

# Solvency & Financial Condition Report

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2024



NORWEGIAN HULL CLUB

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# Summary

Norwegian Hull Club (The Club) is a mutual insurance undertaking writing global marine & energy, renewable and medical expense insurance. The 2024 earned gross premium was 323 million USD, a 2 % increase from previous year. The increase is mainly due to an increase in premiums from renewables and medical, but at the same time a decline in premiums from Energy. The operating result technical accounts was 53 million USD.

The below table summarizes the solvency conditions in terms of Solvency Capital Requirement (SCR), Minimum Capital Requirement (MCR) and Own Funds in USD 1000<sup>1</sup>.

	2024		2023	
	SCR	MCR	SCR	MCR
Eligible Own Funds	601 071	497 393	536 348	435 970
Capital Requirement	207 355	65 630	200 757	62 029
Difference	393 716	431 763	335 591	373 941
Ratio	290 %	758 %	267 %	703 %

<sup>1</sup> Any figures reflecting monetary amounts in the SFCR report are expressed in thousands of units USD.

## A Business and Performance

### A.1 Business

The Club is a mutual marine insurance company writing marine& energy, renewable and medical insurance. Clients writing hull insurance on a mutual basis are owners, referred to as members. Members are owners and managers of insured units.

Principal Address: Solheimsgaten 5  
5058 Bergen  
Norway

Details regarding supervisory authorities and external auditor:

Name	Function	Entity
<b>Financial Supervisory Authority of Norway</b> Revierstredet 3, 0151 Oslo E-mail: <a href="mailto:post@finanstilsynet.no">post@finanstilsynet.no</a> Phone: +47 22 93 98 00	Regulator	Norwegian Hull Club – Gjensidig Assuranseforening
<b>Bank of England, Prudential Regulation Authority</b> 20 Moorgate, London. EC2R 6DA E-mail: <a href="mailto:pra.firmenquiries@bankofEngland.co.uk">pra.firmenquiries@bankofEngland.co.uk</a> Phone: +44 (0) 20 3461 7000	Regulator	UK Branch
<b>Deloitte</b> Lars Hilles gate 30, 5008 Bergen E-mail: <a href="mailto:umoe@deloitte.no">umoe@deloitte.no</a> Phone: +47 55 21 81 00	External Auditor	Norwegian Hull Club – Gjensidig Assuranseforening

The largest member has 11.9 % of votes at the 2025 Annual General Meeting. The second largest member has 3.2 % of the votes.

The Club writes a global book of Hull & Machinery, Loss of Hire, Increased Value, War, Yachts, Builders risk covers, Energy (fixed and floating) insurance -operation and construction. Marine and Energy insurance is placed and written globally, mainly through brokers. A major part of the business is with international clients. The Club's subsidiary Marine Benefits AS writes health insurance, and Niord AS writes renewable energy insurance as agents for The Club and other insurers.

The Club has a 3 % market share of global hull market. The Nordic market has its own conditions (<http://www.nordicplan.org/>), in which the role as claims leader is distinctive and important. The Club has long experience as claims leader, and this role is an important part of its service offering.

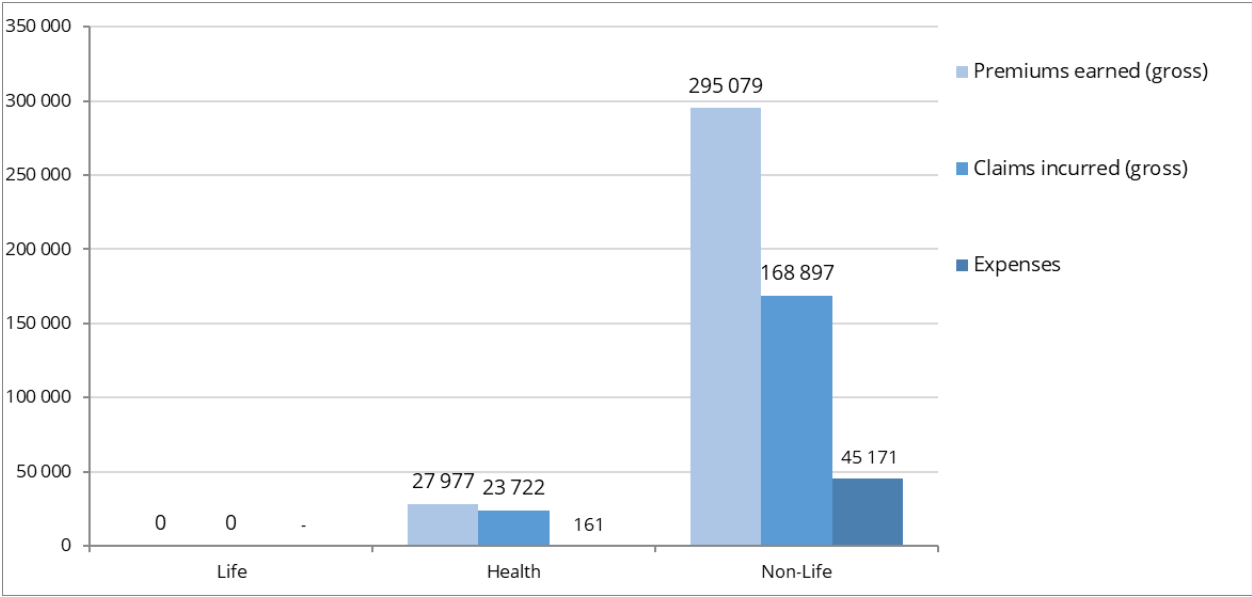
The Club has a branch office in London, writing business produced by London brokers as well as maintaining the existing business relationships.

#### Legal Structure

The Club has three subsidiaries (100 % owned) located in Bergen: Instech Solutions AS, Marine Benefits AS and Niord AS. The Club has also a participation in Olav Kyrres gate 11 AS with a 33 % share. Information regarding subsidiaries and associated company's results can be found in the Annual Report note 14.

## A.2 Underwriting Performance

The Club has had a strong underwriting performance reflecting its focus on underwriting profit through comprehensive client risks assessment models. The underwriting performance during the past three years has been above expected performance.



### A.2.1 Non-Life underwriting

Non-Life underwriting performance is shown in the table below. The underwriting performance was above internal targets.

Premiums, claims and expenses	2024	2023
Non-Life		
Premiums earned (gross)	295,079	293,200
Claims incurred (gross)	168,897	235,347
Expenses	45,171	42,253

### A.2.2 Health underwriting

Health underwriting performance is shown in the table below. The health portfolio is limited to Medical Expense Insurance for seafarers.

Premiums, claims and expenses	2024	2023
Health		
Premiums earned (gross)	27,977	22,983
Claims incurred (gross)	23,722	16,332
Expenses	161	207

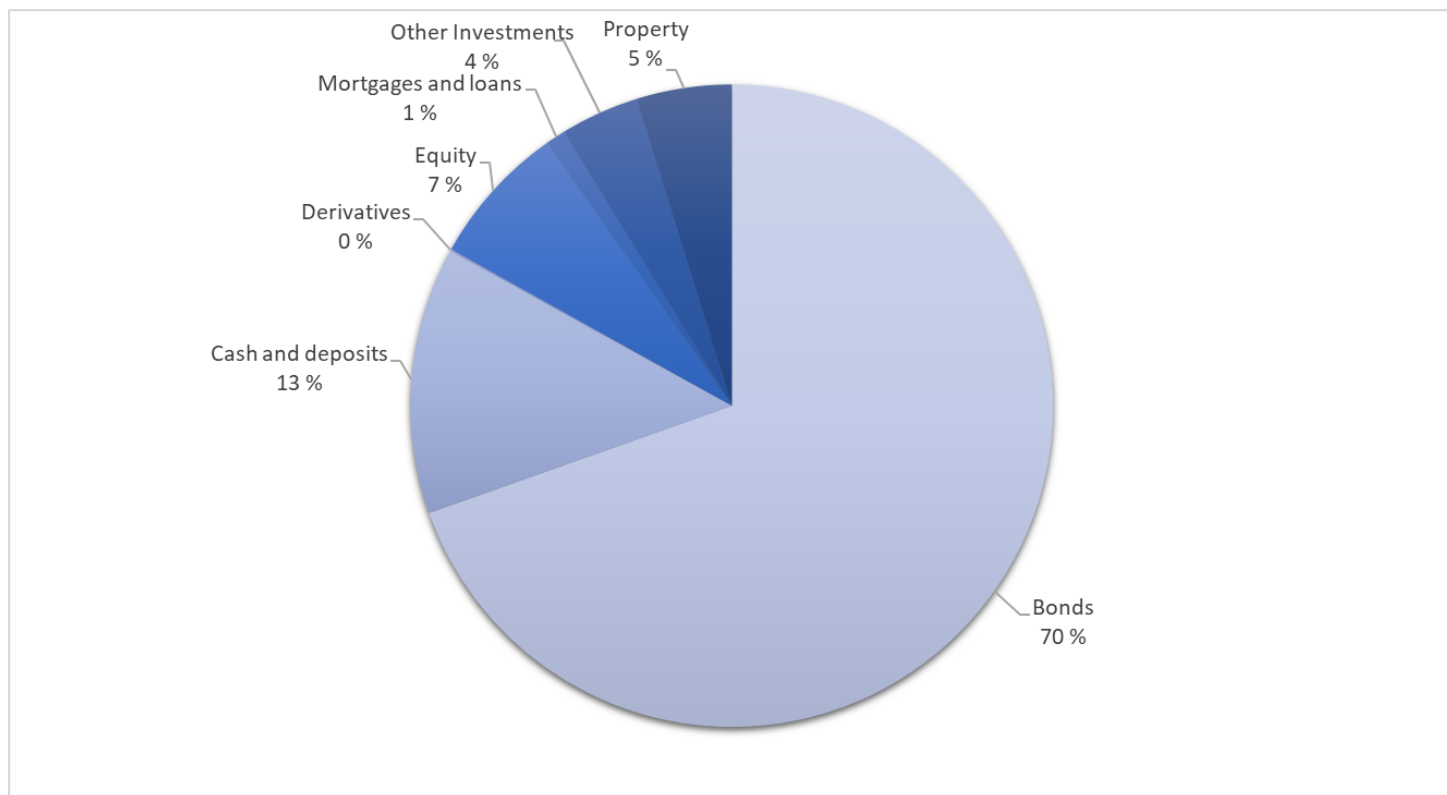
### A.2.3 Life underwriting

The Club does not write life insurance.

## A.3 Investment Performance

### A.3.1 Investments held

The chart below visualizes the relative distribution of the investments by material asset class. Other investments are mainly collective investment undertakings.



### A.3.2 Gains and losses

The investment portfolio achieved a 4.9 % return in 2024, generating a U.S. dollar return of 37 million, inclusive foreign exchange hedges.

U.S. Treasury yields experienced volatility throughout 2024. Floating and short-term interest rates declined following Federal Reserve rate cuts that began in mid-September. Medium-term Treasury yields (2-year) remained stable over the year, while longer-dated yields (5-10 years) rose, steepening the yield curve after the Fed's policy shift. Elevated interest rates and narrowing credit spreads throughout the year bolstered bond portfolio performance, particularly for lower-rated credits. Robust gains in public equity markets also lifted private market returns, positively impacting overall investment performance. In Norway, the real estate market stabilized, and the real estate portfolio delivered strong results for the year.

The table below summarizes the investment portfolio return per asset class.

