

Elips Life AG

Solvency and Financial Condition Report 2020

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Elips Life AG (ELAG) is a Swiss Re¹ subsidiary and owns Elips Versicherungen AG. Wherever possible, both entities are governed and steered in identical structures; when this is the case, “elipsLife” is used as abbreviation.

1 Summary

The following material changes have occurred in the undertaking's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management over the reporting period:

- In 2020, elipsLife's risk management framework has been enhanced – reaffirming the risk ownership of the first line of control and further aligned with the global framework that governs risk management practices throughout the Swiss Re Group.
- Injection of CHF 30 million capital in March/April 2020 in order to mitigate negative financial market developments at the beginning of the first COVID COVID-19 wave in Europe.
- From June 2020 onwards, ELAG includes a volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads having a positive effect of around 6pp on Solvency II ratio at year end 2020².
- October 2020: capital injection of CHF 20 million replacing subordinate loan of same amount.
- Subsequent to a re-evaluation in November/December 2020 of the company's capital positions, ELAG has decided to further strengthen its reinsurance protection³. Additionally, Swiss Re has made a CHF 70 million capital injection at the end of Q4 2020. For the planning period 2021-2023, ELAG capitalization is intended to be kept – at least – at 130% SII ratio target level.

¹ Swiss Re Ltd (Swiss Re, together with its direct and indirect subsidiaries, the Swiss Re Group)

² Effect of volatility adjustment on SII ratio: situation as per year-end 2020, subject to variances during the year.

³ Introduction of a 80% QS treaty for all new business written from 01.01.2021 onwards – in addition to a 50% QS treaty for business written till 31.12.2020.

2 Business and Performance

ELAG is an insurance company located and incorporated under the laws of Liechtenstein and regulated by the Finanzmarktaufsicht Liechtenstein (FMA); ELAG is audited by PWC, Birchstrasse 160, 8050 Zürich, Switzerland. Lead auditor is Michael Stämpfli. ELAG is part of the Swiss Re Group – till Q3 2020 within Business Unit Life Capital (LC); as per Q4 2020 shift of managerial responsibility to Business Unit Corporate Solutions (CorSo).

ELAG underwrites the following material lines of business: life and non-life insurance (1. Appendix 2 VersAG and A.1 and A.2 appendix 1 VersAG) in the form of mortality and disability covers.

Business objectives

elipsLife is a specialized European group life insurer focusing on mid-market clients. elipsLife strives to be a leading competent B2B / B2B2C partner for mid-sized companies offering life and health insurance products in selected markets. The focus is on accident and health coverages as well as death and disability risks. Customers of elipsLife are pension funds, collective foundations, companies and associations. To create value for the mid-market segment means, in our understanding, to address sophisticated yet “must be affordable” needs of mid-sized companies, therefore to provide tailored affordable covers and service excellence delivered in an efficient and effective way for insureds, policyholders and distribution partners.

Business performance

Gross written premiums grew in the reporting year from CHF 312.4 million to CHF 384.4 million. Statutory pre-tax loss amounts to CHF -41.1 million (prior year: to CHF -46.3 million). The result was primarily driven by additional reserves stemming from changes in reserving methods, re-evaluations of risks and from the COVID-19 pandemic.

The gross written premiums, gross claims (both in CHF million) and loss ratios for Switzerland, Netherlands and Italy are shown in the following table. ELAG underwrites mortality and disability covers; disability covers amount to about 57% of premiums.

Country (values in CHF million)	Switzerland/ Liechtenstein		Netherlands		Italy		Total ⁴	
	2020	2019	2020	2019	2020	2019	2020	2019
Gross Premium	67.6	51.4	285.5	239.1	19.1	15.2	384.4	312.4
Gross claims	116.1	78.5	251.1	194.7	21.8	6.7	414.4	293.7
Loss ratio gross	172%	153%	88%	81%	114%	44%	108%	94%

Investment performance

At year-end 2020, ELAG's investments consist of fixed-income assets (incl. cash). The income of the investments was CHF 6.4 million while the expenses amounted to CHF 2.7 million.

Other material income and expenses

Over the next years elipsLife remains focused on successfully growing its business. Thus, significant efforts will be put in building-up the prerequisites for appropriate investments.

Other material information

There is no further material information.

⁴ Total additionally including amounts related to German and Irish operations.

3 System of Governance

3.1. Structure of the management and supervisory body, roles & responsibilities

ELAG's management and supervisory body consists of the Board of Directors (BoD) and the Executive Team (ET). The members of the BoD bear ultimate responsibility and liability for meeting applicable legal obligations.

As determined by applicable law, other rules and regulations and the Articles of Association, the BoD is vested with the broadest powers to perform all acts of administration, acquisition and disposal and take decisions on behalf of elipsLife and in elipsLife's interest except in the case of acts reserved by Liechtenstein law or the Articles of Association to the general meeting of shareholders.

The BoD has delegated responsibilities and authorities to the ET, subject to the responsibilities expressly retained by the BoD. The Chief Executive Officer (CEO) and, under the CEO's leadership, the ET may further delegate certain responsibilities and authorities to individual ET members.

3.2. Remuneration policy

3.2.1. Variable Compensation

The elipsLife members of the Executive Team, the Managing Directors, the Directors (since 2015) and other staff employed on senior level (since 2017) are eligible for a discretionary, variable compensation. This scheme distinguishes between the following variable compensation elements: an Annual Performance Incentive (API), a Value Alignment Incentive (VAI) for APIs exceeding CHF 100'000, and a Leadership Share Plan (LSP). The cash (VAI) and shares (LSP) payments are deferred and vest after 3 years.

For elipsLife employees who aren't eligible for an API, other types of variable compensation elements can be paid out, such as sales commissions (for sales staff) or gratifications (for other staff).

Annual Performance Incentive

elipsLife operates a Target API (TAPI) system along with a performance management framework that provides equal weighting to results-oriented and behaviour-related performance criteria for all eligible employees. A TAPI is set for each eligible employee based on multiple factors, but primarily on the role being performed, internal calibration and market benchmarks.

For elipsLife, the total amount of API compensation is determined on the basis of an overall API pool which is built on the baseline of the total sum of Target Annual Performance Incentives (TAPI) and defined through the annual results of Swiss Re Group, Business Unit Life Capital (2021 onwards: Business Unit Corporate Solutions), and elipsLife. The TAPI is set as an amount for each eligible employee on a discretionary basis and determined by factors, including the hierarchical job level, market situation, internal benchmarks. Similar to the determination of the base salary, the employee's total compensation and overall pay-mix are taken into account when setting the TAPI.

