NORWEGIAN HULL CLUB

Solvency Financial Condition Report

Contents

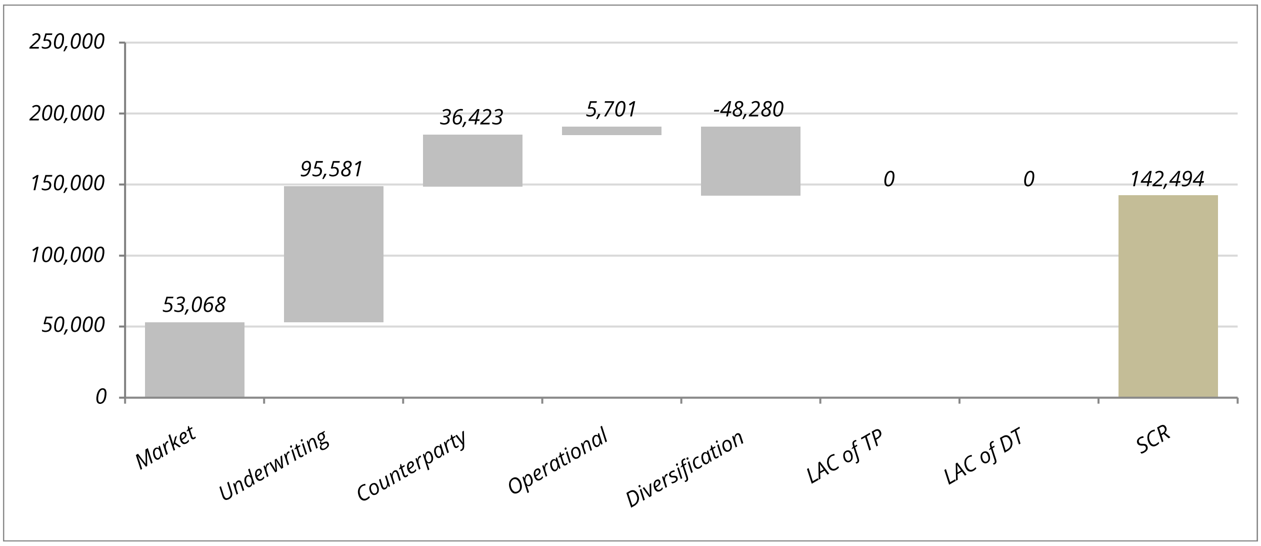
Summary

Norwegian Hull Club (NHC) is a mutual insurance undertaking writing global marine and medical expense insurance. The 2017 earned gross premium was 168 MUSD up 1% from 2016. The operating result was 30 MUSD. NHC's operating result has been positive every year since 2009.

The below table summarize the solvency conditions in terms of Solvency Capital Requirement (SCR), Minimum Capital Requirement (MCR) and Own Funds in USD 1000. The increase in the capital requirement is mainly due to a more conservative assessment of the loss absorbing capacity of deferred tax (ref. section C6 for details).

	2017		*2016*	
	SCR	***MCR***	***SCR***	***MCR***
Eligible Own Funds	*286,613*	*286,613*	*260,108*	*260,108*
Capital Requirement	*142,494*	*35,624*	*112,984*	*32,540*
Difference	*144,119*	*250,989*	*147,124*	*227,568*
Ratio	*201%*	*805%*	*230%*	*799%*

The chart below displays how the Solvency Capital Requirement is built up:



A Business and Performance

A.1 Business

NHC is a mutual marine insurance company writing marine 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: Olav Kyrres gate 11
PO Box 75 Sentrum
No 5083 Bergen
Norway

NHC is supervised by the Financial Supervisory Authority of Norway (FSAN).

Contact details: Revierstredet 3,
Postboks 1187 Sentrum
0107 Oslo

The external auditor is PWC.

Contact details: Sandviksbodene 2A,
5835 Bergen.

The largest members have less than 10% ownership and there are thus no holders of qualifying holdings in the undertaking.

NHC 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. In addition, P&I and defense covers are provided to charterers and health insurance is provided to seafarers and their relatives. Marine and Energy insurance is placed and written globally, mainly through brokers. A major part of the business is with international clients.

