excluding health)</i>	532,619
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	480,458
R0550	<i>Risk margin</i>	52,161
R0560	<i>Technical provisions - health (similar to non-life)</i>	0
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	0
R0640	<i>Risk margin</i>	0
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	0
R0680	<i>Risk margin</i>	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	0
R0720	<i>Risk margin</i>	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	20,218
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	2,197
R0820	Insurance & intermediaries payables	17,167
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	822
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	0
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	28,043
R0900	Total liabilities	601,066
R1000	Excess of assets over liabilities	384,042

S.04.05.21

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

R0010

Premiums written (gross)

R0020 Gross Written Premium (direct)

R0021 Gross Written Premium (proportional reinsurance)

R0022 Gross Written Premium (non-proportional reinsurance)

Premiums earned (gross)

R0030 Gross Earned Premium (direct)

R0031 Gross Earned Premium (proportional reinsurance)

R0032 Gross Earned Premium (non-proportional reinsurance)

Claims incurred (gross)

R0040 Claims incurred (direct)

R0041 Claims incurred (proportional reinsurance)

R0042 Claims incurred (non-proportional reinsurance)

Expenses incurred (gross)

R0050 Gross Expenses Incurred (direct)

R0051 Gross Expenses Incurred (proportional reinsurance)

R0052 Gross Expenses Incurred (non-proportional reinsurance)

Home Country	Top 5 countries (by amount of gross premiums written): non-life				
	FR	NL	IT	DK	BE
C0010	C0020	C0021	C0022	C0023	C0024
71,383	49,783	26,786	20,442	19,145	21,681
0	0	-1	1,416	0	0
0	0	0	0	0	0
66,394	50,290	26,300	22,104	19,338	21,413
0	0	-1	1,418	0	0
0	0	0	0	0	0
32,429	57,779	-1,179	14,547	4,816	5,780
122	0	0	1,778	0	0
0	0	0	0	0	0
20,914	20,150	6,162	10,182	4,600	7,758
0	0	0	705	0	0
0	0	0	0	0	0

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Total
Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Misc. financial loss		
C0060	C0070	C0080	C0120		C0200
R0110 Gross - Direct Business	38,450	9,305	165,802	9,065	222,623
R0120 Gross - Proportional reinsurance accepted	1,536	161	660	114	2,471
R0130 Gross - Non-proportional reinsurance accepted					0
R0140 Reinsurers' share	472	2,102	22,102	2,197	26,874
R0200 Net	39,514	7,364	144,360	6,982	198,220
Premiums earned					
R0210 Gross - Direct Business	38,968	9,724	162,664	8,240	219,597
R0220 Gross - Proportional reinsurance accepted	1,549	95	440	76	2,160
R0230 Gross - Non-proportional reinsurance accepted					0
R0240 Reinsurers' share	461	2,153	23,272	2,736	28,621
R0300 Net	40,056	7,667	139,833	5,579	193,136
Claims incurred					
R0310 Gross - Direct Business	16,276	4,595	94,496	1,687	117,054
R0320 Gross - Proportional reinsurance accepted	-3,271	359	6,335	350	3,772
R0330 Gross - Non-proportional reinsurance accepted					0
R0340 Reinsurers' share	-422	4,899	15,657	-3,346	16,789
R0400 Net	13,427	55	85,173	5,382	104,037
R0550 Expenses incurred	15,427	529	63,173	2,971	82,100
R1210 Balance - other technical expenses/income					
R1300 Total technical expenses					82,100

S.17.01.02
Non-Life Technical Provisions

R0010 Technical provisions calculated as a whole
R0050 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole

Direct business and accepted proportional reinsurance				Accepted non-proportional reinsurance	Total Non-Life obligation
Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss	Non-proportional marine, aviation and transport reinsurance	
C0070	C0080	C0090	C0130	C0160	C0180
0	0	0	0	0	0
					0

Technical provisions calculated as a sum of BE and RM

Best estimate
Premium provisions
R0060 Gross
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
R0150 Net Best Estimate of Premium Provisions

-2,096	-7,094	-49,592	-4,685	0	-63,467
-199	491	2,316	87	0	2,694
-1,897	-7,585	-51,907	-4,771	0	-66,161

Claims provisions
R0160 Gross
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
R0250 Net Best Estimate of Claims Provisions

32,007	4,395	500,628	6,868	26	543,925
202	-3,359	58,542	-1,997	0	53,388
31,806	7,754	442,086	8,865	26	490,537

R0260 Total best estimate - gross
R0270 Total best estimate - net

29,911	-2,699	451,036	2,183	26	480,458
29,909	169	390,178	4,094	26	424,376

R0280 Risk margin

3,676	21	47,958	503	3	52,161
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R0320 Technical provisions - total
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