The effective allocated cash API ranges from 0% to 200% of the TAPI. On the basis of the overall API pool for elipsLife, the effective individual API is determined in the context of the employee performance measurement process, i.e. by the employee's achievement of the own individual goals. The performance measurement and API weighting factors take into account the Business Performance Factor which reflects Swiss Re Group, Business Unit Life Capital (2021 onwards: Business Unit Corporate Solutions), and elipsLife performance as well as an Individual Pay-out Factor which reflects the individual performance assessment, taking into account the two dimensions on the 'what' (quantitative & qualitative targets) and 'how' (behaviour targets linked to the corporate values and code of conduct)

and is set at the manager's discretion but cannot exceed a factor of 2. The definition of the TAPI of the following business year is part of the annual salary review process which is equally linked to the annual performance management process.

3.3. Fit & Proper

Key Function	Function Holder
Compliance	Benjamin Heusi
Risk	Christina Müller ⁵
Actuarial	Florian Dally
Audit	Outsourced to Swiss Re - Ian McClarty

ELAG requires that all persons effectively running the company and key functions holders (a "Relevant Person"⁶) are "fit and proper". The fit and proper requirements demand qualities in relation to the integrity demonstrated in personal behaviour and business conduct, soundness of judgment and a sufficient degree of knowledge, experience and professional qualifications. These qualification criteria must be fulfilled at all times to provide for a sound and prudent management of the company.

Policies and procedures are in place to assess the fitness and propriety of all relevant persons prior to joining the company and annually throughout their employment.

The fit and proper evaluation process prior to joining the company can be described with the following steps:

- At the commencement of the recruitment or nomination process, all candidates for the position will be made aware that any offer of employment or engagement is conditional on meeting elipsLife's fit and proper criteria.
- A candidate or nominee with an imminent offer of employment or engagement will be provided with a copy of the fit and proper policy and will be required to demonstrate their compliance with the policy by signing the declaration of fitness and propriety.
- HR is responsible for conducting the assessment against the fit and proper criteria based on references provided, documentation from the candidate, completed fit and proper declaration and the results of the background check.
- In considering whether the candidate meets the fit and proper criteria HR will consider the materiality, relevance and timing of any matters identified in the assessment process.
- The outcome of the assessment will be documented and stored in the HR file.
- Should the candidate or nominee be assessed as not having met the criteria any offer of employment or engagement shall be withdrawn.

The annual evaluation process is a detailed attestation by the relevant individual. This includes declarations concerning criminal convictions, adverse findings by courts or regulatory authorities, bankruptcy orders or liquidation or similar proceedings against them, potential or actual conflicts of interest, and engagement in dishonest or improper business practices.

⁵ From 1 January 2021 onwards: Ettore Franzolin

⁶ Members of the BoD, the ET, the Head of Compliance, the Appointed Actuary/Actuarial Function Holder, the Company Auditor and Branch Managers.

3.4. Risk Management Framework

In 2020, elipsLife's risk management framework has been further aligned with the global framework that governs risk management practices throughout the Swiss Re Group. The risk governance includes frameworks for risk management, risk control, risk appetite, limits and capitalisation. Taking and managing risk is central to elipsLife's business. All risk-related activities are subject to the Group's risk management framework. This framework sets out how Swiss Re organises and applies its risk management practices across the Group to ensure that all activities are conducted in line with the principles and limits mandated by the Group Risk Policy.

The risk management framework comprises the following major elements:

- Risk governance documentation, including the Group Risk policy
- Key risk management principles
- Fundamental roles for delegated risk-taking
- Risk culture and behaviour
- Organisation of risk management, including responsibilities at Board and executive level
- Risk control framework
- Management of risk categories
- Risk appetite framework, including limits

3.4.1. Risk governance documentation

The risk management framework of ELAG is set out in risk governance documentation at Swiss Re Group and legal entity level. Group-level risk documents thereby form the basis for all risk governance across Swiss Re. Additional risk governance for legal entities is prepared as an addendum to the Group or parent entity document.

Risk policies, standards and guidelines established at Group and Business Unit level therefore form a large part of elipsLife's risk management system; they are adopted by ELAG following review for appropriateness by the Board. Where needed, an addendum is established to an existing Group or Business Unit governance document to provide for more specific risk management governance at the level of ELAG.

3.4.2. Key risk management principles

Risk management is based on four fundamental principles. These apply consistently across all risk categories at the level of ELAG and the broader Swiss Re Group:

- Controlled risk-taking
- Clear accountability
- Independent risk controlling
- Transparency

3.4.3. Fundamental roles for delegated risk-taking

In order to ensure clear control, accountability and independent monitoring for all risks, the risk governance distinguishes between three fundamental roles in the risk-taking process:

- Risk owner (e.g. the BoD) – establishes a strategy, delegates execution and control, and retains ultimate responsibility for the outcomes.
- Risk taker (e.g. the Executive Team and the country units) – executes an objective within the authority delegated by the risk owner; risk takers are required to provide the respective risk controller with all information required to monitor and control their risks.
- Risk controller (e.g. the CRO, Head of Legal & Compliance or the Internal Audit Function) – is tasked by the risk owner with independent oversight of risk-taking activities to mitigate potential conflicts of interest between the risk owner and risk taker; risk controllers are responsible for escalating relevant concerns.

Risk-taking activities are typically subject to three lines of control.

- The first line of control comprises the day-to-day risk control activities performed by risk takers in the business as well as in Group functions, including identification of risks and design of effective controls.
- Independent oversight performed by functions such as Risk Management and Compliance represents the second line of control.
- The third line of control consists of independent audits of processes and procedures carried out by Group Internal Audit or by external auditors. This approach is designed to achieve a strong, coherent and Group-wide risk culture built on the principles of ownership and accountability.

3.4.4. Risk culture

elipsLife fosters a strong risk culture to promote risk awareness and discipline across all its activities. This risk culture stands for the risk and control related values, knowledge and behaviour shared by all employees. Its principal components are summarised in a framework that builds on the Code of Conduct as well as on the key risk management principles.

The risk culture framework serves to influence appropriate risk-taking behaviour in four key aspects,:

- Leadership in providing clear vision and direction
- Consideration of risk relevant information in decision-making
- Risk governance and accountability of risk takers as well as transparent flow of risk information
- Embedding of risk management skills and competencies

Risk culture provides the foundation for the efficient and effective application of the risk management framework. The Risk Management function reinforces the risk culture by ensuring risk transparency and fostering open discussion and challenge in the risk-taking and risk management processes.

3.4.5. Organisation of risk management

The BoD of ELAG is ultimately responsible for oversight over the operation of the entity, including its risk. It is supported in this by the key function-holders (see section 3.33.2 for details). The BoD meets at least quarterly, with meetings run and documented by the Corporate Secretary.

