

Elips Life AG

Solvency and Financial Condition Report 2019

Table of Contents

1	Introduction	3
2	Business and Performance	4
3	System of Governance	5
3.1.	Structure of the management and supervisory body, roles & responsibilities	5
3.2.	Remuneration policy	5
3.3.	Fit & Proper	6
3.4.	Risk Management Framework	6
3.5.	ORSA process	9
3.6.	Internal Control System	10
3.7.	Compliance Function	10
3.8.	Internal audit	11
3.9.	Actuarial Function	11
3.10.	Outsourcing	11
3.11.	Adequacy of the system of governance	12
3.12.	Other material Information	12
4	Risk profile	13
4.1.	Underwriting risk	13
4.2.	Market Risk	13
4.3.	Credit risk	13
4.4.	Liquidity Risk	13
4.5.	Operational Risk	13
4.6.	Risk exposure measurement	13
4.7.	Risk concentration	13
4.8.	Risk mitigation	13
4.9.	Stress testing and sensitivity analysis	14
4.10.	Any other material information	14
5	Narrative information on valuation for solvency purposes	15
5.1.	Information on valuation of assets	15
5.2.	Information on valuation of technical provisions	17
5.3.	Information on Valuation of other liabilities	18
5.4.	Any other material information	18
6	Capital Management	19
6.1.	Own Funds	19
6.2.	Solvency Capital Requirement (SCR) / Minimum Capital Requirement (MCR)	20
6.3.	Any other material information	20

1 Introduction

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

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.

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

Business performance

Gross premiums grew in the reporting year from CHF 261.2 million to CHF 312.4 million. Statutory pre-tax earnings decreased from CHF -8.4 million to CHF -50.6 million. The loss was driven by the negative technical result, especially of the disability insurance business.

ELAG's premium grew considerably in the core markets Switzerland and the Netherlands. ELAG has been expanding into Italy and Germany since 2016 and started to write business in Ireland in 2019.

The gross 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 56% of premiums.

Country (values in CHF million)	Switzerland/ Liechtenstein		Netherlands		Italy		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Gross Premium	51.4	46.9	239.1	201.6	15.2	7.0	312.4	261.2
Gross claims	78.5	41.2	194.7	138.2	6.7	5.5	293.7	199.5
Loss ratio gross	153%	88%	81%	69%	44%	80%	94%	76%

Investment performance

At year-end 2019, ELAG's investments consist of fixed-income assets (incl. cash). The income of the investments was CHF 12.1 million while the expenses amounted to CHF 1.2 million.

Other material income and expenses

Over the next years elipsLife remains focused on successfully growing its business in its established and newly entered markets. In addition, significant efforts will be put in building-up the prerequisites for appropriate investments (new modular IT Platform, exploring potential new geographic expansion opportunities).

Other material information

There is no further material information.

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

3.2. Remuneration policy

3.2.1. Remuneration Entitlements of the Administrative, Supervisory or Management Body (AMSB)

The members of the BoD aren't paid directly for their activities.

3.2.2. Variable Compensation

The elipsLife members of the Executive Board, 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 Performance Plan (LPP). The cash payment of VAI and LPP 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

With regard to the API, elipsLife's remuneration policy is aligned with the Swiss Re Group Compensation Policy. According to this policy, the variable compensation may not encourage inappropriate risk taking. The compensation system of Swiss Re Group complies with the FINMA Circular 2010/1 on remuneration schemes. The FINMA standards have a group-wide scope and also apply to foreign subsidiaries and branches which are part of the consolidated insurance groups supervision exercised by FINMA. At Swiss Re, all material compensation decisions are taken by the Swiss Re Group Board of Directors or the Compensation Committee of the Swiss Re Group Board of Directors.

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, Life Capital, 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 achievement of quantitative targets (financial results), behaviour targets (reflecting the corporate values) and other qualitative targets. 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

ELAG requires that all persons effectively running the company and key functions holders (a "Relevant Person"²) 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.

3.4. Risk Management Framework

In 2019, elipsLife's risk management system 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.

² Members of the BoD, the EB, the Head of Compliance, the Head of Corporate Actuary and Risk Management, the Appointed Actuary/Actuarial Function Holder, the Head of Internal Audit and Branch Managers.