33,588	-2,678	498,994	2,686	29	532,619
2	-2,868	60,858	-1,911	0	56,082
33,585	190	438,136	4,597	29	476,537

Non-Life insurance claims

Accident year / underwriting year	Accident Year
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(absolute amount)

Gross Undiscounted Best Estimate Claims Provisions

[illegible]

S.23.01.01
Own Funds

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)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
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
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions

Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

SCR

R0600 MCR

R0620 Ratio of Eligible own funds to SCR

R0640 Ratio of Eligible own funds to MCR

Reconcilliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
274,250	274,250		0	
93,136	93,136		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
27,148	27,148			
0		0	0	0
-10,492				-10,492
0	0	0	0	0
0				
0				
384,042	394,534	0	0	-10,492

[illegible]

384,042	394,534	0	0	-10,492
394,534	394,534	0	0	
384,042	394,534	0	0	-10,492
394,534	394,534	0	0	

243,092
69,992
157.98%
563.68%

C0060

384,042
0
356,893
0
27,148

41,771
41,771

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

R0010 Market risk
R0020 Counterparty default risk
R0030 Life underwriting risk
R0040 Health underwriting risk
R0050 Non-life underwriting risk
R0060 Diversification

R0070 Intangible asset risk

R0100 **Basic Solvency Capital Requirement**

Calculation of Solvency Capital Requirement

R0130 Operational risk
R0140 Loss-absorbing capacity of technical provisions
R0150 Loss-absorbing capacity of deferred taxes
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
R0200 **Solvency Capital Requirement excluding capital add-on**
R0210 Capital add-ons already set
R0211 *of which, capital add-ons already set - Article 37 (1) Type a*
R0212 *of which, capital add-ons already set - Article 37 (1) Type b*
R0213 *of which, capital add-ons already set - Article 37 (1) Type c*
R0214 *of which, capital add-ons already set - Article 37 (1) Type d*
R0220 **Solvency capital requirement**

Other information on SCR

R0400 Capital requirement for duration-based equity risk sub-module
R0410 Total amount of Notional Solvency Capital Requirements for remaining part
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
R0440 Diversification effects due to RFF nSCR aggregation for article 304

Approach to tax rate

R0590 Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

R0640 LAC DT
R0650 LAC DT justified by reversion of deferred tax liabilities
R0660 LAC DT justified by reference to probable future taxable economic profit
R0670 LAC DT justified by carry back, current year
R0680 LAC DT justified by carry back, future years
R0690 Maximum LAC DT

Gross solvency capital requirement	USP	Simplifications
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C0110

C0090

C0120

86,480		
12,410		
0		
8		
184,066		
-54,287		

0

228,678

C0100

14,414
0
0
243,092
0
0
0
0
0
243,092

0
0
0
0
0

Yes/No

C0109

0

LAC DT

C0130

0
0
0
0
0

S.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

69,992

R0020	Medical expense insurance and proportional reinsurance
R0030	Income protection insurance and proportional reinsurance
R0040	Workers' compensation insurance and proportional reinsurance
R0050	Motor vehicle liability insurance and proportional reinsurance
R0060	Other motor insurance and proportional reinsurance
R0070	Marine, aviation and transport insurance and proportional reinsurance
R0080	Fire and other damage to property insurance and proportional reinsurance
R0090	General liability insurance and proportional reinsurance
R0100	Credit and suretyship insurance and proportional reinsurance
R0110	Legal expenses insurance and proportional reinsurance
R0120	Assistance and proportional reinsurance
R0130	Miscellaneous financial loss insurance and proportional reinsurance
R0140	Non-proportional health reinsurance
R0150	Non-proportional casualty reinsurance
R0160	Non-proportional marine, aviation and transport reinsurance
R0170	Non-proportional property reinsurance

Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
C0020	C0030
0	0
0	0
0	0
0	0
0	0
29,909	35,666
169	9,334
390,178	147,431
0	0
0	0
0	0
4,094	7,657
0	0
0	0
26	0
0	0

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

0

R0210	Obligations with profit participation - guaranteed benefits
R0220	Obligations with profit participation - future discretionary benefits
R0230	Index-linked and unit-linked insurance obligations
R0240	Other life (re)insurance and health (re)insurance obligations
R0250	Total capital at risk for all life (re)insurance obligations

Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance /SPV) total capital at risk
C0050	C0060

Overall MCR calculation

R0300	Linear MCR
R0310	SCR
R0320	MCR cap
R0330	MCR floor
R0340	Combined MCR
R0350	Absolute floor of the MCR
R0400	Minimum Capital Requirement

C0070

69,992
243,092
109,391
60,773
69,992
4,000
69,992