The ELAG BoD has appointed a Chief Risk Officer (CRO) in order to properly discharge their responsibility at the legal entity level and act as the principal risk controller. The ELAG CRO coordinates with the broader Swiss Re Group Risk Management organisation and elipsLife's business functions to perform risk control activities across multiple components of the risk management cycle. The CRO heads the elipsLife Risk Management Committee (RIM) and has a reporting line to the Chief Risk Officer of the Business Unit Corporate Solutions (till end of September 2020 reporting line to the Chief Risk Officer of the Business Unit Life Capital) and a reporting line to the elipsLife CEO.

elipsLife's Risk Management Committee (RIM) is the main body charged with oversight of ELAG's risk governance issues. The RIM is responsible for the identification, measurement and management of individual risks including the assessment against the defined risk appetite framework. This includes a forward-looking perspective arising from ELAG's business and capital plan and potential strategic transactions. The RIM is a cross-functional committee, chaired by the CRO, with members representing elipsLife's main business and operational units. The CRO is informed by the RIM members in the exercise of their responsibility.

Risk management activities are complemented by Compliance and Internal Audit (see section 3.7 and 3.8).

3.4.6. Risk Control Framework

elipsLife operates within a clearly defined risk control framework. This is set out in the Risk Management Standards at the level of the Swiss Re Group, the Business Unit Life Capital (2021 onwards: Business Unit Corporate Solutions) and the elipsLife legal entities. It comprises a body of standards that establish an internal control system for taking and managing risk. These standards set responsibilities for risk takers and risk controllers. The risk control framework defines key tasks, which are the core components of elipsLife's risk management cycle:

- Risk tolerance and appetite assessment of plan – ensures that the risk implications of plans are understood, and determines whether business and investment plans adhere to risk appetite framework (risk appetite and tolerance).
- Risk identification – ensures that all risks to which ELAG is exposed are transparent in order to make them controllable and manageable.
- Risk measurement – enables ELAG to understand the magnitude of its risks and to set quantitative controls that limit its risk-taking.
- Risk limit framework – allows ELAG to control its risk-taking decisions and total risk accumulations, including the passive risk the entity is exposed to through our operations.
- Risk reporting – creates internal risk transparency and enables to meet external disclosure requirements.

In addition, Risk Management performs the following risk control activities:

- Model and tool assurance – ensures that models or tools used for costing, valuation and risk capital determination are based on sound scientific concepts, have been implemented and calibrated correctly, and produce accurate results.
- Valuation assurance – assesses the quality of valuations for financial instrument prices and reserves.
- Insurance risk reviews – assess the quality of decision-making in the taking of insurance risks by performing independent evaluations of underwriting, costing, pricing and claims handling.

3.4.7. Risk Appetite Framework

elipsLife's risk appetite framework establishes the overall approach for controlled risk-taking. The framework is set out in elipsLife's Annex to Group and Business Unit Life Capital (2021 onwards: Business Unit Corporate Solutions) Risk Management Standards and consists of two interlinked components: risk appetite and risk tolerance.

- Risk appetite – describes the conditions under which elipsLife engages in risk-taking activities and the types of risk that elipsLife wants to pursue or avoid.
- Risk tolerance – describes the extent to which the BoD has authorised executive management to assume risk. It represents the amount of risk that elipsLife is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory and rating agency environment within which it operates.

The risk appetite statement therefore facilitates discussions about where and how capital, liquidity and other resources should be deployed under a risk-return view, while the risk tolerance sets clear boundaries to risk-taking.

3.4.8. Further information

Risk-free rate, matching adjustment and volatility adjustment

From June 2020 onwards, Elips Life AG includes a volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads.

3.5. ORSA process

elipsLife's Own Risk and Solvency Assessment (ORSA) is an internal process that captures risks and capital needs on an ongoing basis and ensures that an adequate control framework is in place. ORSA is thus part of enterprise risk management. It comprises all processes and procedures used to identify, evaluate, monitor and control risks, calculate capital adequacy throughout the planning period, and document or report the results of the process. The ORSA builds on existing activities performed at Group and legal entity level throughout the business cycle to effectively manage risk and capital. It covers all aspects of the risk and capital management framework that serve to determine the management's own view of risk and associated solvency needs.

The ORSA process supports adherence to ELAG's internal risk appetite framework by monitoring that both current and planned exposures adhere to its criteria. Furthermore, execution of the business plan is subject to the risk control framework. The process assists in the evaluation of the adequacy of internal targets and operating capital levels throughout the business cycle. It is forward-looking and integrated with business and strategic planning. In addition, it serves to enhance the understanding of interrelationships between the risk profile and solvency needs, considering reasonably foreseeable and relevant material risks.

The principles regulating the ORSA processes are set out in elipsLife's risk governance, in particular in the Group Risk Policy and Group Risk Management Standards, as well as various risk management standards at risk category and legal entity level. Reporting processes related to ORSA are governed by the Swiss Re Group ORSA Reporting Standards, which define the approach, processes, roles and responsibilities for Swiss Re's ORSA reporting at Group and legal entity level.

The ORSA process is performed at least on an annual basis and additionally without any delay following any significant change in the risk profile of the company.

3.6. Internal Control System

elipsLife has implemented a principle-based integrated internal control system to mitigate identified operational risks including financial reporting and compliance risks, as well as risks that could impair the effectiveness and efficiency of operations. This control system represents a subset of the risk control framework and is based on international standards established by COSO (the Committee of Sponsoring Organisations of the Treadway Commission). The internal control system is overseen by the BoD and ET. It aims to provide reasonable oversight and assurance in achieving three objectives:

- Reliability of reporting addressing the preparation of reliable reporting arrangements as well as related data covering significant financial, economic, regulatory and other reporting risks
- Compliance with applicable laws and regulations – addressing legal and regulatory requirements which Swiss Re is subject to, including compliance, legal and tax risks
- Effectiveness and efficiency of operations – addressing basic business objectives, including performance and profitability goals, and the safeguarding of assets covering significant market, credit, liquidity, insurance, technology and other risks

Operationally, the internal control system is based on the three lines of control and comprises five components:

RISK ASSESSMENT	CONTROL ACTIVITIES	INFORMATION & COMMUNICATION	MONITORING ACTIVITIES
Processes to identify and assess risks	Risk mitigation activities established in policies and procedures	Capturing and sharing information for risk control and decisions	Ongoing evaluation of control effectiveness
<ul style="list-style-type: none"> Performed by risk takers (1st line of control) Based on Global Operational Risk Register 	<ul style="list-style-type: none"> Performed by risk takers (1st line of control) Based on elipsLife Control Catalogue 	<ul style="list-style-type: none"> Performed by all lines of control All incidents logged in central repository 	<ul style="list-style-type: none"> Risk controlling by Risk Management and Compliance (2nd line of control) Assurance by Internal Audit and Compliance (3rd line of control)
CONTROL ENVIRONMENT			
Standards, processes and structures that provide basis for internal control (e.g. operational risk tolerance)			
Risk culture, including the corporate values, governance oversight, and roles and responsibilities, as well as performance measures, incentives, and rewards that drive accountability for performance			

3.7. Compliance Function

The Compliance Function, as a part of the internal control system, is one of the key functions. The authority and responsibilities of the Compliance Function are established by the BoD. The Compliance Function is a staff unit with a dotted reporting line to the CEO and the Chairman of the BoD. Its independence is ensured by the authorities laid down in the Compliance Charter which includes among others the authority to establish compliance related processes and controls and to have unrestricted access to all records.