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
- Fundamental roles for

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 Board 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, which are assessed annually for all employees in the performance and compensation process:

- 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 3.3 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 Life Capital Business Unit 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 0).

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 Life Capital Business Unit 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 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.

3.5. 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.

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 EB. 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 (eg. 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. It's 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 EB 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.

During the reporting period, the compliance organisation has been reinforced to take into account the company's growth.

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.

3.9. Actuarial Function

The actuarial function has a direct reporting line to the Deputy Group CEO and coordinates the calculation of the technical provisions, advises on underwriting guidelines and reinsurance and other risk mitigation measures and supports the CFO in the calculation of elipsLife's solvency capital in line with applicable regulations.

The actuarial function also provides advice to the EB 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 EB. 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.

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 6.2.

4.1. Underwriting risk

Underwriting risk is the risk that the claims resulting from the underwritten business are higher than expected. It is the highest risk category for ELAG.

4.2. Market Risk

The second biggest risk category for ELAG is market risk due to the participation in Elips Versicherungen AG and currency risk since ELAG underwrites in CHF and EUR. The fixed-income instruments give rise to a spread risk, whereas the interest rate risk is 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 with Swiss Re subsidiaries exclusively.

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 2019 were as follows:

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

Investments: ELAG's investment portfolio consists of fixed income securities and of deposits with banks. 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 both for 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's property held for own use doesn't consist of real estate; the statutory values are used for Solvency II accounts.

5.1.7. Inventories

elipsLife 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 BlackRock. The list of vendors used by BlackRock to confirm pricing is held by Swiss Re Asset Management. When BlackRock prices aren't available a market price from an alternative vendor is selected. 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

elipsLife 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. 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'. 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	2018	2019	2018	2019	2018
Best-estimate	838.0	620.6	13.3	17.1	851.3	637.7
<i>thereof expected profit from future premiums</i>	<i>-41.1</i>	<i>-85.7</i>	<i>0.0</i>	<i>0.0</i>	<i>-41.1</i>	<i>-85.7</i>
Risk Margin	16.5	16.3	0.0	0.0	16.5	16.3

es in CHF million)

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) 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).
- 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.

5.2.3. Level of uncertainty of technical provisions

The main level of uncertainty of technical provisions is driven by sudden and unexpected large claims. 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 2019 reinsurance recoverables amount to CHF 392.8 million (2018: CHF 254.7 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 16.3 million (2018: CHF 16.3 million).

5.3. Information on Valuation of other liabilities

	Solvency II		Statutory		Difference	
	2019	2018	2019	2018	2019	2018
Deposits from reinsurers	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	13.5	18.1	0.0	1.1	13.5	17.0
Total of all other liabilities not listed above	106.0	37.8	106.0	37.8	0.0	0.0
Total other liabilities	119.5	55.9	106.1	38.9	13.5	17.0

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 161.7 million. The own funds are planned within the financial planning with a time horizon of three years.

The negative technical result of 2019 caused a decrease of own funds, while the capital demand is expected to increase because of business growth. The ORSA process identified that ELAG's solvency ratio would fall below the internal risk tolerance level if no measures were taken. As a consequence, the own funds of ELAG were strengthened with a subordinated loan of CHF 20 million from Swiss Re Life Capital Reinsurance Ltd. The subordinated loan counts as Tier 1 capital.

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.

	Statutory		Solvency II	
	2019	2018	2019	2018
ASSETS				
Intangible assets	19.4	19.7	0.0	0.0
Pension benefit surplus	0.0	0.0	0.0	1.1
Property, plant & equipment held for own use	2.1	2.3	2.1	2.3
Holdings in related undertakings	6.6	6.6	114.4	115.5
Bonds	366.5	379.0	379.2	358.3
Collective investments undertakings	0.0	0.0	0.0	28.4
Deposits other than cash equivalents	4.0	0.0	0.0	0.0
Loans	10.0	10.0	10.0	10.0
R/I recoverables	424.3	251.7	414.7	254.7
Insurance and intermediaries receivables	37.2	25.6	37.2	25.6
Reinsurance receivables	0.0	10.5	0.0	10.5
Receivables (trade, not insurance)	17.9	5.1	17.9	5.1
Cash and cash equivalents	148.2	39.8	152.3	39.8
Any other assets, not elsewhere shown	4.3	4.4	4.3	4.4
Total Assets	1040.5	754.6	1132.1	855.7