NHC has about 26 % share of the Nordic market (defined as business written by companies operating from the Nordic countries), which account for about 11 % of global hull premium. Thus, NHC has 2.5 – 3.0 % market share of global hull business. The Nordic market has its own conditions(http://www.nordicplan.org/), in which the role as claims leader is distinctive and important. NHC has long experience as claims leader, and this role is an important part of its service offering.

NHC opened a branch office in London at the end of 2016, writing business produced by London brokers as well as maintaining the existing business relationships.

Legal structure
The below table lists subsidiaries and participations (USD):

Company	Insurance Technology Solutions AS	Marine Benefits AS	Nhc Prosjekt AS	Olav Kyrresgt. 11 AS
Business office	Bergen	Bergen	Bergen	Bergen
Ownership share / Voting share	100%	100%	100%	33%
Result in subsidiaries and associated companies	81 633	538 777	0	-274 900
Book value	295 969	2 060 659	378 086	1 281 925
Equity	238 570	2 959 897	378 086	2 866 037

A.2 Underwriting Performance
From 2010 to 2015 NHC has had strong underwriting performance reflecting its focus on underwriting profit through comprehensive Client Risks Assessment models. The 2017 result was significantly affected by losses from Hurricane Irma.

A.2.1 Life underwriting
NHC does not write life insurance.

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	***2017***	***2016***
Health		
Premiums earned (gross)	*13,427*	*11,326*
Claims incurred (gross)	*10,203*	*7,552*
Expenses	*2,433*	*1,277*

A.2.3 Non-Life underwriting
Non-Life underwriting performance is shown in the table below. Losses related to Hurricane Irma explains the

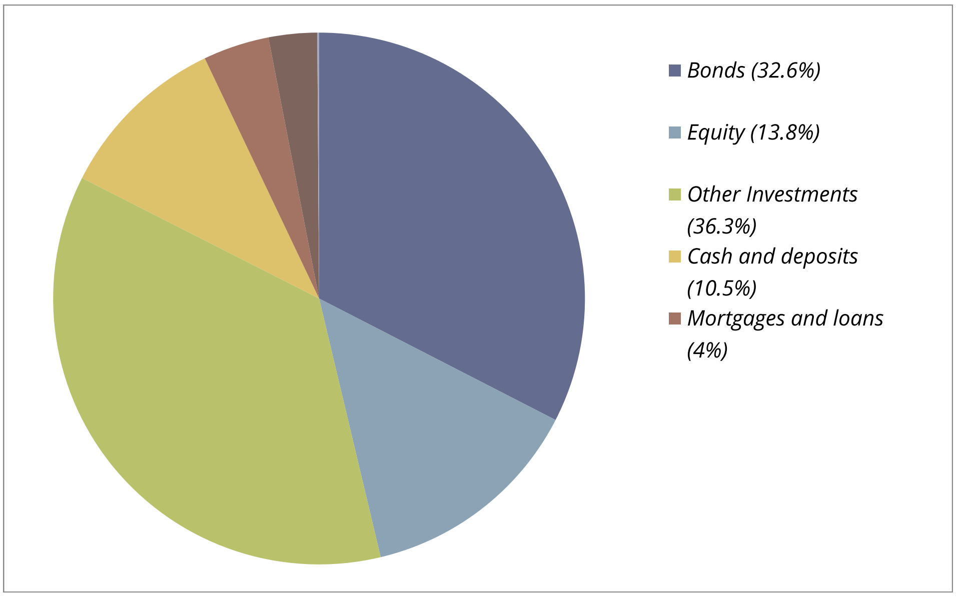
increase in claims from 2016 to 2017. That claim is to a large extent covered by reinsurance.

Premiums, claims and expenses	*2017*	*2016*
Non-Life		
Premiums earned (gross)	*154,260*	*154,174*
Claims incurred (gross)	*220,849*	*121,243*
Expenses	*31,121*	*30,005*

A.3 Investment Performance

A.3.1 Investments held

The chart below visualizes the relative distribution of the investments by material asset class:



A.3.2 Gains and losses

The below table summarizes the investment portfolio return per asset class. The losses related to cash and deposits are driven by currency.