The responsibilities, competencies and reporting duties of the Compliance Function are laid down in the Compliance Charter adopted by the BoD. The Compliance Charter provides that elipsLife has a flexible, risk-based annual Compliance Plan approved by the BoD and ET setting out the compliance work and covering all areas of the company taking into account their susceptibility to compliance risk.

By means of a companywide Compliance Program, elipsLife supports and follows internationally and nationally recognized guidelines and standards for rules-compliant and value-based corporate governance. These include the principles of economic and financial sanctions and combating bribery, corruption, money laundering and terrorism financing. Through these standards, elipsLife aims to avoid the risks that might arise from non-compliance.

The independent Compliance Function is responsible for ensuring the effective implementation and monitoring of the Compliance Program within elipsLife, as well as for investigating potential compliance infringements. This includes the identification, assessment, and reporting of compliance risks. In addition, the Compliance Function advises the management body on compliance with the laws, regulations and administrative provisions adopted pursuant to Solvency II as well as the impact of any changes in the legal environment on the operations of the company.

The standards of conduct established by elipsLife's Code of Conduct are obligatory for all employees. The Code of Conduct and the internal guidelines derived from it provide all employees with clear guidance on behaviour that lives up to the values of elipsLife. In order to transmit the principles of the Code of Conduct and the Compliance Program, elipsLife has implemented a training program.

3.8. Internal audit

The internal audit function is provided by Swiss Re's Group Internal Audit (GIA). GIA performs independent, objective assessments of the adequacy and effectiveness of internal control systems. It evaluates the execution of processes

including those within Risk Management. Activities are coordinated with the Risk and Compliance functions. GIA has no direct operational responsibility or authority over any of the activities it reviews. Authority is granted for full, free and unrestricted access to any and all of the Company's property and personnel relevant to any function under review. All employees are required to assist GIA in fulfilling their duty. Since Internal Audit is outsourced to GIA, the GIA charter governs the internal audits of elipsLife. The Charter is reviewed and if necessary is updated annually, or as required. Any revisions are submitted to the Group Audit Committee for approval, following consultation with the Chairmen of relevant legal entity Audit Committees.

3.9. Actuarial Function

The Actuarial Function has a direct reporting line to the Head of Actuarial Reserving Swiss Re Corporate Solutions (till end of September 2020 direct reporting line to the Deputy Group CEO) and shall coordinate the calculation of the technical provisions. The Actuarial Function shall have a regular exchange of views with the CRO. The Actuarial Function provides advice to the ET on elipsLife's risks in so far as they may have a material impact on elipsLife's ability to meet the regulatory capital requirements. The Actuarial Function produces at least annually a written report to be submitted to the ET. The report documents all tasks that have been undertaken by the Actuarial Function and their results. In particular the report shall include an opinion on the underwriting policy and the reinsurance arrangements and shall consider the interrelations between these and the technical provisions.

3.10. Outsourcing

elipsLife has an Outsourcing Policy which has been approved by the BoD. The policy is in line with the Solvency II requirements as well as the requirements of the Liechtenstein Insurance Supervision Act (ISA) and defines the governance, processes and approvals for using outsourced services. Based on the risks involved with the outsourcing it ensures a proper due diligence process for any service provider and it also lays out the ongoing obligations with regard to the oversight on the services provided by the third party.

elipsLife's Outsourcing Policy ensures that any third party arrangement entered into does not lead to impairment of either the company's systems of governance and internal control, or the relevant supervisory authority in monitoring compliance risks, does not unduly increase the operational risk and does not undermine continuous and satisfactory service to customers.

In addition to the outsourcing of Asset Management as critical and such important function, ELAG outsources the key function Internal Audit to Swiss Re Group. The outsourcing pursues the following objectives:

1. Concentration on the core business;
2. Increasing profitability;
3. Professionalization;
4. Increasing quality;
5. Ensuring the necessary expertise and the related to this the avoidance / minimization of risks.

The rationale for the intra-group outsourcing of certain key functions is to exploit synergies within the group. The relevant units at Swiss Re group level (Asset Management; GIA) have the necessary skills and expertise to assume those functions also on behalf of elipsLife. The compliance and regulatory risk related to group-internal outsourcing is remote as Swiss Re is subject to the same robust governance and compliance framework and control system as elipsLife. In the case of the Asset Management function, the Swiss Re Life Capital Management Ltd (from 2021 onwards: iptiQ Group Holding Ltd) has been instructed to strictly follow the Investment Guidelines adopted by elipsLife. For each outsourced function, the legal relationship between elipsLife and Swiss Re is based on a Service Level Agreement.

“In the Netherlands, underwriting functions and the administration of the policies are partly outsourced to independent (“mandated”) brokers, which reflects local market practice for this particular distribution channel. These mandated brokers have to follow an agreed framework. Compliance with this framework is assessed regularly (i.e. ad-hoc, quarterly, annually) by a dedicated ELAG specialist following a pre-defined risk and random based schedule.

All cooperation agreements with service providers who perform important processes on behalf of elipsLife have been supplemented with certain terms to ensure proper compliance with the Liechtenstein supervisory law. elipsLife exercises due diligence checks in the selection of service providers and applies effective systems and risk controls on a regular basis throughout the contractual relationship with all service providers.

3.11. Adequacy of the system of governance

ELAG’s risks are linked to the business strategy, underwriting life business in different currencies; these are typical insurance risks and not interconnected with financial risks. The governance is considered adequate considering the relatively low complexity.

3.12. Other material Information

Where possible and appropriate ELAG leverages best practice know-how on governance, policies and procedures from Swiss Re Group.

4 Risk profile

Quantitative information for the different risk categories is given in section 0.

4.1. Underwriting risk

Underwriting risk is the risk that the claims resulting from the underwritten business are higher than expected. ELAG mitigates the underwriting risk with various reinsurance covers.

Within the underwriting risk, the main risk sub-categories are catastrophe mortality risk and disability risk. Catastrophe and disability risks are due to selling mortality and disability covers. Mortality, longevity (arising out of widower's pensions and disability) and expense risk are smaller, comparatively.

4.2. Market Risk

The most significant risk category for ELAG is market risk due to the participation in Elips Versicherungen AG which causes equity risk and concentration risk. The fixed-income instruments give rise to a spread risk. The interest rate risk and currency risk are relatively low due to the alignment of assets and liabilities.