	Statutory		Solvency II	
	2019	2018	2019	2018
LIABILITIES				
Technical provisions	919.7	650.1	867.8	606.3
<i>thereof: Best Estimate (excl. EPIFP)</i>	919.7	650.1	892.4	637.8
<i>thereof: Expected profit in future premiums (EPIFP)</i>	0.0	0.0	-41.1	-47.8
<i>thereof: Risk margin</i>	0.0	0.0	16.5	16.3
Deferred tax liabilities	0.0	1.1	13.5	18.1
Insurance & intermediaries payables	20.4	12.2	20.4	12.2
Reinsurance payables	28.7	0.0	28.7	0.0
Payables (trade, not insurance)	4.5	5.8	4.5	5.8
Subordinated liabilities	20.0	0.0	20.0	0.0
Any other liabilities, not elsewhere shown	32.4	19.8	32.4	19.8
Basic Own Funds	14.7	65.6	164.8*	193.4
Total Liabilities	1040.5	754.6	1132.1	855.7

(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)

	2018	2019
Solvency Ratio	161%	140%
Basic Own Funds	193.4	164.8
Solvency Capital Requirement	120.4	117.9
Diversification	-41.9	-43.6
Loss absorbing capacity of technical provisions and taxes	-25.2	-27.4
Life & Health underwriting risk	87.3	94.3
Market risk	79.6	62.5
Counterparty Default Risk	10.7	19.8
Operational Risk	9.8	12.2

(values in CHF million)

The MCR amounts to CHF 47.6 million (2018: 43.2 million), the MCR ratio is 346% (448%).

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 2019 Elips Life AG

All monetary amounts are in thousands of Swiss Francs.

S.22.01 is not reported as no long term guarantees measures and transitionals are used.

Annex I

S.02.01.02

Balance sheet

Assets

Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
Property (other than for own use)
Holdings in related undertakings, including participations
Equities
Equities - listed
Equities - unlisted
Bonds
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
Collective Investments Undertakings
Derivatives
Deposits other than cash equivalents
Other investments
Assets held for index-linked and unit-linked contracts
Loans and mortgages
Loans on policies
Loans and mortgages to individuals
Other loans and mortgages
Reinsurance recoverables from:
Non-life and health similar to non-life
Non-life excluding health
Health similar to non-life
Life and health similar to life, excluding health and index-linked and unit-linked
Health similar to life
Life excluding health and index-linked and unit-linked
Life index-linked and unit-linked
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

Solvency II value	
C0010	
R0030	
R0040	
R0050	0
R0060	2,060
R0070	493,638
R0080	
R0090	114,468
R0100	
R0110	
R0120	
R0130	379,170
R0140	181,088
R0150	198,083
R0160	
R0170	
R0180	0
R0190	
R0200	
R0210	
R0220	
R0230	10,000
R0240	
R0250	
R0260	10,000
R0270	414,742
R0280	
R0290	
R0300	
R0310	414,742
R0320	0
R0330	414,742
R0340	
R0350	
R0360	37,205
R0370	0
R0380	17,891
R0390	0
R0400	0
R0410	152,270
R0420	4,313
R0500	1,132,119

Annex I
S.02.01.02
Balance sheet
Liabilities

Technical provisions – non-life

Technical provisions – non-life (excluding health)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – life (excluding health and index-linked and unit-linked)

TP calculated as a whole

Best Estimate

Risk margin

Technical provisions – index-linked and unit-linked

TP calculated as a whole

Best Estimate

Risk margin

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in BOF

Subordinated liabilities in BOF

Any other liabilities, not elsewhere shown

Total liabilities
Excess of assets over liabilities

	Solvency II value
	C0010
R0510	13,254
R0520	0
R0530	0
R0540	
R0550	
R0560	13,254
R0570	13,254
R0580	
R0590	
R0600	854,555
R0610	
R0620	
R0630	
R0640	
R0650	854,555
R0660	
R0670	838,006
R0680	16,549
R0690	
R0700	
R0710	
R0720	
R0740	
R0750	0
R0760	
R0770	
R0780	13,484
R0790	
R0800	
R0810	
R0820	20,420
R0830	28,744
R0840	4,521
R0850	20,000
R0860	0
R0870	20,000
R0880	32,351
R0900	987,329
R1000	144,790