Gains and losses in the period (2017)	*Dividends*	*Interest*	*Rent*	*Net gains/losses*	*Unrealised gains/losses*
Bonds	*0*	*0*	*0*	*-1,088*	*194*
Equity	*0*	*0*	*0*	*-576*	*3,929*
Other Investments	*3,388*	*5,949*	*0*	*3,712*	*10,950*
Cash and deposits	*0*	*195*	*0*	*-8,117*	*19,029*
Mortgages and loans	*0*	*216*	*0*	*0*	*0*
Property	*0*	*70*	*0*	*0*	*0*
Derivatives	*0*	*60*	*0*	*119*	*-27*
Total	*3,388*	*6,490*	*0*	*-5,950*	*34,075*

A.3.3 Securitisation investments

NHC has no material investments in securitisations.

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 8.1 MUSD.

A.5 Any other information

There are no other material matters in respect to the business.

B System of governance

NHC is located in Norway, are subject to Norwegian legislation and under supervision of the FSAN.

B.1 General information on the system of governance

NHC's Board carry 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. NHC is committed to high standards of corporate governance and has established the following corporate governance structure.

B.1.2 Governance

General Meeting

Members of NHC, clients that write business on a mutual basis, vote at the general meeting.

Committee

The Committee elects the Board, 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 NHC.

Board of Directors

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

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, assess 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. Its responsibility is to supervise NHC's total risk and regularly consider if NHC's management and control systems are adapted to the risk level and scope of the operations. The Risk Committee shall further regularly consider the continuous compliance with capital requirements and requirements for technical insurance provisions, shall regularly consider the appropriateness of the risk management system and shall follow up the key functions actuary, compliance and risk management.

Compensation Committee

The Compensation Committee is also a subcommittee of the Board. The Compensation Committee makes recommendations to the Board on the compensation of the Chief Executive Officer (CEO) as well as the structure of general compensation and oversees compensation for the management team.

Election Committee

The Election Committee makes recommendations on candidates for the various governing bodies. The Election Committee consists of the Chairman of the Committee, the last retired Chairman of the Board and three members elected by the General Meeting.

According to the instructions for the Election Committee, the Chairman of the Committee and members of the Board shall in general not be re-elected after ten years of service.

NHC has established the four key independent control functions required under the

Solvency II Directive - risk management, compliance, actuarial and internal audit. These functions are responsible for providing oversight of and challenge to the business and for providing assurance to the Board in relation to NHC's control framework.

Remuneration
NHC has a remuneration policy that is adopted by the Board on an annual basis. In addition to fixed salary, up to 8 % of the operating result in any year may be allocated to employees by way of bonus.

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.

The variable part can count for up to 1/4 or 1/3 of the total compensation depending on position.

B.2 Fit and proper requirements

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

- members of the Board
- members of senior management
- person defined as key personnel (CO, Risk & Reinsurance manager, Head of Actuarial Function and Internal Auditor)

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 senior management and key personnel, 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 soundness 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 CEO is responsible for the risk management within limits defined annually by the Board in the Strategy, Budget 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.

B.3.1 Risk management system

Risk management function shall facilitate the implementation of the risk management system and control that risk management is carried out in accordance with approved ambition levels and approved guidelines.

The responsibilities include:

- Assist management and the Board (and other functions) in the effective implementation and operation of the risk management system.
- Facilitate the ORSA process.
- Continuously monitor the general risk profile of NHC. Report on actual levels of risk compared to the Board approved limits and advise the Board on risk management matters. The risk management function supports the TMG in such discussions.

The Key Function Group reports to the CEO monthly. In addition, the updated Key Indicators incl. Capital Requirements are updated quarterly and reported to the TMG, the Board Risk Committee as well as the main Board of NHC. In addition to this regular reporting, ad hoc reporting can be done at any time if situations occur, also with a direct line to the Board.

The Risk Management system shall identify the major risks to which NHC is exposed, ensure that the appropriate means have been implemented to monitor and manage these risks and actively challenge these main risks in order to optimize the management of NHC's total risk budget based on the prevailing capital situation.