Gains and losses in the period (2024)	Dividends	Interest	Rent	Net gains/losses	Unrealised gains/losses
Bonds	0	15,160	0	2,339	3,717
Equity	0	0	0	160	3,871
Other Investments	0	540	0	4,858	716
Cash and deposits	0	8,030	0	258	0
Mortgages and loans	0	923	0	0	0
Property	0	0	1,413	0	-2,665
Derivatives	0	0	0	-509	-1,741
Total	0	24,654	1,413	7,107	3,899

### **A.3.3 Securitization investments**

The Club has no material investments in securitizations.

### **A.4 Performance of other activities**

There have been no other significant activities than insurance and related activities. Income related to claims handling is reported as "Other insurance related income" in the annual accounts and amounts to 8,6 MUSD.

### **A.5 Any other information**

There is no other material information to be disclosed.

## B System of Governance

The Club is located in Norway and is subject to Norwegian legislation and supervision of the Financial Supervisory Authority of Norway. The Club's UK branch is located in London and under the supervision of Bank of England, Prudential Regulation Authority.

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

The Club's Board of Directors (Board) carry the responsibility for the oversight of the business and set its strategy and risk appetite. The Board sits with a minimum of five and a maximum of ten members. The Board decides whether the entire Board shall serve as audit and risk committee, or whether the committees shall be elected by and from the members of the Board. The Club is committed to high standards of corporate governance and has established the following corporate governance structure.

#### General Meeting

Members of The Club, clients that write business on a mutual basis, vote at the general meeting according to the Norwegian Limited Companies Act § 5-2, cf. Norwegian Financial Institutions § 8.1-8.3. Members have votes according to the member's share of The Club's mutual earned premium in the preceding calendar year. Joint Members have together as many votes as if the insurance agreement had been entered into by one member. The right to vote on behalf of the Joint Members shall be vested in the member named first in the insurance agreement.

#### Committee

The Committee elects the Board and the Election Committee, recommends annual accounts to the General Meeting and supervises the Board and management. The members of the Committee are elected from the members, i.e. the owners, of The Club.

#### Board of Directors

The Board is responsible for setting out the strategy, including risk tolerance, and generally overseeing the daily management of the Club. Up to two members of the Board can be independent; the others represent members of The Club. The Board has audit, risk and compensation sub-committees. The Chair of the Audit Committee is independent of The Club.

#### Audit Committee

The Audit Committee is a subcommittee of the Board. Its responsibility is to discuss significant accounting issues with management and the external auditor and to assess procedures adopted for preparing the accounts. The Audit Committee shall further assess the independence of the external auditor, discuss audit issues with external and internal auditor assesses the auditors' work and make recommendation to the Board regarding election of external and internal auditors.

#### Risk Committee

The Risk Committee is a subcommittee of the Board. It is responsible for supervising The Club's total risk and regularly considers if the management and control systems are adapted to the risk level and scope of operations. The Risk Committee shall further regularly consider the continuous compliance with capital requirements and requirements for technical insurance provisions, as The Club as the appropriateness of the risk management system. The Risk Committee shall follow up the key functions; actuary, compliance and risk management. These functions also report directly to the Board.

#### Compensation Committee

The Compensation Committee is also a subcommittee of the Board and makes recommendations to the Board regarding the compensation of the Chief Executive Officer as well as the structure of general compensation, including compensation for the management team.

#### Election Committee

The Election Committee makes recommendations on candidates for the various governing bodies. The



Election Committee shall have a minimum of five members. At least one member shall have served on The Board during the last five years. According to the instructions for the Election Committee, the Chair and Deputy Chair of the Committee, members of the Board and members of the Election Committee shall in general not be re-elected after ten years of service.

### **Key Functions**

The Club has established four key independent control functions required under the Solvency II Directive - risk management, compliance, actuarial and internal audit. These key functions are overseeing and monitoring the risk in the company.

### **Remuneration**

The Club's remuneration policy is adopted by the Board on an annual basis.

The variable remuneration scheme is split in two, where part one is collective and allocated among all employees and part two is individual and remuneration is based on individual and department performance according to set KPIs.

### **Material transaction with stakeholders**

As a mutual insurance company, The Club will by definition enter into commercial agreements with member owners and with members of the Board. None of these transactions are considered material in relation to The Club's business volume.

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

The fit and proper requirements apply for the following positions in The Club:

- Members of the Board, including deputies
- Members of Top Management Group (TMG)
- Key Functions: Risk Management, Compliance, Actuarial function and Internal auditor
- Other key personnel: Head of Reinsurance and Anti-Money Laundering Officer
- Head of UK Branch

For the Board, the requirements for professional know-how and experience (Fit) apply to the Board as a group. This implies that collectively, the Board shall have sufficient knowledge and experience in the key areas of operation for an insurance undertaking such as insurance, reinsurance, investments, risk management and marketing as well as regulatory frameworks, requirements and expectations.

For TMG, key personnel and the Head of the UK Branch, the requirements for professional know-how and experience (Fit) apply to each person individually, and in relation to his/her specific area of responsibility. The following skills, knowledge and expertise are emphasized: market knowledge, business strategies and models, insurance, reinsurance, risk management, accounting, finance, investment, actuarial analysis and regulatory framework and requirements.

Fit and proper requirements will be subject to subjective assessment. An assessment of "Proper" should include an assessment of that person's honesty and financial standing based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects regardless of jurisdiction. Certificate of good conduct and aptitude assessment shall be presented to the HR department for assessment.

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

The foundation of the good internal governance is a risk management framework and associated delegations of authority to ensure the effective management and reporting of risks in the organization.

### **B.3.1 Risk management system**

In The Club the Board sets overall target, risk tolerance and risk appetite as part of the annual strategic planning. The Club will act in accordance with this risk appetite to achieve strategic objectives and to remain a prudent risk taker in order to safeguard the long-term interest of the Owners, Clients and Employees.

The Risk Committee is a sub-committee of the Board and shall serve as a body preparing issues for the Board and supporting them in its execution of its duties relating to risk management. The Risk Committee shall have the following responsibilities:

- Supervise The Club's total risk and they shall regularly consider if the management and risk management framework are adapted to the risk level and scope of the operations.
- Assess in particular, if The Club has an appropriate risk management system in place. The assessment shall be based on the principles and policies adopted for risk management, including the stated risk appetite.
- Regularly consider the risk profile, capital and total capital requirement in relation to risks that The Club may be exposed to in the short and long term.
- Regularly consider the continuous compliance with capital requirements and requirements for technical insurance provisions. The Risk Committee shall consider any discrepancy between the risk profile and the assumptions made in calculating the solvency capital requirement.

The CEO is responsible for the risk management within limits defined annually by the Board in the Strategy, Financial Plan and Policy documents. Authority is delegated to heads of departments in accordance with these limits. Within the departments a system of authorities is defined and risk taking is always approved by at least two employees (four eyes principle). The CEO has established a Top Management Group (TMG). This group monitors the overall risk and discusses risk taking outside the authority of heads of department, controversial issues and risk taking that effect other departments. Final decisions are made by the CEO. Risk taking outside the limits set by the Board, or reallocation of the risk budget, can also be discussed with the purpose of suggesting changes in the strategy or other policy documents. The CEO has delegated the responsibility for risk management processes and follow-up to the Chief Financial Officer.

The Key Functions act as Second Line of defence and are overseeing and monitoring the risk in the company. The Club's Key functions provide regular risk reporting to TMG and to Risk Committee/Board regarding the key risks.

The Risk Management Function is to facilitate the implementation of the Risk Management System and ensure that risk management is carried out in accordance with approved ambition levels and approved guidelines.

### **B.3.2 Own risk and solvency assessment**

The main purpose of the Own Risk and Solvency Assessment (ORSA) process is to identify, assess, monitor, manage, and report the risks The Club face or may face and to determine the own funds necessary to ensure that the overall solvency needs are met at all times.

The Club produces an ORSA report at least once a year. Additional ORSAs may be produced in response to material changes to risks faced by The Club.

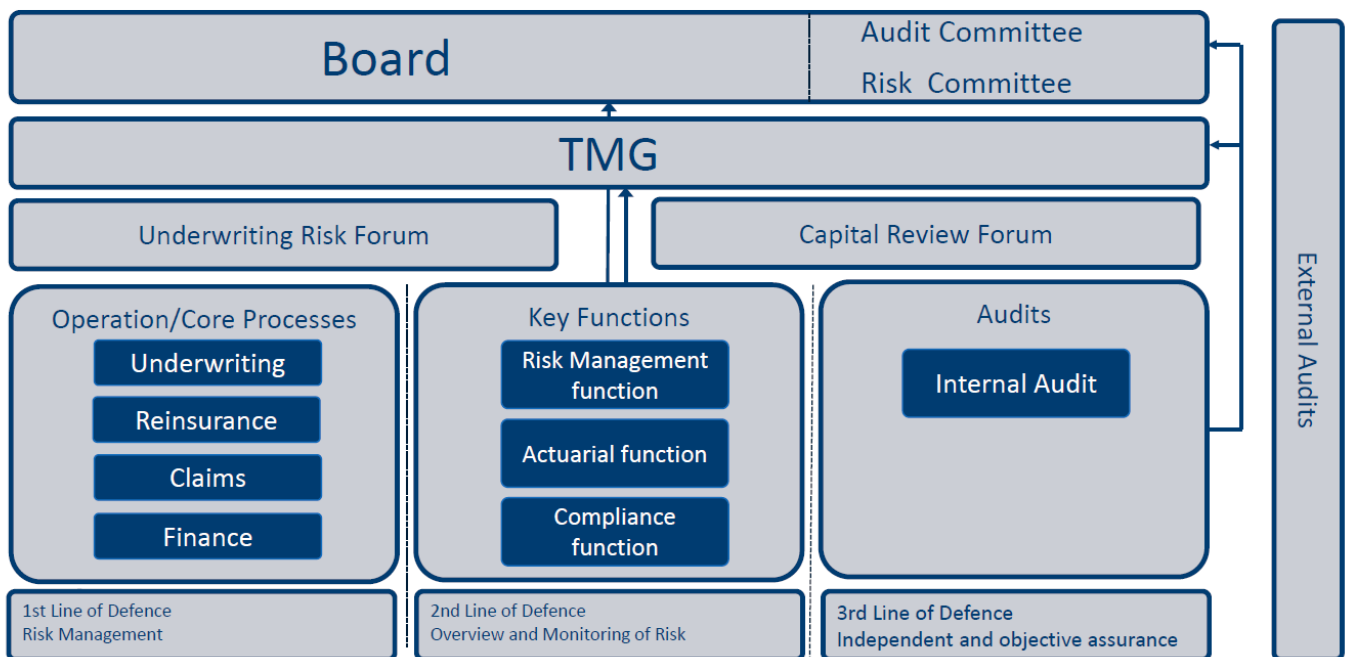
The Club has determined that the Solvency II standard formula shall be used to calculate the required solvency capital and to assess the overall solvency needs. In addition, quantitative analyses performed shall include:

- Stress test to evaluate the capital situation when the investment and insurance portfolio puts the balance sheet under pressure
- Scenario analyses of the insurance portfolio including varying premium volume, loss ratios and cost of reinsurance, performed at least annually
- Reverse stress testing
- Financial Plan
- Evaluation that the risk taking is in line with the risk appetite
- Analysis of timeseries of the individual risks
- Analysis of emerging risks including climate risk
- A one-in-200 years scenario is to be used

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

The Club utilizes the internal control system that comprises three lines of defence, comprising primary risk owners (first line), independent risk management and control functions (second line) and an independent internal audit (third line) and external audit. This structure is consistent with The Club's risk management structure and the Board considers it appropriate to the management of risks in The Club.