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 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
		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										
Other expenses	R1200									
Total expenses	R1300									

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 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								

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

	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	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
Premiums written									
Gross	R1410			312,375					312,375
Reinsurers' share	R1420			159,482					159,482
Net	R1500			152,893					152,893
Premiums earned									
Gross	R1510			309,478					309,478
Reinsurers' share	R1520			158,019					158,019
Net	R1600			151,459					151,459
Claims incurred									
Gross	R1610			293,699					293,699
Reinsurers' share	R1620			133,245					133,245
Net	R1700			160,455					160,455
Changes in other technical provisions									
Gross - Direct business and reinsurance accepted	R1710			0					0
Reinsurers' share	R1720			0					0
Net	R1800			0					
Expenses incurred	R1900			44,145					44,145
Other expenses	R2500								
Total expenses	R2600								44,145

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
R0010	X							X
		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	X	X	X	X	X	X	
Total expenses	R1300	X	X	X	X	X	X	

Annex I
S.05.02.01
Premiums, claims and expenses by country

	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	
	R1400	SWITZERLAND	NETHERLAND	BELGIUM	ITALY	GERMANY		
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	4,891	46,530	239,130	5,053	15,201	698	311,502
Reinsurers' share	R1420	2,498	23,764	122,052	2,579	7,785	355	159,032
Net	R1500	2,393	22,766	117,078	2,474	7,416	343	152,470
Premiums earned								
Gross	R1510	4,891	46,530	238,016	5,053	13,671	577	308,738
Reinsurers' share	R1520	2,498	23,764	122,609	2,579	8,564	415	160,429
Net	R1600	2,393	22,766	115,407	2,474	5,107	162	148,309
Claims incurred								
Gross	R1610	3,903	74,580	194,675	6,745	6,725	388	287,016
Reinsurers' share	R1620	1,599	30,548	97,038	3,362	3,279	194	136,020
Net	R1700	2,304	44,031	97,636	3,383	3,446	194	150,995
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	R1900	-354	-3,367	31,655	669	5,232	3,572	37,407
Other expenses	R2500							
Total expenses	R2600							37,407

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)
	Contracts without options and guarantees	Contracts with options or guarantees				
	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010					
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	R0030					
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	R0080					
Risk Margin	R0090					
Amount of the transitional on Technical Provisions	R0100					
Technical Provisions calculated as a whole						
Best estimate	R0110					
Risk margin	R0120					
Technical provisions - total	R0130					
	R0200					

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								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0010	13,254						
	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								
Technical Provisions calculated as a whole	R0290							
Best estimate	R0300							
Risk margin	R0310							

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 - total		X								
Technical provisions - total	R0320	13,254								
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	13,254								

Annex I
S.17.01.02
Non-life Technical Provisions

	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	13,254
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									
Technical Provisions calculated as a whole								R0290	
Best estimate								R0300	
Risk margin								R0310	

Annex I
S.17.01.02
Non-life Technical Provisions

Technical provisions - total
 Technical provisions - total
 Recoverable from reinsurance contract/SPV and Finite Re after
 the adjustment for expected losses due to counterparty default -
 total
 Technical provisions minus recoverables from reinsurance/SPV
 and Finite Re - total

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	C0180
							13,254
							13,254

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			
R0030	40,300	40,300			
R0040	10,100	10,100			
R0050					
R0070					
R0090					
R0110					
R0130	81,990	81,990			
R0140	20,000		20,000	0	0
R0160					
R0180					
R0220	0				
R0230					
R0290	164,790	144,790	20,000	0	0
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					