4.3. Credit risk

Credit risk is a material risk for ELAG due to the reinsurance structure chosen for its insurance business. Credit risk arises from the possibility of counterparty defaults; ELAG reinsures nearly exclusively with Swiss Re subsidiaries, which are high quality counterparties with low credit risk.

4.4. Liquidity Risk

ELAG is primarily exposed to liquidity risk through the uncertainty of the size and timing of insurance claims arising out of its insurance business. ELAG doesn't rely on expected profits included in future premiums for liquidity considerations.

4.5. Operational Risk

Operational risk is defined as the expected and unexpected economic impact of inadequate or failed internal processes, people, and systems or from external events.

4.6. Risk exposure measurement

For most parts, risks are measured by the Solvency II standard formula, calculating a 99.5% value at risk. Operational risk is additionally assessed in a Risk Matrix. Liquidity risk is mainly controlled through a liquidity ratio.

4.7. Risk concentration

Material risk concentrations for ELAG lie in the participation of Elips Versicherungen AG and the reinsurance agreements.

4.8. Risk mitigation

The main financial risk mitigation method for ELAG is reinsurance.

4.9. Stress testing and sensitivity analysis

In order to test ELAG's solvability, the solvency ratio is calculated for different scenarios in the annual ORSA. The scenarios reflect the specific risks that ELAG is exposed to.

4.10. Any other material information

There is no further material information.

5 Narrative information on valuation for solvency purposes

5.1. Information on valuation of assets

5.1.1. Asset classes

ELAG only uses the asset classes as prescribed by the Solvency II balance sheet template.

5.1.2. Methods applied for valuation of material asset classes

Material assets by Solvency II valuation basis as at 31 December 2020 were as follows:

- Investments (other than assets held for index-linked and unit-linked funds);
- Holdings in related undertakings;
- Reinsurance recoverables;
- Other assets.

Investments: ELAG's investment portfolio consists of fixed income securities, deposits with banks and equities. The bonds are valued in the statutory accounts at amortized costs (lower value of 'amortized costs' and 'market value'). Additional depreciation or write-downs are recognized if a permanent impairment is expected. Under Solvency II, bonds are recognized at market value. This can therefore generate a difference in valuation. Deposits with banks are valued at nominal value and equities based on equity method – for both Solvency II as well as for statutory accounts.

Holdings in related undertakings: Under Solvency II ELAG's 100% participation in Elips Versicherungen AG is valued with the full excess of assets over liabilities of Elips Versicherungen AG's Solvency II calculation while in statutory accounting only the book value is used.

Reinsurance recoverables: The share of technical provisions for retroceded business is determined with reference to the contractual agreement and the underlying gross best estimate liability per treaty. Solvency II reinsurance recoverables are derived from the statutory values and valued at market value. It should be noted that this position is shown as a negative liability in the company's Financial Report (in accordance to VersAV, Anhang 4) whereas under Solvency II it is reported as an asset.

Deposits to cedents: none

Tangible assets: In statutory accounts, tangible assets are measured at historical cost and depreciated using the straight-line method over the expected useful life. Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

Intangible assets: there are no intangible assets recognized under Solvency II.

Receivables and accruals: both asset types are measured in statutory accounts at par value (less specific valuation allowance). Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

5.1.3. Assumptions and judgements applied for valuation of material assets

Solvency II Investments are valued at market value which is determined as far as possible by reference to observable market prices. Where observable market prices aren't available, elipsLife follows the fair value measurement methodology. There are no major sources of estimation uncertainty when using judgments to determine valuations.

5.1.4. Changes made to recognition and valuation basis of material assets during the year

No changes.

5.1.5. Drivers of difference between Solvency II and Company statutory accounts

The difference between Solvency II balance sheet and the statutory balance sheet are explained by the different valuation methodologies used as described above.

5.1.6. Property (held for own use)

ELAG doesn't hold any property for own use.

5.1.7. Inventories

ELAG doesn't hold any inventories.

5.1.8. Intangible assets

There are no intangible assets at ELAG under Solvency II.

5.1.9. Methods and assumptions applied in determining the economic value of financial assets

Most financial asset prices are sourced from a major investment management company. The list of vendors used by the investment management company to confirm pricing is held by Swiss Re Asset Management. If the market value of an asset isn't available from the investment management company, then the pricing from an alternative vendor is used. These are pre-agreed vendors depending on the type of the financial assets. In addition, prices are checked by Swiss Re's independent pricing verification team to ensure agreement.

5.1.10. Lease assets

ELAG doesn't have any material financial and operating leasing arrangements.

5.1.11. Holdings in related undertakings

ELAG owns 100% of Elips Versicherungen AG, which is a related undertaking.

5.1.12. Equities

10% participation in Sobrado AG (provider of broker platform). Valuation according to equity method.

5.1.13. Deferred tax assets

For Solvency II purposes, deferred income tax assets have been recognized for all deductible temporary differences and for the carry forward on unused tax losses and unused tax credits, to the extent that the realization of the related tax benefit through expected future taxable profits is probable.

5.2. Information on valuation of technical provisions

5.2.1. Value of technical provisions by line of business

ELAG writes mainly business in the category 'Other Life' and a small share which is classified as 'Nonlife'.

The Nonlife portfolio is in run-off. It is classified as 'Nonlife' on the Solvency II balance sheet because it was taken over from a nonlife insurance company. It actually consists of life insurance products.

For mortality and disability assumptions, BVG tables are used in Switzerland and GBM/WGA/AOV tables are used in the Netherlands.

The Solvency II technical provisions are outlined in the below table:

	Other life		Nonlife		Total	
	2019	2020	2019	2020	2019	2020
Best-estimate ⁷	838.0	1153.7	13.3	10.5	851.3	1164.2
Risk Margin	16.5	29.1	0.0	0.0	16.5	29.1

(values in CHF million)

Compared to the previous reporting period the a priori loss ratios were adjusted to reflect the latest developments in the portfolio. In addition we adjusted the biometric assumptions according to the latest experience.

From June 2020 onwards, ELAG included a volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads.

5.2.2. Material differences with statutory reserves

The material differences between technical provisions under Solvency II and reserves under Liechtenstein GAAP are the following:

- Discounting: under Solvency II, the interest rates published by European Insurance and Occupational Pensions Authority (EIOPA) with Volatility Adjustment are used, while under Liechtenstein GAAP discounting rates of 0.5% and the interest rate curves published by De Nederlandsche Bank are used (for Switzerland and the Netherlands respectively). Reducing the Volatility Adjustment to zero would increase the technical provisions by CHF 7.1 million.
- Present Value of Future Profits: Under Solvency II the profit that is expected from future premiums of in-force contracts is subtracted from the technical provisions.
- Risk Margin: The Solvency II technical provisions contain a risk margin.
- Prudency reserves: Since Solvency II follows a best estimate consideration, prudency reserves are removed from the Solvency II balance sheet.