# Solvency II - Risk Management System



Under the first line of defence, operational management has the ownership, responsibility and accountability for assessing, controlling, mitigating and reporting risks.

The second line of defence consists of activities covered by Risk Management, Actuarial and Compliance functions. This line of defence monitors and facilitates the implementation of an effective risk management system by operational management and assists the risk owners in reporting risk related information both to management and towards the organization.

Internal audit forms the organisation's third line of defence. An independent internal audit function will provide independent and objective reviews and assessments of The Club's business activities, operations, financial systems and internal controls. The Club is using a third party for internal audit function.

This framework enables the first line of defence to identify, assess and manage operational risks within their business units, establishes an appropriate level of oversight and challenge by the second and third lines, and enables appropriate measurement and reporting of operational risks and the Club overall risk profile to the Board.

The Club's total quality management system, called DNA system, has an important role in the overall Internal control system. All policies, principles and procedures for all departments are in place and documented in the DNA system, including formal revisions of same. Non-conformances, observations and suggestions for improvements as well as input regarding ORSA reporting and emerging risks are reported and monitored.

## B.4.1 Compliance function

The compliance function shall ensure that The Club complies with governing laws and regulations and internal policies that are derived from external requirements. The Compliance function may also design or update internal policies to mitigate the risk of The Club breaking laws and regulations, as well as lead internal audits of procedures. The Compliance function, headed by the Compliance Officer, is part of The Club's overall corporate governance structure. The function is responsible for the monitoring, managing, and reporting of the Compliance risks to which the Club is exposed. The Compliance function reports to the Chief Operating Officer (COO), but has a direct reporting line to the CEO, the Board and its sub committees. The activities of the Compliance function are subject to periodic review by Internal Audit.

## **B.5 Internal audit function**

Internal Audit function provides independent and objective reviews and assessments of the business activities, operations, financial systems and internal controls. The internal audit shall ensure that the Club's resources are used efficiently and effectively while working towards helping The Club achieve its mission, as directed by the Board. The function shall perform this service with professional care and with minimal disruption to the Club's operations. The Club has outsourced the internal audit to a third party. The operative responsibility for the Internal Audit function is handled daily by the Compliance Officer (CO).

Based on risk assessments, an annual audit plan is prepared and presented to the Board for approval. The internal auditor carries out annual reviews as stated in the annual plan to evaluate the appropriateness and effectiveness of the internal control processes.

Internal audit reports are provided to the Board at least once a year. The reports highlight any significant control failings or weaknesses identified and the impact they have had, or may have, and recommendations on how to mitigate the weakness. Outsourcing this function provides independent and objectivity when reviewing activities.

## **B.6 Actuarial function**

Actuarial function is responsible for overseeing the calculation of technical provisions and report findings to the Board annually and to expressing an opinion on the underwriting policy and the reinsurance arrangements.

Actuarial function will also contribute to the effective implementation of the risk management system with respect to the risk modelling underlying the capital requirements, in particular.

The actuarial function is involved in the ORSA process. This annual process is finalized through thorough discussion in the Risk Committee and the Board. Written opinions on the Underwriting Policy and Reinsurance arrangements are discussed with the Risk Committee and TMG. The report on the technical provisions is reviewed by the Board together with the annual accounts.

## **B.7 Outsourcing**

The Club outsources and has outsourcing arrangements only where there is a sound commercial basis for doing so, and where the risk can be effectively managed. A due diligence process is undertaken prior to any final decision being made as to whether to outsource a material business activity. This addresses all material factors that would impact on the potential service provider's ability to perform the business activity.

The Club has established an Outsourcing Policy to establish the requirements for identifying, justifying and implementing material outsourcing arrangements. This policy has been adopted by the Board.

For the time being, The Club has outsourced the following operational functions or activities:

**Underwriting:**

- Underwriting of Medical Plan – located in Norway
- Underwriting and claims service H&M insurance (small hull facility) - located in Norway
- Underwriting of offshore renewables – located in Norway

**Claims handling:**

- Claims service of Medical Plan and Crew P&I Insurance – located in Norway and the Philippines
- Claims service of run-off portfolio P&I - located in Norway
- Administrative and claims services of run-off portfolio offshore renewables – located in Norway

**Information Technology:**

- IT Infrastructure – located in Norway
- ITS ops consultancy, maintenance of core Insurance system, maintenance and development of Etuity products – located in Norway
- Cloud platform – located in Norway, Netherlands and Ireland
- First and second line IT support – located in Norway

**Other:**

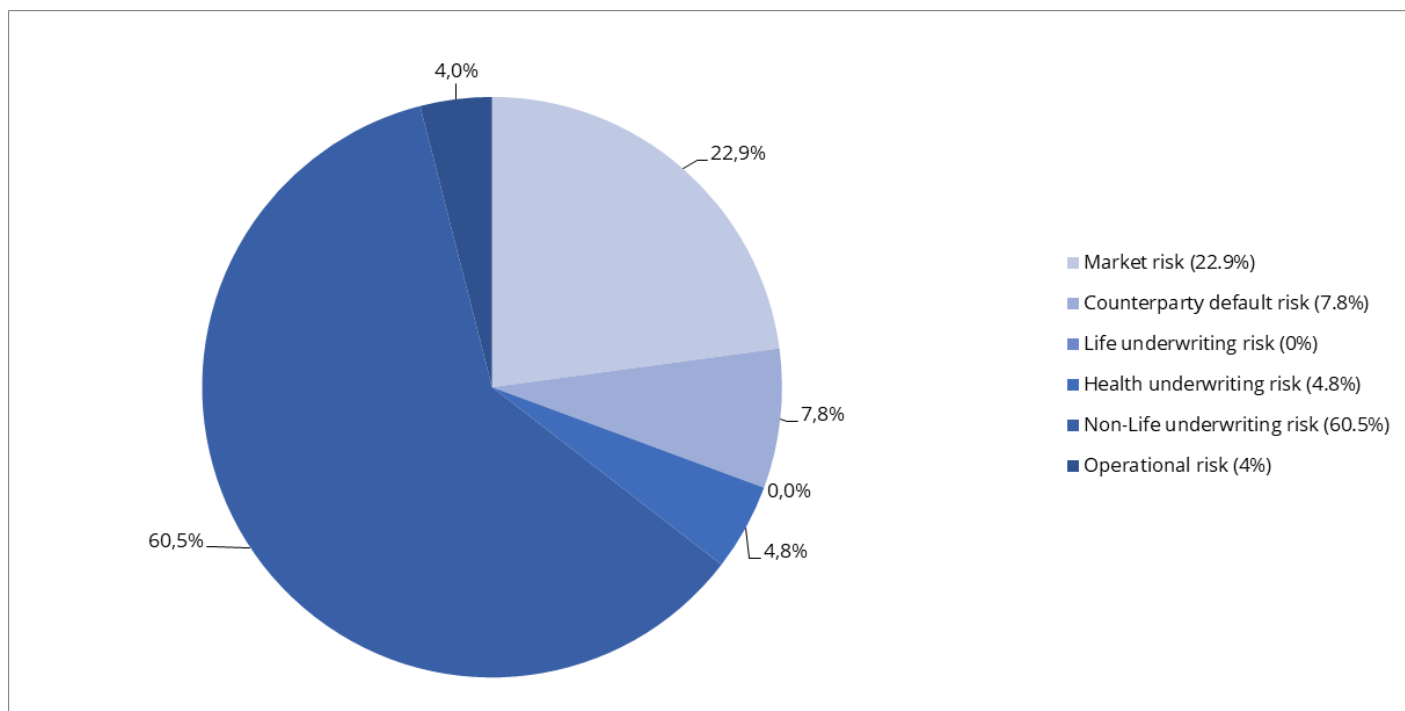
- Discretionary asset management of investment portfolio – located in UK and US
- Administrative support and service - located in Norway
- Payroll and tax services for The Club's UK Branch – located in UK
- Internal Audit – located in Norway

## **B.8 Any other information**

There is no other material information to be disclosed.

## C Risk Profile

The below chart splits the Solvency Capital Requirement by risk group.



### C.1 Underwriting risk

The Underwriting risk is the sum of premium and reserve risk, catastrophe risk and lapse risk.

The premium risk is the risk that the premium is insufficient to cover future claims. The reserve risk is the risk that the claim provisions are insufficient to cover incurred but not settled claims. The volume measure for the premium risk is the maximum of the past year's earned net premium and the expected earned net premium the next year with an add-on for multi-year policies. The volume measure for reserve risk is the net claims provision. The Standard Model assumes 50 % correlation between The Club's premium and reserve risk.

Catastrophe risk is comprised of non-life natural catastrophe risk (Windstorm, Earthquake, Flooding, Hail), Non-life man-made catastrophe risk (total loss of tanker and platform) and health catastrophe (accident, concentration, pandemic). The only Nat-Cat scenarios affecting The Club are related to onshore marine (yards, refineries, etc.) and the Non-Marine Cat scenarios are thus dominated by the man-made scenarios (total loss of a tanker and/or a platform). These scenarios also affect the counterparty credit risk. The health cat risk is dominated by pandemic risk.

Lapse risk is the loss of expected profit in future premium in a scenario where a large share of the policies is terminated.

#### Material risk concentrations

The standard model only identifies concentration risks in Health insurance. Un-modelled concentration risk includes any marine event involving several vessels/units or Offshore Windfarms. Historically there are few events involving severe casualties on several non-coastal vessels. The most likely events involving several vessels/units are related to ports, superyacht marinas, lay-up locations and yards in addition to fixed installations in windstorm areas or War related incidents such as trapping of several vessels in Ukraine in 2022. Most of the risk related to these events are reinsured.

#### Risk mitigation and process for monitoring its effectiveness

Excess of loss reinsurance is used to mitigate the underwriting risk. This has effectively reduced the effect of single claims.

#### Sensitivity

The standard model is sensitive to input related to claim provisions, premium projections, geographical diversification, allocation to lines of business and scenarios related to risk concentrations. There are no known issues related to the input that would result in a significant increase in the requirements if addressed differently.

Post loss capital requirements could increase as a major loss (or adverse claims development) could increase technical provisions and thus capital requirements. Large market losses might also lead to a recalibration of the CAT modelling from European Insurance and Occupational Pensions Authority (EIOPA).

The main sensitivity going forward is changes in the parameters (standard deviations and correlations) or CAT modelling from EIOPA. The former could be addressed by using undertaking specific parameters, but this would give rise to increased model recalibration risk.

### C.1.1 Non-life underwriting risk

Non-Life underwriting risk	2024	2023
Premium and reserve risk	148,277	144,108
Lapse risk	14,733	12,737
Catastrophe risk	30,356	31,538
Diversification	-34,070	-32,831
Total non-life underwriting risk	159,296	155,552

### C.1.2 Health underwriting risk

Health underwriting risk	2024	2023
Mortality risk	0	0
Longevity risk	0	0
Disability-morbidity risk	0	0
Lapse risk	0	0
Expense risk	0	0
Revision risk	0	0
Diversification	0	0
Total SLT health underwriting risk	0	0

Premium and reserve risk	4,800	4,108
Lapse risk	600	607
Diversification	-563	-563
Total NSLT health underwriting risk	4,837	4,153

Catastrophe risk	10,644	7,988
Diversification	-2,736	-2,260
Total health underwriting risk	12,745	9,881

The standard model uses the net premium volume, the net claim reserve, the geographic spread, the product spread and the exposure to specific scenarios as the key risk drivers. Growth in the claim reserve explains the growth in underwriting risk. For internal purposes the risk is modelled using historic premium and claims data, stochastic simulation, various scenarios and comprehensive systems for modelling premium rate adequacy.