The NHC Model for ERM follows the international standard COSO II, adapted to NHC’s needs. This includes four groups of objectives: Strategic (high –level goals aligned with and supporting NHC mission), Operations (effective and efficient use of our resources), Reporting (reliability of reporting) and Compliance (with applicable laws and regulations), and eight defined Risk Management components as follows:

1. Internal Environment
   Enterprise Risk Management shall be an integral part of NHC’s management system, and clear roles and responsibilities for the risk management function shall be established.
2. Objective setting
   NHC shall establish overall objectives and strategies, as well as for each part of the business. Management, follow-up and control shall be aligned with our mission and consistent with our risk appetite. The risk appetite shall be established when setting strategies.
3. Event Identification
   Based on the established objectives and strategies, internal and external events affecting the achievements of these must be identified.
4. Risk Assessment
   These risks are analysed, considering the likelihood and impact as a basis for determining how they should be managed. When significant changes are made to the running of NHC, hereunder new products, the framework and new IT-systems, risk assessment shall be performed and reported to the Board.
5. Risk Response
   Based on risk assessments, risk responses for subject risks are selected - this could be avoiding, accepting, reducing or sharing risk - and a set of actions to align risk within NHC’s risk tolerance and risk appetite is developed.
6. Control Activities

Policies and procedures are established and implemented to help ensure the risk responses are effectively carried out.

7. Information and Communication
   Relevant information is communicated in a form and timeframe that enable all employees to carry out their responsibilities within risk management and internal control.
8. Monitoring
   Reporting and follow-up of the risk management and control system shall be part of the ordinary management reporting, and the system and its functioning shall be evaluated on a regular basis.

B.3.2 Own risk and solvency assessment

The main purpose of the ORSA process and report is to safeguard the short-term (1 year) solvency and long-term survival of NHC. In addition, the report can give insight into risk/reward to improve the profitability.

NHC produces an Own Risk Solvency Assessment (ORSA) at least once a year. Additional ORSAs may be produced in response to material changes to risks faced by NHC. The ORSA is the process which makes the Board able to monitor the risks to the business, and may assess the impact of those risks on the capital adequacy of the business. The Board uses the ORSA to make decisions regarding future business decisions and to ensure that any risks remaining after controls have been applied, is within the parameters expressed in NHC's risk appetite statement.

The inputs include:

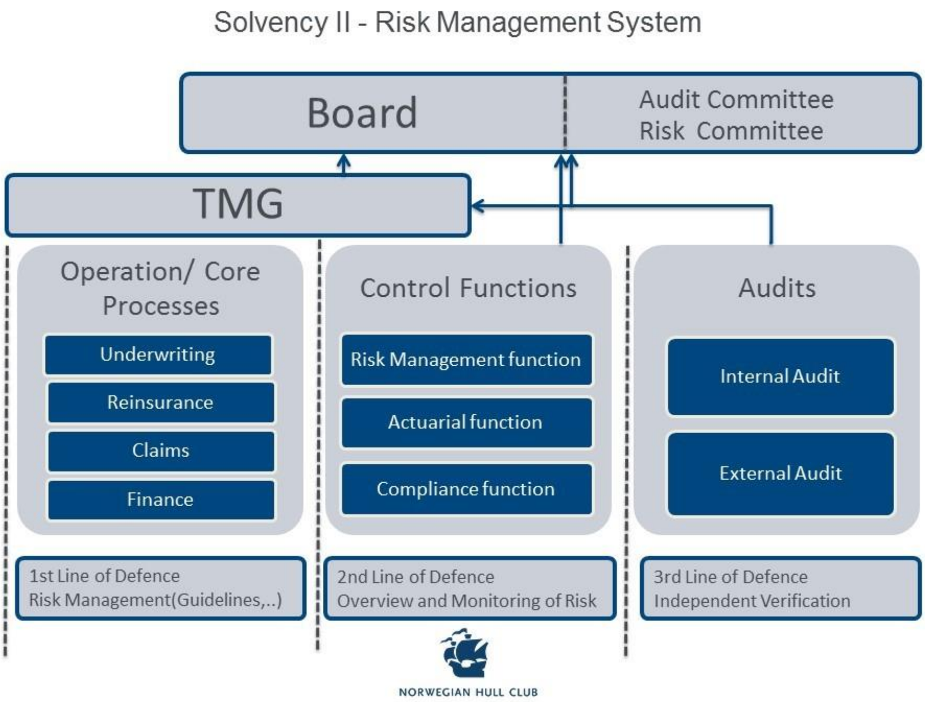
- The Board's policies
- The Board's strategy for the business
- Output from the standard model Pillar 1 process
- Actuarial function output
- NHC's Risk Management system