Relevant assumptions about future management actions

The only relevant assumption about future management actions is the continuance of the existing reinsurance arrangements, taking into account already agreed changes.

Relevant assumptions about policyholder behaviour

ELAG assumes some lapses for a small part of the Swiss portfolio which is similar to individual business.

⁷ 2020 best-estimate technical provisions include CHF 71.1 million expected profit from future premiums, which is reducing overall provision amount (2019: CHF 41.1 million)

5.2.3. Level of uncertainty of technical provisions

In the calculation of technical provisions actuarial and economic assumptions are used. As the assumptions are used for prospective events, there is inherent uncertainty with regards to the development of future mortality, recovery and costs. The size of the portfolio isn't sufficient yet for easily absorbing large deviations from the expected values. Reinsurance is therefore used for reducing this risk (see next point).

5.2.4. Description of the recoverables from reinsurance contracts

The following reinsurance covers are in-force:

- Quota-share, where premiums, claims and claims reserves, and profit commissions are shared;
- Excess-of-loss reinsurance cover;
- Stop-loss reinsurance cover.

The 2020 reinsurance recoverables amount to CHF 539.9 million (2019: CHF 414.7 million) under Solvency II valuation.

5.2.5. Risk Margin

The risk margin is according to the standard formula 6% of the present value of the projected SCR. It amounts to CHF 29.1 million (2019: CHF 16.5 million). For the Risk Margin calculation, the SCR submodules are projected for future time steps, aggregated to a total SCR per time step, and then discounted.

5.3. Information on Valuation of other liabilities

	Solvency II		Statutory		Difference	
	2019	2020	2019	2020	2019	2020
Deposits from reinsurers	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	13.5	10.5	0.0	1.2	13.5	9.3
Total of all other liabilities not listed above	106.0	60.5	106.0	60.5	0.0	0.0
Total other liabilities	119.5	71.0	106.1	61.7	13.5	9.3

(values in CHF million)

5.3.1. Provisions other than technical provisions

There are no provisions other than technical provisions.

5.3.2. Deposits from reinsurers

There are no deposits from reinsurers.

5.3.3. Deferred tax liabilities:

Under Solvency II, deferred tax assets and liabilities are considered based on temporary differences between the Solvency II balance sheet and the local statutory balance sheet. The analysis is performed on basis of the local branches of the company and the corresponding jurisdictional tax regulations were taken into account. Deferred tax assets are calculated on all balance sheet differences which are recognized as being temporary and which will have a tax reversal impact in the foreseeable future. The valuation of the deferred tax assets can be supported by projections of the future taxable profits. The projections are based on prior year experience considering expectations about

future business. ELAG is presumed not to enter into run-off after a shock loss, and credit is only given for deferred tax assets utilized within a 3 year timeframe.

5.3.4. All other liabilities (accounts payable and other provisions):

Accounts payable are recorded at par value in both Solvency II and statutory accounts. Other provisions are raised for obligations that are probable but uncertain (either in amount or timing) on the reporting date. Under Solvency II and in statutory accounts, the amount is based on a best estimate of the future cash outflow. Provisions are tested for adequacy on every reporting date.

5.4. Any other material information

There is no further material information.

6 Capital Management

6.1. Own Funds

ELAG's own funds consist entirely of Tier 1 capital and amount to CHF 207.9 million. The own funds are planned as part of ORSA with a time horizon of three years. ORSA assesses the future capital demand and allows for reinsurance optimisation.

In 2020, the Own Funds of ELAG were strengthened with a capital injection of total CHF 120 million, of which CHF 20 million replaced a subordinated loan from Swiss Re Life Capital Reinsurance Ltd that had been introduced at the end of 2019.

6.1.1. Differences between statutory and Solvency II

The basic own funds under Solvency II differ from the assets over liabilities under Liechtenstein GAAP as follows:

- market values for bonds and technical provisions are considered;
- the participation in Elips Versicherungen AG impacts the own funds positively;
- the present value for future cash-flows impact the basic own funds positively;
- the risk margin impacts the basic own fund negatively;
- inclusion of tax assets and liabilities;
- allocation of deposits other than cash equivalents as bonds.

		Statutory		Solvency II	
		2019	2020	2019	2020
ASSETS	Intangible assets	19.4	16.2	0.0	0.0
	Pension benefit surplus	0.0	0.0	0.0	0.0
	Property, plant & equipment held for own use	2.1	2.7	2.1	2.7
	Holdings in related undertakings	6.6	6.6	114.5	130.0
	Equities	0.0	3.3	0.0	3.3
	Bonds	366.5	430.3	379.2	658.7
	Deposits other than cash equivalents	4.0	198.1	0.0	0.0
	Loans	10.0	10.0	10.0	10.0
	R/I recoverables	424.3	593.4	414.7	539.9
	Insurance and intermediaries receivables	37.2	17.0	37.2	17.0
	Reinsurance receivables	0.0	35.8	0.0	35.8
	Receivables (trade, not insurance)	17.9	0.1	17.9	0.1
	Cash and cash equivalents	148.2	65.3	152.3	69.3
	Any other assets, not elsewhere shown	4.3	5.4	4.3	5.4
	Total Assets	1040.5	1384.2	1132.1	1472.2

	Statutory		Solvency II	
	2019	2020	2019	2020
Technical provisions	919.7	1232.7	867.8	1193.3
thereof: Best Estimate (excl. EPIFP)	919.7	1232.7	892.4	1193.9
thereof: Expected profit in future premiums (EPIFP)	0.0	0.0	-41.1	-29.8
thereof: Risk margin	0.0	0.0	16.5	29.1
LIABILITIES				
Deferred tax liabilities	0.0	1.2	13.5	10.5
Insurance & intermediaries payables	20.4	13.8	20.4	13.8
Reinsurance payables	28.7	0.0	28.7	0.0
Payables (trade, not insurance)	4.5	3.9	4.5	3.9
Subordinated liabilities	20.0	0.0	20.0*	0.0
Any other liabilities, not elsewhere shown	32.4	42.7	32.4	42.7
Basic Own Funds	14.7	89.9	164.8	207.9
Total Liabilities	1040.5	1384.2	1132.1	1472.2

(values in CHF million)

* The subordinated liability isn't included in the calculation of the own funds.