### C.1.3 Life underwriting risk

The Club does not write life insurance.

## C.2 Market risk

The table below lists the gross SCR for the risk module Market risk, split by its sub modules.

Market risk	2024	2023
Interest rate risk	19,017	19,464
Equity risk	35,131	27,320
Property risk	12,624	14,746
Spread risk	13,757	10,454
Concentrations	0	0
Currency risk	2,626	8,325
Diversification	-22,980	-25,466
Total market risk	60,174	54,843

Market risk covers risk related to investments. Investments returns can fluctuate caused by changes in expected future economic conditions and changes to investor risk preferences. This affects real investments (equity and real estate) and nominal investments (fixed income) as both interest rates and risk premiums fluctuates as expectations changes.

The Club seeks to expose the portfolios to systematic market risk and have thus implemented highly diversified asset portfolios to diversify away specific company risks. All asset classes are highly diversified.

### Interest rate risk

Interest rate risk refers to the potential change in the value of an asset or liability due to fluctuations in the term structure of interest rates. This risk is influenced by the size and duration of the technical provisions. Investments exposed to interest rate risk are primarily fixed-income investments that are not used for asset-liability matching. These investments include investment-grade bonds, high-yield bonds, and emerging market government bonds. The interest rate duration of the liability-matching investment portfolio (matching portfolio) is aligned with the duration of the insurance liabilities. Limits on interest rate risk deviations from the benchmark are established as part of the investment strategy.

### Equity risk

Equity risk refers to the risk that the value of an asset will change due to fluctuations in the level or volatility of the market prices for equities. The Club's equity exposure is through different investment funds, both in listed and private markets.

### Property risk

Property risk refers to the risk that arises as a result of sensitivity of assets and financial investments to the level of market prices of property. The Club's property risk is due to investments in different, highly diversified unleveraged property funds.

### Spread risk

Spread risk refers to the risk that arises from the sensitivity of the value of assets to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure. To reduce the spread risk, the bond portfolio has an adequate rating level from a holistic point of view.

### Concentration risk

Concentration risk arises due to large investments in individual counterparties and single-name exposures. Except for US and German sovereign risk, the maximum exposure to any single issuer shall not exceed 5 % of The Club's equity. This risk is managed as part of the ordinary risk management of the investment portfolio.

### Currency risk

Currency risk arises from changes in the level or volatility of currency exchange rates. The Club faces currency risk due to exposure to multiple currencies, as fluctuations in exchange rates can impact the value of transactions and balances. The accounting currency is USD, which is also the denomination for most assets and liabilities.

Currency risk calculations are an integral part of preparing the quarterly accounts. In the event of major incidents, calculations will be performed on an ad-hoc basis. Major incidents are defined as single incidents originating in a non-USD currency, with an



impact on the net result exceeding USD 5.0 million.

#### **Risk mitigation and process for monitoring its effectiveness**

Although USD is the base currency of operations, The Club writes policies in several other currencies, primarily EUR, GBP and NOK. To manage currency risk related to the balance sheet The Club employs various currency contracts. However, it is inherently challenging to monitor the effectiveness of these contracts as the exact currency position is only known when the full financial accounts are prepared each quarter.

The Club can deploy interest rate derivatives to efficiently adjust interest rate risk to desired levels and foreign exchange instruments to achieve targeted currency allocation. Furthermore, derivatives shall only be used to the extent that The Club fully understand the instruments and to the extent that The Club are able to implement the instruments in our portfolio systems.

#### **Measures used to assess the risk, material risks and changes the past year**

The standard model assesses the risk based on market value per asset class and assumptions regarding volatility per asset class. For internal purposes, the risk is also modelled based on historic volatility and stress testing.

#### **Investments according to the "prudent person principle"**

The Club, and particularly the Investments-section of the finance department, shall carefully evaluate the merits of each investment in the investment portfolio, both on a stand-alone basis and its impact on the overall portfolio, in relation to the overall investment strategy, asset – liability management objective and liquidity objective. No investment shall be made unless the characteristics and impact of the security or fund is fully understood and evaluated.

In addition to the Investment section there are separate Risk Management and Accounting functions in order to secure independent reporting and control.

Diversification is a key feature in reducing the level of absolute risk and increase risk adjusted returns in the investment portfolio. Furthermore, the intention is to identify plurality of sources to potential income (and inherently risk) as a means of limiting the correlation risk. Investment risk is reduced by diversifying into several asset classes as defined by strategic asset allocation and the broad benchmarks adopted in the strategy. Within the different asset classes, the portfolio is broadly diversified on issuers, corporations, sectors and geographical areas. Retaining visibility and transparency of investments undertaken is important in this regard.

#### **Sensitivity**

The standard model is sensitive to market values, allocation to asset classes, duration and credit quality. There are no known issues related to the input that would result in a significant increase in the requirements if addressed differently. Unlike underwriting risk, market risk has the feature that a market loss will reduce the capital requirement if investments are not reallocated to risky assets. The main sensitivity going forward is changes in the parameters (standard deviations and correlations) from EIOPA.

## **C.3 Counterparty risk**

Counterparty risk refers to the possible losses due to unexpected default, or deterioration in the credit standing, of the

counterparties and debtors over the following 12 months. The table below lists the solvency capital requirement for the counterparty default risk:

Counterparty default risk	2024	2023
Type 1 exposures	8,064	8,533
Type 2 exposures	13,660	14,762
Diversification	-1,307	-1,394
Total counterparty default risk	20,417	21,901

Counterparty risk is managed separately for rated counterparts (type 1 risk) and unrated counterparts (type 2 risk). Type 1 exposure is due to deposits and insurance provisions through banks, reinsurers and co-insurers. The risk is primarily driven by exposure and credit rating/default risk related to each counterparty. Type 2 exposure is due to unrated counterparts, including policyholder receivables (outstanding premiums) and mortgage loans. Actual credit losses on policyholders have been low.

#### **Risk mitigation and process for monitoring the effectiveness**

The risk related to policyholder receivables is reduced by continuous monitoring, setting off premium receivables for outstanding claims and cancellation of contracts. Consequently, the risk is considered significantly lower than modelled. The risk related to reinsurers is reduced by using reinsurance with minimum A-rating.

#### **Sensitivity**

The standard model is sensitive to the interpretation of the type 2 credit risk model. A different interpretation could lead to a material reduction in this element of the capital requirement.

## **C.4 Liquidity risk**

#### **Model results and description of risks**

Liquidity risk is the risk that The Club will not be able to meet obligations when due, or only able to do so at an excessively high cost. This can occur if The Club does not have enough liquid assets (such as cash or easily sellable securities) to cover its liabilities. The liquidity risk in the investment portfolio is considered low as most of the portfolio is invested in assets that under normal circumstances are highly liquid. These are government bonds, corporate bonds and public equities. Other types of investments, as real estate and private markets are considered to be illiquid, even though secondary markets are available for most of them. There is no capital requirement for liquidity risk.

Policyholder receivables (premium receivables and disbursements) is a large, illiquid asset. To some extent this can, however, be set off against outstanding claims.

#### **Risk mitigation and process for monitoring the effectiveness**

The Club's reinsurance contracts include a "simultaneous payment clause," which transfers much of the liquidity risk to reinsurers. This clause allows reinsurance recoverable to be collected before payments are made to the assured. Additionally, the exposure to liquid assets is monitored according to approved liquidity limits and reported on a regular basis.

#### **Expected profit in future premium**

Expected Profit in future premium represents a small amount of own funds and the illiquidity of this asset has therefore no material effect on liquidity. The amount has increased due to growth in premium volume and increased premium rates.

## C.5 Operational risk

Operational risk can be defined as risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is included in the regulatory capital requirements of Solvency II.

The Club has implemented an Operational Risk policy that describes how The Club is systematically identifying, assessing, mitigating, managing and reporting the operational risks. The document also describes the ownership of the operational risks and gives an overview of the control environment.

Risk Management function facilitates an annual risk assessment process where all the departments will identify and assess all the known risks. Risk Management function in cooperation with TMG selects the most critical risks which will be managed, monitored and reported on a quarterly basis. In addition to annual risk identification and evaluation process, managers are also responsible for continuously identifying and assessing other operational risks e.g. related to projects, outsourcing etc.

All The Club's employees are also responsible for identifying and reporting new emerging operational risks. Emerging risks are new risks or familiar risks that become apparent in new or unfamiliar conditions. Sources of emerging risks can be for example:

- Human
- Natural
- New technologies
- Economic, societal, environmental, regulatory or political changes

Risk owners are responsible for identifying relevant mitigating actions for operational risks (actions to mitigate the risk/reduce the likelihood) and for implementing identified actions. Controls shall be put in place to limit the exposure of the risks and the potential damage caused by the risks. Risk owners shall also prepare contingent actions (actions to be taken if the risks materialize).

The Club has also implemented a quarterly risk reporting process which is driven by the Risk Management Function. The results of the risk reporting are provided to TMG and to Risk Committee.

The operational risk measurement system is complemented by a non-conformance reporting system, which is also documented and followed up in the internal documentation system.

## C.6 Other material risks

Risks described above are quantified through the Solvency II regulation (except for C.4 Liquidity risk). Below is a short description of other material risks.

### Climate risk

Globally, extreme weather events are expected to increase in frequency and intensity. Climate risks are high on the agenda in The Club and included in the Board's annual own risk and solvency assessment (ORSA). The latest assessment concluded with the identification of the following key risks for The Club:

- Increasing frequency, severity and volatility of extreme weather events such as hurricanes and windstorms, leading to increased weather-related claims for stationary objects,
- Inflation, including increased cost of raw materials and energy
- Reputational risk tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.

Due to these factors and the potential for increased frequency and size of claims, The Club will continually monitor and assess climate risk, along with evolving guidelines and tools from external sources and supervisory authorities. The Club has also implemented various actions to better assess climate risk and its impact on business, including underwriting, claims handling, loss prevention, and investment management processes.

### Cyber risk

Cyber risk refers to the potential for financial loss, operational disruption, or damage to a company's operations due to cyber

incidents. These incidents can include data breaches, ransomware attacks, phishing scams, and other forms of cybercrime. To mitigate cyber risk, The Club has established comprehensive security guidelines that clearly define roles and responsibilities for both ICT Security and Personnel Security. Additionally, The Club is in the process of implementing the DORA regulation to enhance its digital operational resilience and further reduce cyber risk. The DORA regulation sets out stringent requirements for managing ICT risks, ensuring that financial entities are better prepared to handle cyber threats and maintain operational continuity.

#### **Sanctions risk**

The sanctions landscape has changed dramatically since the Russian invasion of Ukraine, and the risk has increased significantly. The most relevant sanctions for The Club are those imposed by the EU/Norway, the UK and the US. The sanctions imposed by these regimes are complex, comprehensive and in constant change.

The Club is first of all affected by the unprecedented number of individuals and entities that have been added to the sanction lists. Relevant insurance policies are continuously being reviewed and screened to ensure that no sanctioned parties benefit from The Club's insurance services. The Club is further affected by the comprehensive restrictions that have been imposed on transporting goods to/from Russia, as well as other high-risk areas in relation to sanctions. Generally, these prohibitions also target the provision of (re)insurance related to such transport.