NHC 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.
- Stress test of the investment portfolio, performed continuously.
- Reverse stress testing.
- Budgeting.
- A one in 200 years scenario is to be used

B.4 Internal control system

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



- **First line**
  The vast majority of NHC employees comprise the first line of defense. Examples include underwriters and claim handlers use of the 4-eyes principle, underwriting support & accounting team control of statements and premium allocation, IT support of the digital infrastructure, finance department managing the investment portfolio.
- **Second line**
  A smaller group of NHC employees comprise the second line of defense. These employees work within Risk & Control functions and provide independent oversight of the activities performed within the first line.
- **Third line**
  The third line of defense comprises the Internal & External Audit function. Senior managers from the third line are regular attendees of Risk and Audit Committee meetings

This framework enables the first line of defense 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 NHC overall risk profile to the Board.

The DNA management system has an important role in the overall Internal control system. All principles and procedures for all departments are in place and documented in the DNA management system, including formal revisions of same. In addition, risk management analysis and follow-up are structured, performed and reported in the DNA system. Non-conformance, observations and suggestions for improvements is reported and followed-up here as well. In sum therefore, the 8 defined Risk Management components are documented in a structured way in our DNA system.

B.4.1 Compliance function

The compliance function shall ensure that NHC complies with its outside regulatory requirements and internal policies that are derived from external requirements. The Compliance function may also design or update internal policies to mitigate the risk of NHC breaking laws and regulations, as well as lead internal audits of procedures. The Compliance function, headed by the CO, is part of NHC's overall corporate governance structure. The function is responsible for the monitoring, managing, and reporting of the Compliance risks to which NHC is exposed. The Compliance function reports to the CEO, the Board or sub committees on a regular basis. The activities of the Compliance function are subject to periodic review by Internal Audit.

The responsibilities include:

- Identifying, assessing, advising on, monitoring and reporting on regulatory risk in NHC.
- Conducting assessments of the potential effects that regulatory changes may have on NHC.
- Reporting any violations of laws, regulations or standards to the Board.
- Monitor the non-conformance reporting to detect non-compliance.

B.5 Internal audit function

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

KPMG carry out annual reviews and investigates matters they as internal auditors feel require review, and any matters referred to them by the TMG or the Board of NHC. Outsourcing this function to KPMG provides independent and objectivity when reviewing activities.

Internal audit shall report, in writing, to the Board at least annually. The report shall highlight any significant control failings or weaknesses identified and the impact they have had, or may have and the actions and timings which management have agreed to take to rectify them.

B.6 Actuarial function

Actuarial function has the following tasks and responsibilities:

- Oversee the calculation of technical provisions and report findings to the Board annually
- Express an opinion on the underwriting policy and the reinsurance arrangements
- Contribute to the effective implementation of the risk management system with respect to the risk modelling underlying the capital requirements in particular.

NHC's Business Intelligence Director is responsible for the Actuarial Function. He is an actuary and has support from two colleagues. The actuarial function is deeply 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

NHC outsources and enters into 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.

NHC 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 and sets out the following:

- Roles and responsibilities
- Definition of outsourcing
- Criteria for outsourcing
- Due Diligence/assessment
- Contractual Agreements
- Management and control of the outsourcing

As per 31.12.2017 NHC has outsourced the following operational functions or activities:

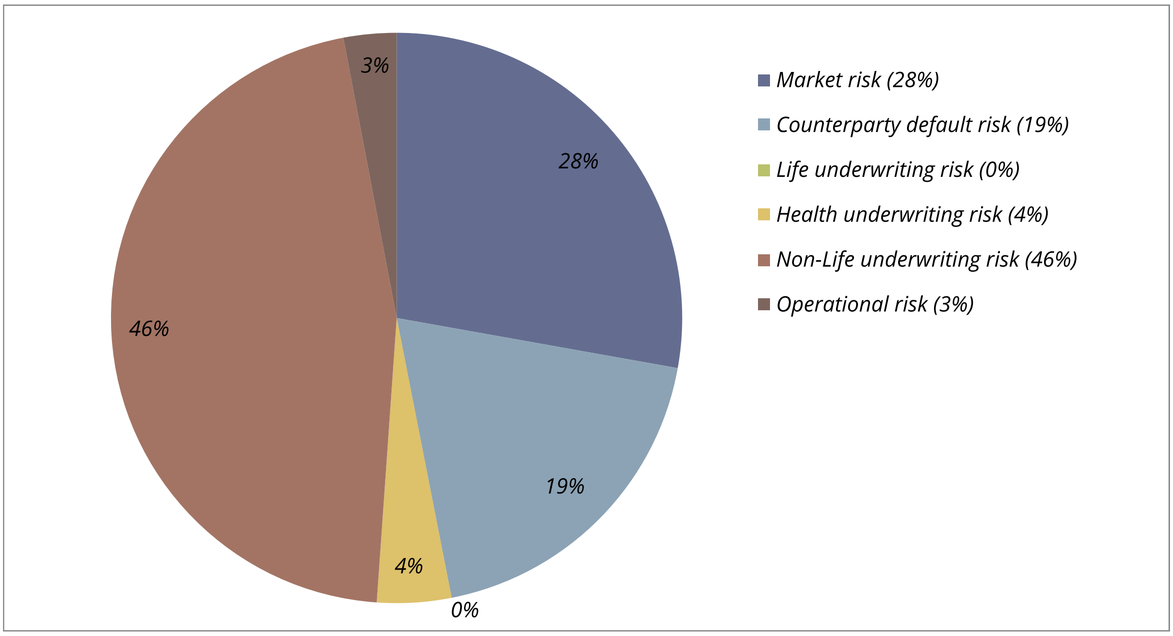
- Internal Audit (KPMG - Norway)
- IT Infrastructure (Hatteland Solutions AS - Norway)
- Administrative support and service within insurance documentation and accounting (Marine Benefits AS)
- Asset management of two discretionary accounts (managed by Logan Circle Partners L.P and Threadneedle Asset Management Limited)

B.8 Any other information

NHC has assessed its corporate governance system and has concluded that it effectively provides for the sound and prudent management of the business, which is proportionate to the nature, scale and complexity of the operations of NHC.

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 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 NHC 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 concentration risk.

The lapse risk is the loss of basic own funds, caused by the discontinuance of 40% of the policies for which discontinuation would result in an increase in the technical provisions. This risk is insignificant compared to the overall underwriting risk.

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. 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. 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 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 Life underwriting risk

NHC does not write life insurance.

C.1.2 Health underwriting risk

Health underwriting risk	*2017*	*2016*
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	*-1,724*	*-1,531*
Total SLT health underwriting risk	*0*	*0*
Premium and reserve risk	*3,027*	*2,464*
Lapse risk	*376*	*158*
Diversification	*-353*	*-153*
Total NSLT health underwriting risk	*3,050*	*2,469*
Catastrophe risk	*6,693*	*8,115*
Total health underwriting risk	*8,019*	*9,054*

The above table shows the health underwriting risk. The premium and reserve risk is increasing due to increased business volume. The drop-in catastrophe risk is due to a drop in the calculated net retention for the modelled event.

C.1.3 Non-Life underwriting risk

Non-Life underwriting risk	*2017*	*2016*
Premium and reserve risk	*81,006*	*82,862*
Lapse risk	*1,857*	*1,345*
Catastrophe risk	*18,633*	*24,461*
Diversification	*-13,933*	*-16,583*
Total non-life underwriting risk	*87,563*	*92,085*

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. According to this model, the risk has dropped slightly the last year, predominantly due to the reduction in the claim provisions. 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.2 Market risk

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

Market risk	*2017*	*2016*
Interest rate risk	*6,503*	*2,957*
Equity risk	*27,458*	*24,738*
Property risk	*10,924*	*9,853*
Spread risk	*17,500*	*18,033*
Concentrations	*3,027*	*3,338*
Currency risk	*6,003*	*15,098*
Diversification	*-18,348*	*-18,613*
Total market risk	*53,068*	*55,405*

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.