6.2. Solvency Capital Requirement (SCR) / Minimum Capital Requirement (MCR)

	2019	2020
Solvency Ratio	140%	205%
Basic Own Funds	164.8	207.9
Solvency Capital Requirement	117.9	101.3
Diversification	-43.6	-35.1
Loss absorbing capacity of technical provisions and taxes	-27.4	-14.1
Life & Health underwriting risk	94.3	45.8
Market risk	62.5	67.5
Counterparty Default Risk	19.8	21.0
Operational Risk	12.2	16.2

(values in CHF million)

The MCR amounts to CHF 40.4 million (2019: 47.6 million), the MCR ratio is 515% (346%). The solvency ratio with a Volatility Adjustment of zero would be 199%.

ELAG isn't using simplified calculations or undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

Due to simultaneous publication and submission to the regulators, the calculation of the capital requirements hasn't yet been approved by FMA.

6.3. Any other material information

There is no further material information.

Annex I – Quantitative Reporting Templates to Solvency and Financial Condition Report 2020 Elips Life AG

All monetary amounts are in thousands of Swiss Francs.

Annex I
S.02.01.02
Balance sheet

	Solvency II value	
	C0010	
Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	2,746
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	791,948
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	129,959
Equities	R0100	3,268
Equities - listed	R0110	0
Equities - unlisted	R0120	3,268
Bonds	R0130	658,721
Government Bonds	R0140	391,933
Corporate Bonds	R0150	266,788
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	10,000
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	10,000
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	539,872
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	539,872
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	539,872
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	17,005
Reinsurance receivables	R0370	95
Receivables (trade, not insurance)	R0380	35,815
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet	R0400	0
Cash and cash equivalents	R0410	69,278
Any other assets, not elsewhere shown	R0420	5,412
Total assets	R0500	1,472,170

Annex I		
S.02.01.02		
Balance sheet		
		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	10,500
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	10,500
TP calculated as a whole	R0570	10,500
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1,182,775
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,182,775
TP calculated as a whole	R0660	0
Best Estimate	R0670	1,153,662
Risk margin	R0680	29,113
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	10,534
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	13,763
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	3,948
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	42,749
Total liabilities	R0900	1,264,269
Excess of assets over liabilities	R1000	207,901

Annex I									
S.05.01.02									
Premiums, claims and expenses by line of business									
Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional)									
	Medical expense insurance	Income protection insurance	Workers' compensatio n insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								
Net	R0200								
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								
Net	R0300								
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340								
Net	R0400								
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								
Expenses incurred	R0550								
Other expenses	R1200								
Total expenses	R1300								

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance			Total	
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport		Property
		C0100	C0110	C0120	C0130	C0140	C0150		C0160
Premiums written									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140								
Net	R0200								
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240								
Net	R0300								
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340								
Net	R0400								
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								
Expenses incurred	R0550								
Other expenses	R1200								
Total expenses	R1300								

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
Premiums written									
Gross	R1410			384,412					384,412
Reinsurers' share	R1420			198,912					198,912
Net	R1500	0	0	185,501	0	0	0	0	185,501
Premiums earned									
Gross	R1510			385,770					385,770
Reinsurers' share	R1520			199,614					199,614
Net	R1600	0	0	186,156	0	0	0	0	186,156
Claims incurred									
Gross	R1610			414,385					414,385
Reinsurers' share	R1620			199,518					199,518
Net	R1700	0	0	214,867	0	0	0	0	214,867
Changes in other technical provisions									
Gross - Direct business and reinsurance accepted	R1710			0					0
Reinsurers' share	R1720			0					0
Net	R1800	0	0	0	0	0	0	0	0
Expenses incurred	R1900	0	0	48,008	0	0	0	0	48,008
Other expenses	R2500								0
Total expenses	R2600								48,008

Annex I							
S.05.02.01							
Premiums, claims and expenses by country							
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010							
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
Gross - Direct Business	R0110						
Gross - Proportional reinsurance accepted	R0120						
Gross - Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140						
Net	R0200						
Premiums earned							
Gross - Direct Business	R0210						
Gross - Proportional reinsurance accepted	R0220						
Gross - Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240						
Net	R0300						
Claims incurred							
Gross - Direct Business	R0310						
Gross - Proportional reinsurance accepted	R0320						
Gross - Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340						
Net	R0400						
Changes in other technical provisions							
Gross - Direct Business	R0410						
Gross - Proportional reinsurance accepted	R0420						
Gross - Non-proportional reinsurance accepted	R0430						
Reinsurers' share	R0440						
Net	R0500						
Expenses incurred	R0550						
Other expenses	R1200						
Total expenses	R1300						

	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country	
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400	SWITZERLAND	NETHERLAND	BELGIUM	ITALY	GERMANY		
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	7,774	59,842	285,483	5,070	19,084	2,720	379,973
Reinsurers' share	R1420	4,019	30,938	147,723	2,623	9,915	1,398	196,617
Net	R1500	3,755	28,904	137,760	2,447	9,169	1,322	183,356
Premiums earned								
Gross	R1510	7,488	59,842	285,177	5,070	18,779	2,414	378,769
Reinsurers' share	R1520	4,160	30,938	147,874	2,623	10,067	1,549	197,212
Net	R1600	3,327	28,904	137,303	2,447	8,712	865	181,557
Claims incurred								
Gross	R1610	8,096	107,991	251,067	2,662	21,796	2,375	393,987
Reinsurers' share	R1620	4,115	54,884	129,132	1,369	14,130	786	204,417
Net	R1700	3,981	53,107	121,934	1,293	7,666	1,589	189,570
Changes in other technical provisions								
Gross	R1710	0	0	0	0	0	0	0
Reinsurers' share	R1720	0	0	0	0	0	0	0
Net	R1800	0	0	0	0	0	0	0
Expenses incurred								
Expenses incurred	R1900	8,688	66,880	30,079	534	11,022	8,126	125,329
Other expenses	R2500							
Total expenses	R2600							125,329

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

S.12.01.02

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		Contracts without options and guarantees	Contracts with options or guarantees	C0060	Contracts without options and guarantees	Contracts with options or guarantees			
C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	0	0		0		0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0	0		0		0	0	0
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	R0030	0	0	0	1,153,662	0	0	0	1,153,662
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0	0	0	539,872	0	0	0	539,872
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	0	0	0	613,790	0	0	0	613,790
Risk Margin	R0100	0	0		29,113		0	0	29,113
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0110	0	0		0		0	0	0
Best estimate	R0120	0	0	0	0	0	0	0	0
Risk margin	R0130	0	0		0		0	0	0
Technical provisions - total	R0200	0	0		1,182,775		0	0	1,182,775

Annex I

S.12.01.02

Life and Health SLT Technical Provisions

	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180			
Technical provisions calculated as a whole						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole						
Technical provisions calculated as a sum of BE and RM						
Best Estimate						
Gross Best Estimate						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total						
Risk Margin						
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole						
Best estimate						
Risk margin						
Technical provisions - total						