The consequences of non-compliance with sanctions can be very severe and may be punishable by heavy fines, prison sentences as well as sanctioning. Sanctions breaches also pose a serious reputational risk. Therefore, The Club has a strong commitment to ensure compliance with all relevant sanction's regimes. In line with this, The Club's Board has adopted a Sanctions Compliance Policy which formalizes The Club's commitment in this regard together with responsibilities, training and auditing in relation to sanctions compliance.

#### **Loss absorbing capacity of deferred tax:**

The Solvency II regulation assumes a loss absorbing capacity of deferred tax. The issue has been considered through The Club's annual ORSA process. The conclusion was that the loss absorbing capacity of deferred tax is questionable as the taxable result can deviate substantially from the operating result. If an extreme loss scenario is combined with strong USD appreciation (as during the financial crisis) the taxable result can be positive even though the net operating result is negative. No loss absorbing capacity of deferred tax is thus assumed.

#### **Diversification effects**

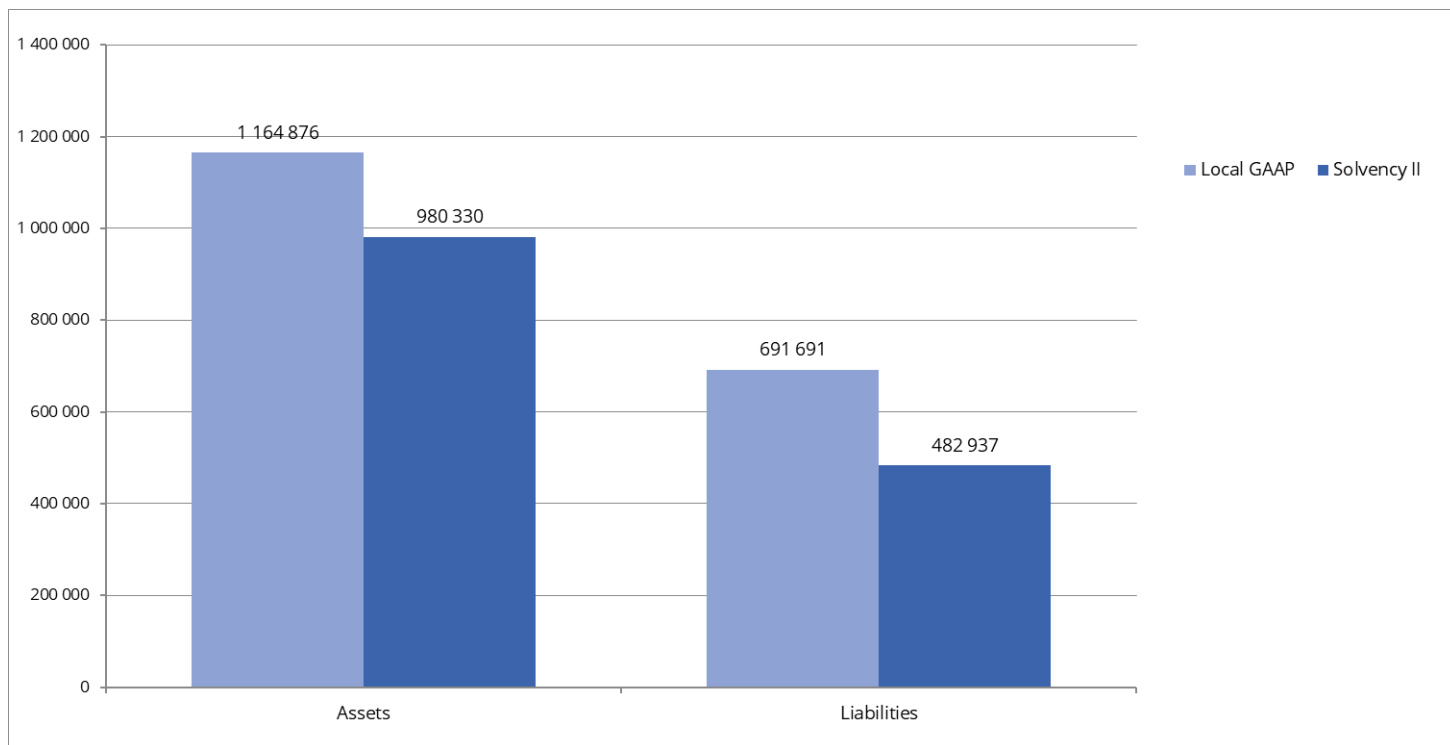
It is highly unlikely that worst case scenarios in all the various risk classes occur simultaneously. The standard model thus assumes a certain correlation between the various risks in order to reduce the overall risk for diversification benefits.

## **C.7 Any other information**

No other material information regarding risk to disclose.

## D Valuation for solvency purposes

The chart below displays a summary of assets and liabilities, listed per the valuation for solvency purposes and per valuation in the annual report.



The following chapters describe potentially differences between the valuation of assets and liabilities according to the Solvency II regulation and valuation principles used in the annual report.

### D.1 Assets

The below table shows assets per material class (table 02.01.02 in the appendix contains further details).

Assets	Local GAAP	Solvency II	Delta
Intangible assets	0	0	0
Deferred tax assets	0	0	0
Financial investments	720,380	720,380	0
Index and unit linked investments	0	0	0
Loans and mortgages	8,410	8,410	0
Reinsurance recoverables	94,254	56,784	-37,470
Cash and cash equivalents	103,211	103,211	0
Other assets	238,622	91,546	-147,076
<b>Total assets</b>	<b>1,164,876</b>	<b>980,330</b>	<b>-184,546</b>

Assets are valued based on the assumption that the undertaking will pursue its business as a going concern and are valued in conformity with international accounting standards. Assets are valued according to quoted market prices in active markets, if available. Where the use of quoted market prices is not possible, The Club use quoted market prices for similar assets and liabilities with adjustments to reflect differences. The use of alternative valuation methods makes maximum use of relevant market inputs and rely as little as possible on undertaking-specific inputs.

According to Norwegian generally accepted accounting principles there are some exemptions to common assessment and valuation principles. Comments to these exemptions follow below.

### **D.1.1 Financial investments**

The Club uses the opportunity that is given insurance companies in “Regulations for annual accounts for insurance companies approved by the Norwegian Ministry of Finance” to present all financial assets at fair value through profit and loss in accordance with the fair value option, if not otherwise decided before investment in a financial asset is made. This means that the fair value adjustments on financial assets are recognized in income before other comprehensive income.

Financial instruments are valued at fair market value. Such financial instruments are equities (both listed and unlisted), bonds and other interest generating investments, real estate funds and money market funds. Foreign exchange contracts are valued at fair market value as well.

Regular purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and The Club has transferred substantially all risks and rewards of ownership. Realized gains / losses on financial instruments are presented on a separate line in the statement of comprehensive income. Interest and dividends income are included in financial income for financial assets at fair value through profit and loss.

#### **Investments**

Note 15 in the annual report set out an overview of the carrying and fair values of The Club’s financial instruments and the accounting treatment of these instruments as defined in IFRS 9 and 13.

#### **Fair value hierarchy**

Government bonds, corporate bonds and other financial instruments that are traded in active markets where the fair value is determined based on quoted market prices at the balance sheet date, are classified on level 1 in the pricing hierarchy. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to value an instrument are observable, the instrument is included in level 2. Investments listed in the following have been classified on level two in the pricing hierarchy:

Equity funds, government bond funds, corporate bond funds and high yield bond funds. Values are determined based on the quoted market prices of the assets the funds have invested in.

Currency futures, interest rate futures, stock and equity options, credit default swaps and currency swaps. Values are determined based on the price development on an underlying asset or instrument. The before mentioned categories of derivatives are being priced by using standard and well recognized methods of pricing like option pricing models etc.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments listed in the following have been classified on level three in the pricing hierarchy:

#### **Unlisted Private Equity and Private Loans investments**

All of these are either investment in funds or in fund of funds. Values are determined based on quarterly NAV (Net Asset Value) reports from the fund managers. These reports are prepared based on the IPEV (International Private Equity and venture capital Valuation) guidelines set forth by the Equity Venture Capital Association or corresponding guidelines in the respective jurisdiction of the underlying funds. NAVs are calculated by the fund managers by making use of those methods of pricing in the IPEV and similar guidelines that are most suited to estimate actual value for each type of asset subject all relevant factors. Due to late reporting, NAVs as per the last quarterly reports are used in the accounts. The NAV from the most recent quarterly report is adjusted for capital distributions and/or capital calls in the period until 31st of December and might be adjusted if incidents of material character have occurred during the period since last reporting date. An example in this respect could be a substantial change in the market value of a listed company a Private Equity fund has invested in.

### **Real Estate funds**

As for Private Equity, values are determined based on quarterly NAV reports from the fund managers. Minimum yearly, the values of all properties in the funds are assessed by a publicly authorized real estate agent or valuator. The assessed values of the properties adjusted for other assets and liabilities, and if relevant expected cash flow (for example differentials due to future requirements and/or regulation that will impact the future cash flow of the properties) make up the basis for the NAVs.

### **Holdings in related undertakings**

Shares in subsidiaries are valued using the cost method in the Club's accounts. Cost increases when the parent gives the subsidiary increased equity capital by subscription for share issue or group contribution. Dividends / group contribution received is normally recognized as income, but only to the extent that dividends / group contribution received from subsidiary does not exceed the share of retained earnings in the subsidiaries after the purchase. Received dividends / group contributions in excess of this amount are recorded as a reduction of the acquisition cost. The Club's records received dividend / group contributions the same year as the subsidiary makes the provisions. Associated companies are valued using the equity method. Further details are available in the annual report.

### **D.1.2 Loans and mortgages**

Employee loans are accounted for at face value with deductions for expected loss. At year end there were no deductions made.

### **D.1.3 Reinsurance recoverables**

Reinsurance recoverables are current reinsurance recoverables due to claims.

### **D.1.4 Cash and cash equivalents**

USD is functional and reporting currency.

Receivables and liabilities (including technical insurance obligations) in foreign currencies are translated into USD at the year-end exchange rates. Foreign exchange gains and losses that relate to payables, receivables and cash and cash equivalents are presented in the statement of comprehensive income under financial income or costs as currency gain/loss. All other foreign exchange gains and losses are posted in the statement of comprehensive income under items they relate to. Securities and financial instruments in other currencies are valued in USD at the year-end exchange rates.

### **D.1.5 Other assets**

Other assets consist mainly of accounts receivables and property, plant & equipment held for own use.

#### **Accounts receivables**

Receivables are accounted for at face value with deductions for expected loss.

#### **Property, plant & equipment**

Property, plant & equipment are recorded in the accounts at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Depreciation is calculated using the straight-line method. Upgrading of rented office premises is depreciated over the rent period. If the fair value of a fixed asset is lower than book value, and the decline is not temporary, the fixed asset will be written down to fair value. Depreciation is classified as other insurance related expenses.

#### **Intangible assets**

The Club has no intangible assets.

#### **Deferred tax assets**

The Club has no deferred tax assets.