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

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)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
R0500	164,790	144,790	20,000	0	0
R0510	164,790	144,790	20,000	0	
R0540	164,790	144,790	20,000	0	0
R0550	164,790	144,790	20,000	0	
R0580	117,914				
R0600	47,629				
R0620	1,3975				
R0640	3,4599				

	C0060
R0700	144,790
R0710	
R0720	
R0730	62,800
R0740	
R0760	81,990
R0770	43,655
R0780	0
R0790	43,655

Annex I
S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
Counterparty default risk
Life underwriting risk
Health underwriting risk
Non-life underwriting risk
Diversification
Intangible asset risk
Basic Solvency Capital Requirement

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	62,465		-
R0020	19,824		
R0030	94,318	-	-
R0040	146	-	-
R0050	0	-	-
R0060	-43,698		
R0070	0		
R0100	133,054		

Calculation of Solvency Capital Requirement

Operational risk
Loss-absorbing capacity of technical provisions
Loss-absorbing capacity of deferred taxes
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set

Solvency capital requirement

Other information on SCR

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

	C0100
R0130	12,229
R0140	0
R0150	-27,369
R0160	0
R0200	117,914
R0210	0
R0220	117,914
R0400	0
R0410	0
R0420	0
R0430	0
R0440	0

Approach to tax rate

Approach based on average tax rate

	Yes/No
	C0109
R0590	Approach not based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

LAC DT
LAC DT justified by reversion of deferred tax liabilities
LAC DT justified by reference to probable future taxable economic profit
LAC DT justified by carry back, current year
LAC DT justified by carry back, future years
Maximum LAC DT

	LAC DT
	C0130
R0640	-27,369
R0650	
R0660	-27,369
R0670	
R0680	
R0690	

Annex I

S.28.02.01

Minimum capital Requirement - Both life and non-life insurance activity

	Non-life activities	Life activities
	$MCR_{(NL,NL)}$	$MCR_{(NL,L)R}$
	Result	Result
	C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	0	0

Medical expense insurance and proportional reinsurance
 Income protection insurance and proportional reinsurance
 Workers' compensation insurance and proportional reinsurance
 Motor vehicle liability insurance and proportional reinsurance
 Other motor insurance and proportional reinsurance
 Marine, aviation and transport insurance and proportional reinsurance
 Fire and other damage to property insurance and proportional reinsurance
 General liability insurance and proportional reinsurance
 Credit and suretyship insurance and proportional reinsurance
 Legal expenses insurance and proportional reinsurance
 Assistance and proportional reinsurance
 Miscellaneous financial loss insurance and proportional reinsurance
 Non-proportional health reinsurance
 Non-proportional casualty reinsurance
 Non-proportional marine, aviation and transport reinsurance
 Non-proportional property reinsurance

Non-life activities

Life activities

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	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
R0020	13,254	0	0	0
R0030				
R0040				
R0050				
R0060				
R0070				
R0080				
R0090				
R0100				
R0110				
R0120				
R0130				
R0140				
R0150				
R0160				
R0170				

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	623	47,006	

Obligations with profit participation - guaranteed benefits
 Obligations with profit participation - future discretionary benefits
 Index-linked and unit-linked insurance obligations
 Other life (re)insurance and health (re)insurance obligations
 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	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0090	C0100	C0110	C0120
R0210				
R0220				
R0230				
R0240	0		423,265	
R0250				54,452,948

Annex I

S.28.02.01

Minimum capital Requirement - Both life and non-life insurance activity

Overall MCR calculation

	C0130
Linear MCR	R0300 47,629
SCR	R0310 117,914
MCR cap	R0320 53,061
MCR floor	R0330 29,479
Combined MCR	R0340 47,629
Absolute floor of the MCR	R0350 6,739
	C0130
Minimum Capital Requirement	R0400 47,629

Notional non-life and life MCR calculation

	Non-life activities	Life activities
	C0140	C0150
Notional linear MCR	R0500 623	47,006
Notional SCR excluding add-on (annual or latest calculation)	R0510 1,542	116,372
Notional MCR cap	R0520 694	52,367
Notional MCR floor	R0530 386	29,093
Notional Combined MCR	R0540 623	47,006
Absolute floor of the notional MCR	R0550 2,717	4,022
Notional MCR	R0560 2,717	47,006