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010	10,500								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									
Net Best Estimate of Premium Provisions	R0150									
Claims provisions										
Gross	R0160									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									
Net Best Estimate of Claims Provisions	R0250									
Total Best estimate - gross	R0260									
Total Best estimate - net	R0270									
Risk margin	R0280									
Amount of the transitional on Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total	R0320	10,500								
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0								
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	10,500								

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance			Total Non-Life obligation	
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0110	C0120	C0130	C0140	C0150	C0160		C0170
Technical provisions calculated as a whole	R0010							10,500	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								
Net Best Estimate of Premium Provisions	R0150								
Claims provisions									
Gross	R0160								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								
Net Best Estimate of Claims Provisions	R0250								
Total Best estimate - gross	R0260								
Total Best estimate - net	R0270								
Risk margin	R0280								
Amount of the transitional on Technical									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320							10,500	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340							10,500	

Annex I
S.22.01.21
Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	1,193,274	0	0	7,102	0
Basic own funds	R0020	207,901	0	0	-7,102	0
Eligible own funds to meet Solvency Capital Requirement	R0050	207,901	0	0	-7,102	0
Solvency Capital Requirement	R0090	101,256	0	0	-287	0
Eligible own funds to meet Minimum Capital Requirement	R0100	207,901	0	0	-7,102	0
Minimum Capital Requirement	R0110	40,351	0	0	0	0

Annex I
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 (EU) 2015/35

Ordinary share capital (gross of own shares)
 Share premium account related to ordinary share capital
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
 Subordinated mutual member accounts
 Surplus funds
 Preference shares
 Share premium account related to preference shares
 Reconciliation reserve
 Subordinated liabilities
 An amount equal to the value of net deferred tax assets
 Other own fund items approved by the supervisory authority as basic own funds not specified above

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

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

Total ancillary own funds

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	12,400	12,400		0	
R0030	160,300	160,300		0	
R0040	10,100	10,100		0	
R0050	0		0	0	0
R0070	0	0			
R0090	0		0	0	0
R0110	0		0	0	0
R0130	25,101	25,101			
R0140	0		0	0	0
R0160	0				0
R0180	0	0	0	0	0
R0220	0				
R0230	0	0	0	0	0
R0290	207,901	207,901	0	0	0
R0300	0			0	
R0310	0			0	
R0320	0			0	0
R0330	0			0	0
R0340	0			0	
R0350	0			0	0
R0360	0			0	
R0370	0			0	0
R0390	0			0	0
R0400	0			0	0

Annex I
S.23.01.01
Own funds
Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

SCR
MCR
Ratio of Eligible own funds to SCR
Ratio of Eligible own funds to MCR

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
R0500	207,901	207,901	0	0	0
R0510	207,901	207,901	0	0	
R0540	207,901	207,901	0	0	0
R0550	207,901	207,901	0	0	
R0580	101,256				
R0600	40,351				
R0620	2.0532				
R0640	5.1524				

Reconciliation reserve

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve
Expected profits

Expected profits included in future premiums (EPIFP) - Life business

Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

	C0060	
R0700	207,901	
R0710	0	
R0720	0	
R0730	182,800	
R0740	0	
R0760	25,101	
R0770	29,758	
R0780	0	
R0790	29,758	

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

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 67,506		
Counterparty default risk	R0020 21,019		
Life underwriting risk	R0030 45,825	-	-
Health underwriting risk	R0040 129	-	-
Non-life underwriting risk	R0050 0	-	-
Diversification	R0060 -35,256		
Intangible asset risk	R0070 0		
Basic Solvency Capital Requirement	R0100 99,223		
Calculation of Solvency Capital Requirement	C0100		
Operational risk	R0130 16,158		
Loss-absorbing capacity of technical provisions	R0140 -1,358		
Loss-absorbing capacity of deferred taxes	R0150 -12,767		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160 0		
Solvency capital requirement excluding capital add-on	R0200 101,256		
Capital add-on already set	R0210 0		
Solvency capital requirement	R0220 101,256		
Other information on SCR			
Capital requirement for duration-based equity risk sub-module	R0400 0		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410 0		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420 0		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430 0		
Diversification effects due to RFF nSCR aggregation for article 304	R0440 0		
Approach to tax rate			
		Yes/No	
		C0109	
Approach based on average tax rate	R0590	Approach not based on average tax rate	
Calculation of loss absorbing capacity of deferred taxes			
		LAC DT	
		C0130	
LAC DT	R0640 -12,767		
LAC DT justified by reversion of deferred tax liabilities	R0650		
LAC DT justified by reference to probable future taxable economic profit	R0660 -12,767		
LAC DT justified by carry back, current year	R0670		
LAC DT justified by carry back, future years	R0680		
Maximum LAC DT	R0690		

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity

	Non-life activities		Life activities	
	MCR _(NL,NL)	MCR _(NL,L)		
	Result	Result		
	C0010	C0020		
Linear formula component for non-life insurance and reinsurance obligations	R0010	0	0	
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0030	C0040
			C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	1,049,971	0	0
Income protection insurance and proportional reinsurance	R0030	0	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0	0
Other motor insurance and proportional reinsurance	R0060	0	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0	0
General liability insurance and proportional reinsurance	R0090	0	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0	0
Assistance and proportional reinsurance	R0120	0	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0	0
Non-proportional health reinsurance	R0140	0	0	0
Non-proportional casualty reinsurance	R0150	0	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0	0
Non-proportional property reinsurance	R0170	0	0	0

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity

	Non-life activities		Life activities	
	MCR _(L,NL)	MCR _(L,L)		
	Result	Result		
	C0070	C0080		
Linear formula component for life insurance and reinsurance obligations	R0200	493	39,857	
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) best estimate and TP calculated as a whole
			C0090	C0100
				Net (of reinsurance/SPV) total capital at risk
				C0110
				Net (of reinsurance/SPV) total capital at risk
				C0120
Obligations with profit participation - guaranteed benefits	R0210	0		
Obligations with profit participation - future discretionary benefits	R0220	0		
Index-linked and unit-linked insurance obligations	R0230	0		
Other life (re)insurance and health (re)insurance obligations	R0240	10,500		613,790
Total capital at risk for all life (re)insurance obligations	R0250		0	38,525,073

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity
Overall MCR calculation

		C0130
Linear MCR	R0300	40,351
SCR	R0310	101,256
MCR cap	R0320	45,565
MCR floor	R0330	25,314
Combined MCR	R0340	40,351
Absolute floor of the MCR	R0350	6,702
		C0130
Minimum Capital Requirement	R0400	40,351

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	493	39,857
Notional SCR excluding add-on (annual or latest calculation)	R0510	1,238	100,017
Notional MCR cap	R0520	557	45,008
Notional MCR floor	R0530	310	25,004
Notional Combined MCR	R0540	493	39,857
Absolute floor of the notional MCR	R0550	2,702	3,999
Notional MCR	R0560	2,702	39,857