### **D.1.6 Explanation of material differences between Solvency II and Statutory Values**

### Reinsurance recoverables

The Solvency II reinsurance recoverables are reduced for expected losses on reinsurance, expected profit to reinsurers and discounting. In addition, the recoverables reflects contract boundaries as defined by the Solvency II directive and thus includes policies with inception in the beginning of the next year and multi-year contracts. This also reduce the recoverables as expected claims are lower than expected premium. In addition to these revaluations “reinsurance payables” are deducted from the recoverables. The latter is the most material difference but does not affect own funds as there is no “reinsurance payables” liability on the Solvency II balance sheet.

### Other assets / Insurance and intermediaries’ receivables

In the Solvency II balance sheet undue premium receivables are deducted from the premium provision and thus reduce this liability. This part of the receivables is therefore removed from the assets. This is a reclassification and therefore does not affect own funds.

## D.2 Technical provisions

The table below shows the valuation of technical provisions, for solvency purposes and the valuation in financial statements.

Technical provisions	Local GAAP	Solvency II	Delta
Technical provisions non-life	558,909	369,976	-188,933
Best estimate		350,305	
Risk margin		19,670	
Technical provisions life (ex. index-linked and unit-linked)	0	0	0
Best estimate		0	
Risk margin		0	
Technical provisions index-linked and unit-linked	0	0	0
Best estimate		0	
Risk margin		0	
Other technical provisions	0		0
Total technical provisions	558,909	369,976	-188,933

### D.2.1 Life technical provisions

The Club does not write life-insurance.



## D.2.2 Non-life technical provisions

The table below displays the valuation for solvency purposes for technical provisions split by Marine and Medical Insurance.

Non-Life	2024			2023		
	Technical provisions	Best estimate (gross)	Risk margin	Technical provisions	Best estimate (gross)	Risk margin
Medical expense insurance	11,419	10,812	607	8,037	7,600	437
Income protection insurance	0	0	0	0	0	0
Workers' compensation insurance	0	0	0	0	0	0
Motor vehicle liability insurance	0	0	0	0	0	0
Other motor insurance	0	0	0	0	0	0
Marine, aviation and transport insurance	358,557	339,493	19,063	340,267	321,768	18,499
Fire and other damage to property insurance	0	0	0	0	0	0
General liability insurance	0	0	0	0	0	0
Credit and suretyship insurance	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0
Assistance	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	0	0
Non-proportional health reinsurance	0	0	0	0	0	0
Non-proportional casualty reinsurance	0	0	0	0	0	0
Non-proportional marine, aviation and transport reinsurance	0	0	0	0	0	0
Non-proportional property reinsurance	0	0	0	0	0	0
Total Non-Life	369,976	350,305	19,670	348,304	329,368	18,936

### Best estimates, risk margins, methods and assumptions

The premium provision covers future claims on written policies. The provision is very low as premium receivables are deducted from the expected claims. The net provision is negative as parts of the reinsurance program is paid up-front, and the net future cash-flow from reinsurance is therefore positive.

The claims provisions cover incurred but not settled claims. The provision is calculated based on case estimates and IBNR reserves based on the Benktander method for most lines of business. The provisions are discounted based on risk free interest rates in three currencies.

The risk margin is an additional margin to make the overall provision sufficient for a third party to accept to take over the liability. The risk margin is calculated according to the Cost of Capital method with a Cost-of-Capital rate of 6 %, in line with the Delegated Regulation.

### Level of uncertainty

The premium provision covers future claims on written policies. As marine insurance is a high severity line of business, the level of uncertainty associated with this provision is very high.

The uncertainty of the claim provision is assessed based on historic run off results. The net run off result has been negative the past 6 years after 5 years of positive results. The average loss the past 5 years is 6 MUSD. The run-off standard deviation the past 10 years is 8 MUSD.

### D.2.3 Material differences between valuation for Solvency purposes and financial statement

	Solvency II	Statutory Accounts	Comment
Unearned Gross Premium	188 793	188 793	
Expected Profit in unearned premium	-27 796		Negative = profit
Expected Profit in written 2025 business	-2 864		Negative = profit
Expected Profit in long term policies	-4 092		Negative = profit
Non due premium receivables	-147 076		Reclassification
Discounting	-10 064		
<b>Gross Premium Provision</b>	<b>-3 101</b>	<b>188 793</b>	

#### Gross premium provision:

The most important difference between the Solvency II valuation and the Statutory Accounts is that non due premium receivables are deducted from the former. This difference represents a reclassification (rather than a revaluation) and therefore does not affect own funds. This makes the Solvency II Premium Provision hard to interpret. In addition, expected profit in future premium is deducted and policies written on future years are included.

#### Claims Provision

The Solvency II claim provisions are discounted. This reduces the reserves by 4 % compared to the Statutory Accounts.

#### Risk Margin

There is no risk margin in the Statutory Accounts.

#### Adjustments

None of the available measures to reduce the provisions have been applied (matching adjustment, volatility adjustment, transitional term structure, transitional deduction).

#### Recoverables from reinsurance contracts

In the statutory accounts, recoverables from reinsurance equals the unearned reinsurance premium and the reinsurers' share of the gross claim's provisions. The latter is based on reinsurer's share of incurred but not settled claims on a case-by-case basis and reinsurers' estimated share of the IBNR claims. The Solvency II recoverables are based on an adjusted version of the statutory accounts (allowing for discounting, expected counterparty losses, expected reinsurer profit and extended contract boundaries). The adjustments are described in Section D.1 above.

#### Changes during the year

There are no material changes in the calculation of technical provisions during the year.

## D.3 Other liabilities

The below table shows other liabilities:

Liabilities	Local GAAP	Solvency II	Delta
Technical provisions	558,909	369,976	-188,933
Pension obligations	2,804	2,804	0
Deferred tax liabilities	29,390	37,770	8,380
Derivatives	248	248	0
Financial liabilities	0	0	0
Subordinated liabilities	0	0	0
Other liabilities	100,340	72,139	-28,201
<b>Total liabilities</b>	<b>691,691</b>	<b>482,937</b>	<b>-208,754</b>

**Pension obligations**

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. This is pension obligations for some pensioners. These are non-funded obligations.

**Deferred tax liabilities**

Deferred tax is calculated based on temporary differences between book values and tax basis for assets and liabilities at year-end. For the purpose of calculating deferred tax, nominal tax rates are used. Taxable and deductible temporary differences are offset to the extent they reverse within the same time frame. However, deferred tax liabilities on net pension assets are treated separately. Temporary differences that will constitute a future tax deduction give rise to a deferred tax asset. Change in deferred tax liability and deferred tax asset, together with taxes payable for the fiscal year adjusted for errors in previous year's tax calculations constitutes tax expenses for the year. The difference between IFRS and Solvency II is due to the difference in the valuation of the technical provisions (lower reserves triggers higher tax).

**Derivatives**

Derivatives relates to market values of currency derivatives.

**Other liabilities**

Other liabilities consist mainly of 'Insurance & intermediaries payables', 'Payables (trade, not insurance)', 'Reinsurance payables' and 'Any other liabilities, not elsewhere shown'. There is only difference in the classification of reinsurance payables.

**Reinsurance payable – Reclassification**

In the Solvency II balance sheet the liability 'reinsurance payables' is deducted from the asset 'reinsurance recoverables'. This does not affect own funds.

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

Covered under D.1 for assets. No use of alternative methods for valuation of technical provisions.

## **D.5 Any other information**

There is no other material information to be disclosed regarding the valuation for solvency purposes,

## E Capital Management

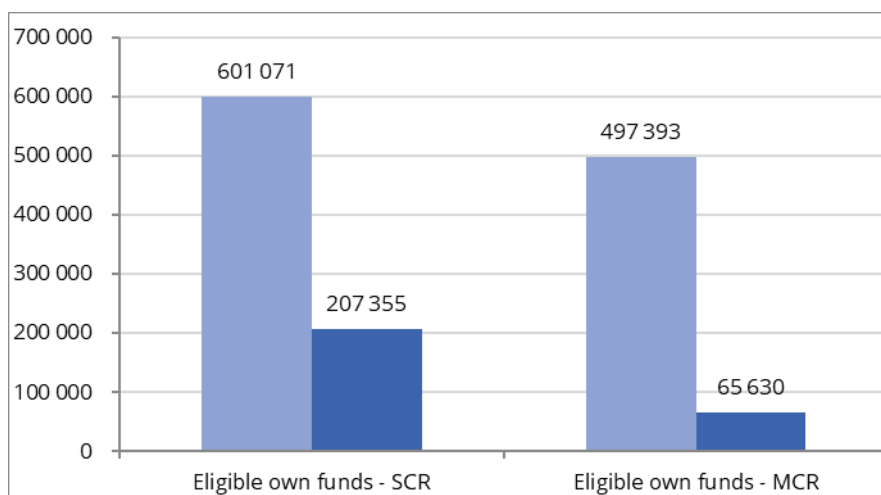
The different contributing elements to SCR and MCR are represented in the table below, it also includes the total SCR/MCR and corresponding ratios.

	2024		2023	
	SCR	MCR	SCR	MCR
Eligible Own Funds	601 071	497 393	536 348	435 970
Capital Requirement	207 355	65 630	200 757	62 029
Difference	393 716	431 763	335 591	373 941
Ratio	290 %	758 %	267 %	703 %

The increase in own funds is due to positive results from both underwriting and investments business during 2024. The increase in the capital requirement is due to increased market and underwriting risk.

### E.1 Own funds

The following chart shows an overview of the own funds figures:



Own funds are currently a mix of unrestricted Tier 1 capital and supplementary mutual calls as Tier 2 (ancillary) capital. Additional premium has not been called since 1947 and is considered an option of last resort. In addition, the following factors affects the development of own funds: The operating result, deferred tax, change in expected profit in future premium, changes in the effect of discounting reserves, changes in expected losses on reinsurance receivables.

#### E.1.1 Capital management

The Board has adopted the main objectives for capital management, where the overall risk appetite and tolerance is expressed through levels of capital margin. The Club shall seek to maintain a capital margin at least at the risk appetite level. If capital margin levels fall below tolerance levels the capital management plan comes into force.

A basic assumption in all capital planning and risk management is that The Club shall not have to or rely on making a supplemental call on mutual members, i.e. calling extra premium in order to meet insurance liabilities.

#### Material Differences between The Club's financial statement equity and Own funds

The differences between the Solvency II balance sheet and the Statutory accounts are a mix of reclassifications and revaluations. Discounting the reserves, expected net of tax profit in future premium and supplemental mutual calls strengthens own funds. The Solvency II risk margin reduce own funds.

The following table shows the effect on own funds to meet the SCR:

	2024	2023
NHC's financial statement equity	473 185	415 833
Discounting Claim Reserve	14 791	11 655
Risk Margin	-19 670	-18 936
Expected profit future premium	38 332	33 363
Increased deferred tax	-6 657	-6 657
Supplemental mutual calls	101 089	101 089
Total eligible own funds to meet the SCR	601 071	536 348

### E.1.2 Own funds tiers - SCR

Eligible own funds SCR	2024	2023
Tier 1 (unrestricted)	497,393	435,970
Tier 1 (restricted)	0	0
Tier 2	103,677	100,378
Tier 3	0	0
Total eligible own funds SCR	601,071	536,348

Supplementary Members Calls are included as Tier 2 capital.

### E.1.3 Own funds tiers - MCR

Eligible own funds MCR	2024	2023
Tier 1 (unrestricted)	497,393	435,970
Tier 1 (restricted)	0	0
Tier 2	0	0
Tier 3		
Total eligible own funds MCR	497,393	435,970

Supplementary Members Calls (ancillary tier 2 capital) do not contribute to the capital eligible to meet the MCR requirement.

## E.2 Solvency capital requirement and minimum capital requirement

Split by risk modules, the table below displays information about the SCR breakdown.

SCR risk modules	2024	2023
Market risk	60,174	54,843
Counterparty default risk	20,417	21,901
Life underwriting risk	0	0
Health underwriting risk	12,745	9,881
Non-life underwriting risk	159,296	155,552
Diversification	-55,786	-51,302
Basic Solvency Capital Requirement	196,846	190,876
Operational Risk	10,509	9,881
Loss-absorbing capacity of technical provisions	0	0
Loss-absorbing capacity of deferred taxes	0	0
Solvency Capital Requirement (SCR)	207,355	200,757
Minimum Capital Requirement (MCR)	65,630	62,029

The minimum capital requirement is calculated per line of business as the sum of the written net premium multiplied by a premium risk factor and the net technical provisions per line of business multiplied by a reserving risk factor. The total MCR equals the sum of the MCR per line of business. MCR is designed to lie between 25 % and 45 % of SCR. The low MCR/SCR ratio suggests a high SCR. This is caused by the high capital charge in the Marine Line of Business and risk taking in areas that are not explicitly reflected in the MCR (investment risk and credit risk).

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

The Club does not apply the duration-based approach.

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

The Club does not use an internal model.

## E.5 Non-compliance with the MCR and the SCR

The Club has sufficient amount of capital to meet the capital requirements.

## E.6 Any other information

The Club applies the simplifications described in Article 107, 110, 111, 112 of the Delegated Regulation.

## Appendix

As part of the SFCR, undertakings are expected to disclose the templates attached in this Appendix. The monetary amounts are disclosed in thousands of units.

## S.02.01.02 - Balance Sheet

		Solvency II value
		C0010
<b>Assets</b>		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	12,253
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	720,380
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	15,546
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	544,528
Government Bonds	R0140	317,531
Corporate Bonds	R0150	226,997
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	159,296
Derivatives	R0190	1,010
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	8,410
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	8,410
Reinsurance recoverables from:	R0270	56,784
Non-life and health similar to non-life	R0280	56,784
Non-life excluding health	R0290	56,737
Health similar to non-life	R0300	47
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	58,179
Reinsurance receivables	R0370	5,751
Receivables (trade, not insurance)	R0380	13,948
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	103,211
Any other assets, not elsewhere shown	R0420	1,415
<b>Total assets</b>	R0500	980,330



## S.02.01.02 - Balance Sheet

		Solvency II value
<b>Liabilities</b>		C0010
Technical provisions – non-life	R0510	369,976
Technical provisions – non-life (excluding health)	R0520	358,557
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	339,493
Risk margin	R0550	19,063
Technical provisions - health (similar to non-life)	R0560	11,419
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	10,812
Risk margin	R0590	607
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	2,804
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	37,770
Derivatives	R0790	248
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	15,271
Reinsurance payables	R0830	-
Payables (trade, not insurance)	R0840	27,812
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	29,057
<b>Total liabilities</b>	R0900	482,937
<b>Excess of assets over liabilities</b>	R1000	497,393

## S.04.05.21 - Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations		Home country
		C0010
Premiums written (gross)		
Gross Written Premium (direct)	R0020	67,699
Gross Written Premium (proportional reinsurance)	R0021	3,074
Gross Written Premium (non-proportional reinsurance)	R0022	-
Premiums earned (gross)		
Gross Earned Premium (direct)	R0030	52,814
Gross Earned Premium (proportional reinsurance)	R0031	2,587
Gross Earned Premium (non-proportional reinsurance)	R0032	-
Claims incurred (gross)		
Claims incurred (direct)	R0040	35,462
Claims incurred (proportional reinsurance)	R0041	1,577
Claims incurred (non-proportional reinsurance)	R0042	-
Expenses incurred (gross)		
Gross Expenses Incurred (direct)	R0050	9,968
Gross Expenses Incurred (proportional reinsurance)	R0051	453
Gross Expenses Incurred (non-proportional reinsurance)	R0052	-

Home country: Life insurance and reinsurance obligations		Home country
		C0030
Gross Written Premium	R1020	-
Gross Earned Premium	R1030	-
Claims incurred	R1040	-
Gross Expenses Incurred	R1050	-

## Top 5 - Non-life insurance and reinsurance obligations

		Premiums written (gross)			Premiums earned (gross)			
Country		Gross Written Premium (direct)	Gross Written Premium (proportional reinsurance)	Gross Written Premium (non-proportional reinsurance)	Gross Earned Premium (direct)	Gross Earned Premium (proportional reinsurance)	Gross Earned Premium (non-proportional reinsurance)	
R0010		R0020	R0021	R0022	R0030	R0031	R0032	
Top 5 countries: non-life	C0020	GERMANY	33,549	275	-	30,177	239	-
Top 5 countries: non-life	C0020	FRANCE	25,246	111	-	27,827	92	-
Top 5 countries: non-life	C0020	D KINGDOM	19,495	5,453	-	26,242	4,002	-
Top 5 countries: non-life	C0020	GREECE	18,956	10	-	19,169	8	-
Top 5 countries: non-life	C0020	ITED STATES	16,040	34	-	15,850	213	-

		Claims incurred (gross)			Expenses incurred (gross)			
		Country	Gross Written Premium (direct)	Gross Written Premium (proportional reinsurance)	Gross Written Premium (non-proportional reinsurance)	Gross Earned Premium (direct)	Gross Earned Premium (proportional reinsurance)	Gross Earned Premium (non-proportional reinsurance)
		R0010	R0040	R0041	R0042	R0050	R0052	R00522
Top 5 countries: non-life	C0020	GERMANY	23,204	122	-	4,937	40	-
Top 5 countries: non-life	C0020	FRANCE	9,278	(42)	-	3,719	16	-
Top 5 countries: non-life	C0020	D KINGDOM	11,516	4,348	-	2,764	109	-
Top 5 countries: non-life	C0020	GREECE	16,784	-	-	2,785	1	-
Top 5 countries: non-life	C0020	ITED STATES	8,839	647	-	2,363	5	-

## 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
		C0010	C0020	C0030	C0040
Premiums written					
Gross - Direct Business	R0110	24,160	-	-	-
Gross - Proportional reinsurance accepted	R0120	4,716	-	-	-
Gross - Non-proportional reinsurance accepted	R0130				
Reinsurers' share	R0140	(1)	-	-	-
Net	R0200	28,877	-	-	-
Premiums earned					
Gross - Direct Business	R0210	24,667	-	-	-
Gross - Proportional reinsurance accepted	R0220	3,310	-	-	-
Gross - Non-proportional reinsurance accepted	R0230				
Reinsurers' share	R0240	(1)	-	-	-
Net	R0300	27,978	-	-	-
Claims incurred					
Gross - Direct Business	R0310	19,450	-	-	-
Gross - Proportional reinsurance accepted	R0320	4,272	-	-	-
Gross - Non-proportional reinsurance accepted	R0330				
Reinsurers' share	R0340	(19)	-	-	-
Net	R0400	23,741	-	-	-
Expenses incurred	R0550	161	-	-	-
Balance - other technical expenses/income	R1200				
Total technical expenses	R1300				

## 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)			
		Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance
		C0050	C0060	C0070	C0080
Premiums written					
Gross - Direct Business	R0110	-	274,721	-	-
Gross - Proportional reinsurance accepted	R0120	-	31,905	-	-
Gross - Non-proportional reinsurance accepted	R0130				
Reinsurers' share	R0140	-	59,178	-	-
Net	R0200	-	247,448	-	-
Premiums earned					
Gross - Direct Business	R0210	-	265,218	-	-
Gross - Proportional reinsurance accepted	R0220	-	29,861	-	-
Gross - Non-proportional reinsurance accepted	R0230				
Reinsurers' share	R0240	-	57,548	-	-
Net	R0300	-	237,532	-	-
Claims incurred					
Gross - Direct Business	R0310	-	154,469	-	-
Gross - Proportional reinsurance accepted	R0320	-	14,428	-	-
Gross - Non-proportional reinsurance accepted	R0330				
Reinsurers' share	R0340	-	16,314	-	-
Net	R0400	-	152,584	-	-
Expenses incurred	R0550	-	45,171	-	-
Balance - other technical expenses/income	R1200				
Total technical expenses	R1300				

## 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)			
		Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0090	C0100	C0110	C0120
<b>Premiums written</b>					
Gross - Direct Business	R0110	-	-	-	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130				
Reinsurers' share	R0140	-	-	-	-
Net	R0200	-	-	-	-
<b>Premiums earned</b>					
Gross - Direct Business	R0210	-	-	-	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230				
Reinsurers' share	R0240	-	-	-	-
Net	R0300	-	-	-	-
<b>Claims incurred</b>					
Gross - Direct Business	R0310	-	-	-	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330				
Reinsurers' share	R0340	-	-	-	-
Net	R0400	-	-	-	-
<b>Expenses incurred</b>	R0550	-	-	-	-
<b>Balance - other technical expenses/income</b>	R1200				
<b>Total technical expenses</b>	R1300				

## S.05.01.02 - Premiums, claims and expenses by line of business

		Line of Business for: accepted non-proportional reinsurance				Total
		Health	Casualty	Marine, aviation, transport	Property	
		C0130	C0140	C0150	C0160	
Premiums written						
Gross - Direct Business	R0110					298,880
Gross - Proportional reinsurance accepted	R0120					36,621
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-
Reinsurers' share	R0140	-	-	-	-	59,176
Net	R0200	-	-	-	-	276,325
Premiums earned						
Gross - Direct Business	R0210					289,885
Gross - Proportional reinsurance accepted	R0220					33,171
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-
Reinsurers' share	R0240	-	-	-	-	57,546
Net	R0300	-	-	-	-	265,510
Claims incurred						
Gross - Direct Business	R0310					173,919
Gross - Proportional reinsurance accepted	R0320					18,700
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-
Reinsurers' share	R0340	-	-	-	-	16,295
Net	R0400	-	-	-	-	176,325
Expenses incurred	R0550	-	-	-	-	45,332
Balance - other technical expenses/income	R1200					
Total technical expenses	R1300					45,332

## S.17.01.02 - Non-life Technical Provisions

		Direct business and accepted proportional reinsurance					
		Medical expense insurance	Income protection insurance	Workers' compensa tion insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
		C0020	C0030	C0040	C0050	C0060	C0070
<b>Technical provisions calculated as a whole</b>	R0010	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best estimate</b>							
Premium provisions							
Gross	R0060	382	-	-	-	-	(3,483)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	-	1,165
Net Best Estimate of Premium Provisions	R0150	382	-	-	-	-	(4,648)
<b>Claims provisions</b>							
Gross	R0160	10,430	-	-	-	-	342,976
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	47	-	-	-	-	55,572
Net Best Estimate of Claims Provisions	R0250	10,383	-	-	-	-	287,404



## S.17.01.02 - Non-life Technical Provisions

		Direct business and accepted proportional reinsurance					
		Medical expense insurance	Income protection insurance	Workers' compensa tion insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
		C0020	C0030	C0040	C0050	C0060	C0070
<b>Total Best estimate - gross</b>	R0260	10,812	-	-	-	-	339,493
<b>Total Best estimate - net</b>	R0270	10,765	-	-	-	-	282,756
<b>Risk margin</b>	R0280	607	-	-	-	-	19,063
<b>Amount of the transitional on Technical Provisions</b>							
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-
<b>Technical provisions - total</b>							
Technical provisions - total	R0320	11,419	-	-	-	-	358,557
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	47	-	-	-	-	56,737
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	11,372	-	-	-	-	301,819

## S.17.01.02 - Non-life Technical Provisions

		Direct business and accepted proportional reinsurance					
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscella- neous financial loss
		C0080	C0090	C0100	C0110	C0120	C0130
<b>Technical provisions calculated as a whole</b>	R0010	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best estimate</b>							
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	-	-	-	-	-	-
<b>Claims provisions</b>							
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	-	-	-	-	-	-

## S.17.01.02 - Non-life Technical Provisions

		Direct business and accepted proportional reinsurance					
		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscella- neous financial loss
		C0080	C0090	C0100	C0110	C0120	C0130
<b>Total Best estimate - gross</b>	R0260	-	-	-	-	-	-
<b>Total Best estimate - net</b>	R0270	-	-	-	-	-	-
<b>Risk margin</b>	R0280	-	-	-	-	-	-
<b>Amount of the transitional on Technical Provisions</b>							
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-
<b>Technical provisions - total</b>							
Technical provisions - total	R0320	-	-	-	-	-	-
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	-	-	-	-	-	-

## S.17.01.02 - Non-life Technical Provisions

		Accepted non-proportional reinsurance				
		Non-proportiona l health reinsurance	Non-proportiona l casualty reinsurance	Non-proportiona l marine, aviation and transport reinsurance	Non-proportiona l property reinsurance	Total Non- Life obligation
		C0140	C0150	C0160	C0170	C0180
<b>Technical provisions calculated as a whole</b>	R0010	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-
<b>Technical provisions calculated as a sum of BE and RM</b>						
<b>Best estimate</b>						
Premium provisions						
Gross	R0060	-	-	-	-	(3,101)
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	1,165
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	(4,266)
<b>Claims provisions</b>						
Gross	R0160	-	-	-	-	353,406
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	55,619
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	297,787

## S.17.01.02 - Non-life Technical Provisions

		Accepted non-proportional reinsurance				
		Non- proportiona l health reinsurance	Non- proportiona l casualty reinsurance	Non- proportiona l marine, aviation and transport reinsurance	Non- proportiona l property reinsurance	Total Non- Life obligation
		C0140	C0150	C0160	C0170	C0180
Total Best estimate - gross	R0260	-	-	-	-	350,305
Total Best estimate - net	R0270	-	-	-	-	293,521
Risk margin	R0280	-	-	-	-	19,670
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-
Technical provisions - total						
Technical provisions - total	R0320	-	-	-	-	369,976
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-	-	-	-	56,784
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	-	-	-	-	313,192

Z0020

Accident year / Underwriting year:

Accident year
Gross Claims Paid (non-cumulative)

Current year Sum of years

Year	Development year											C0170	C0180
	0	1	2	3	4	5	6	7	8	9	10 & +		
Prior												(1,919)	642,358
N-9	72,263	50,145	37,947	3,095	2,116	379	689	39	442	(78)		(78)	167,038
N-8	41,439	55,307	21,103	20,190	3,374	1,129	579	74	119			119	143,314
N-7	111,775	47,779	34,477	22,065	16,121	11,432	17,517	(194)				(194)	260,972
N-6	30,088	72,809	19,859	8,669	2,741	8,128	1,505					1,505	143,800
N-5	50,583	73,963	21,611	12,814	13,397	(585)						(585)	171,782
N-4	46,514	58,979	20,257	10,947	1,882							1,882	138,579
N-3	39,859	58,475	32,684	10,381								10,381	141,399
N-2	42,177	97,843	27,205									27,205	167,225
N-1	53,202	77,519										77,519	130,721
N	48,693											48,693	48,693
Total												164,529	2,155,880

Gross undiscounted Best Estimate Claims Provisions

Year	Development year											C0360
	0	1	2	3	4	5	6	7	8	9	10 & +	
Prior												5,484
N-9	101,256	53,084	11,707	5,519	2,479	2,138	1,273	1,031	781	470		449
N-8	88,768	39,916	32,066	8,333	2,776	2,054	1,181	(73)	(540)			(515)
N-7	105,775	59,719	32,745	35,381	34,854	21,245	1,738	1,475				1,409
N-6	108,109	38,400	20,153	10,522	6,768	5,388	3,363					3,211
N-5	134,807	52,271	27,028	12,708	5,685	4,584						4,377
N-4	106,362	45,341	23,147	13,469	6,892							6,581
N-3	119,470	69,397	37,380	26,541								25,343
N-2	188,578	101,739	63,306									60,448
N-1	168,575	92,853										88,661
N	165,428											157,960
Total												353,406

## 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	369,976	-	-	-	-
Basic own funds	R0020	497,393	-	-	-	-
Eligible own funds to meet Solvency Capital Requirement	R0050	601,071	(497,393)	-	(497,393)	-
Solvency Capital Requirement	R0090	207,355	-	-	-	-
Eligible own funds to meet Minimum Capital Requirement	R0100	497,393	-	-	-	-
Minimum Capital Requirement	R0110	65,630	-	-	-	-

## S.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	-				
Share premium account related to ordinary share capital	R0030	-				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	8,042	8,042			
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-				
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-				
Reconciliation reserve	R0130	489,351	489,351			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
<b>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</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230					
<b>Total basic own funds after deductions</b>	R0290	497,393	497,393	-	-	-



## S.23.01.01 - Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	123,384			123,384	-
Other ancillary own funds	R0390	-			-	-
<b>Total ancillary own funds</b>	R0400	123,384			123,384	-
<b>Available and eligible own funds</b>						
Total available own funds to meet the SCR	R0500	620,777	497,393	-	123,384	-
Total available own funds to meet the MCR	R0510	497,393	497,393	-	-	
Total eligible own funds to meet the SCR	R0540	601,071	497,393	-	103,677	-
Total eligible own funds to meet the MCR	R0550	497,393	497,393	-	-	
<b>SCR</b>	R0580	207,355				
<b>MCR</b>	R0600	65,630				
<b>Ratio of Eligible own funds to SCR</b>	R0620	290%				
<b>Ratio of Eligible own funds to MCR</b>	R0640	758%				

		C0060	
<b>Reconciliation reserve</b>			
Excess of assets over liabilities	R0700	497,393	
Own shares (held directly and indirectly)	R0710		
Foreseeable dividends, distributions and charges	R0720		
Other basic own fund items	R0730	8,042	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-	
<b>Reconciliation reserve</b>	R0760	489,351	
<b>Expected profits</b>			
Expected profits included in future premiums (EPIFP) - Life business	R0770	-	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	38,332	
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790	38,332	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	60,174		
Counterparty default risk	R0020	20,417		
Life underwriting risk	R0030	-	None	
Health underwriting risk	R0040	12,745	None	*17
Non-life underwriting risk	R0050	159,296	None	
Diversification	R0060	(55,786)		
Intangible asset risk	R0070	-		
<b>Basic Solvency Capital Requirement</b>	R0100	196,846		

Calculation of Solvency Capital Requirement			C0100
Operational risk	R0130		10,509
Loss-absorbing capacity of technical provisions	R0140		-
Loss-absorbing capacity of deferred taxes	R0150		-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency Capital Requirement excluding capital add-on</b>	R0200		207,355
Capital add-ons already set	R0210		-
of which, capital add-ons already set - Article 37 (1) Type a	R0211		
of which, capital add-ons already set - Article 37 (1) Type b	R0212		
of which, capital add-ons already set - Article 37 (1) Type c	R0213		
of which, capital add-ons already set - Article 37 (1) Type d	R0214		
<b>Solvency capital requirement</b>	R0220		207,355

Other information on SCR			C0110
<b>Capital requirement for duration-based equity risk sub-module</b>			
Total amount of Notional Solvency Capital Requirements for remaining part	R0400		
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0410		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0420		
	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		

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

Simplifications used	USP
1* Simplifications spread risk – bonds and loans 2* Simplifications market concentration risk – simplifications used 3* Captives simplifications - interest rate risk 4* Captives simplifications - spread risk on bonds and loans 5* Captives simplifications - market concentration risk 6* Simplifications - mortality risk 7* Simplifications - longevity risk 8* Simplifications - disability-morbidity risk 9* Simplifications - lapse risk 10* Simplifications - life expense risk 11* Simplifications - life catastrophe risk 12* Simplifications - health mortality risk 13* Simplifications - health longevity risk 14* Simplifications - health disability-morbidity risk-medical expenses 15* Simplifications - health disability-morbidity risk-income protection 16* Simplifications - SLT lapse risk 17* Simplifications - NSLT lapse risk 18* Simplifications - health expense risk 19* Captives simplifications - premium and reserve risk 20* Simplifications used – non-life lapse risk	1* Increase in the amount of annuity benefits 2* Standard deviation for NSLT health premium risk referred to in Title I Chapter V Section 12 of Delegated Regulation (EU) 2015/35 3* Standard deviation for NSLT health gross premium risk referred to in Title I Chapter V Section 12 of Delegated Regulation (EU) 2015/35 4* Adjustment factor for non-proportional reinsurance 5* Standard deviation for NSLT health reserve risk referred to in Title I Chapter V Section 12 of Delegated Regulation (EU) 2015/35 6* Standard deviation for non-life premium risk 7* Standard deviation for non-life gross premium risk 8* Adjustment factor for non-proportional reinsurance 9* Standard deviation for non-life reserve risk

		Yes/No
		C0109
Approach based on average tax rate	R0590	
		LAC DT
		C0130
LAC DT	R0640	-
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

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

Linear formula component for non-life insurance and reinsurance obligations		MCR components	
		C0010	
MCRnl-Result	R0010	65,630	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	10,765	28,876
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	282,756	247,449
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

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

Linear formula component for non-life insurance and reinsurance obligations		MCR components	
MCRI-Result	R0200	C0040	
		-	

## S.28.02.01 - Minimum Capital Requirement - Both life and non-life insurance activity

		MCR components	
		Non-life activities	Life activities
		MCR(NL, NL) Result	MCR(NL, L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations		R0010	65,630
			-

		Non-life activities		Life activities	
		Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of re-insurance/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	10,765	28,876	-	-
Income protection insurance and proportional reinsurance	R0030	-	-	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-	-	-
Other motor insurance and proportional reinsurance	R0060	-	-	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	282,756	247,449	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-	-	-
General liability insurance and proportional reinsurance	R0090	-	-	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-	-	-
Assistance and proportional reinsurance	R0120	-	-	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-	-	-
Non-proportional health reinsurance	R0140	-	-	-	-
Non-proportional casualty reinsurance	R0150	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-	-	-
Non-proportional property reinsurance	R0170	-	-	-	-

## 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	-	-

		Non-life activities		Life activities	
		Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of re-insurance/SPV) total capital at risk	Net (of re-insurance/SPV) best estimate and TP calculated as a whole	Net (of re-insurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210				
Obligations with profit participation - future discretionary benefits	R0220				
Index-linked and unit-linked insurance obligations	R0230				
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				

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

		C0130
		65,630
		207,355
		93,310
		51,839
		65,630
		4,353
		65,630

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	65,630	-
Notional SCR excluding add-on (annual or latest calculation)	R0510	207,355	-
Notional MCR cap	R0520	93,310	-
Notional MCR floor	R0530	51,839	-
Notional Combined MCR	R0540	65,630	-
Absolute floor of the notional MCR	R0550	4,353	-
Notional MCR	R0560	65,630	-