NHC 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.

Spread risk is the risk that market pricing of credit risk increase. To reduce the spread risk, the bond portfolio shall have an adequate rating level from a holistic point of view.

The capital requirements for Equity risk, Property risk, Bonds and Currency are calculated as predefined shocks applied on the market value in these assets. The capital requirement for interest rate risk is also affected by size and duration of the technical provisions. The capital requirement for concentration risk is based on assets with a market value in excess of certain percentages of the overall investments. In addition to assuming asset class specific shocks, the model assumes specific correlations between the various asset classes.

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. According to this model, the overall risk was slightly reduced last year. This is caused by reduced currency risk due to a better asset-liability match this year. The increase in the interest rate risk is due to a technical error in last year's report. For internal purposes, the risk is also modelled based on historic volatility and stress testing.

Investments according to the "prudent person principle"

NHC, and particularly the Front – office 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 front-office function there are separate mid- and back-office functions in order to secure independent reporting and control.

Since insurance provisions are not discounted, there is no matching of interest rate risk on the asset and the liability side. Interest rate risk is considered an absolute risk, is taken in order to increase investment income and is managed as part of the investment portfolio risk. Limits on interest rate risk are established as part of the investment strategy.

Foreign Exchange risk is managed and hedged with US Dollars as base currency. NHC Equity and capital is measured in US Dollars. Calculation of foreign exchange risk are performed as an integral part of the preparation of the quarterly accounts. In case of major incidents, calculation shall be made on an ad-hoc basis. Major incidents are single incidents, originated in a non-USD currency, with an effect on the net result exceeding USD 5.0 mill. Calculation of interest rate risk is done, and risk is monitored, on a daily basis.

NHC 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 we fully understand the instruments and to the extent that we are able to implement the instruments in our portfolio systems.

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 in to several asset classes as defined by strategic asset allocation and the broad benchmarks adopted in the NHC 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.

Investment concentration risk
Except for US and German sovereign risk, maximum exposure on any singly issuer shall not exceed 5 % of NHC equity. Concentration risk is managed as part of ordinary risk management of the investment portfolio.

Risk mitigation and process for monitoring its effectiveness
While USD is the base currency of operations, NHC writes policies in several other currencies, primarily EUR and NOK. NHC uses various contracts to manage currency risk related to the balance sheet. At a detailed level, it is inherently challenging to monitor the effectiveness of these contracts as the exact currency position is only known when full financial accounts are prepared each quarter.

Interest rate risk is primarily managed through allocation to asset classes and securities in the investment portfolio. For sake of efficiency, adjustments to interest rate risk may be made through financial contracts such as futures or swaps.

Sensitivity

The standard model is sensitive to input related market values, allocation to asset classes and duration and credit quality in the bond portfolio. 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 Credit risk
The table below lists the Solvency Capital Requirement for the Counterparty Default Risk:

Counterparty default risk	***2017***	***2016***
Type 1 exposures	*13,330*	*13,651*
Type 2 exposures	*25,342*	*21,274*
Diversification	*-2,249*	*-2,145*
Total counterparty default risk	*36,423*	*32,781*

Credit risk is handled separately for rated counterparts (type 1 risk) and unrated counterparts (type 2 risks). Rated counterparts include reinsurers, co-insures and banks. This risk is dominated by the expected losses in the event of a Man-Made Cat event. Unrated counterparts include policyholder’s receivables and is dominated by un-due receivables. The actual credit losses on policyholders has been minimal and the model is considered to overestimate the risk considerably.

Measures used to assess the risk, material risks and changes the past year
The capital requirement increased the past year due to an increase in policyholder's receivables.

Material risk concentration
The man-made cat scenario involves a concentration on reinsurance recoveries for Lloyd’s syndicates.

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 A – AAA 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.

The type 1 credit risk is calculated based on the simplifications suggested by the Delegated Regulation. This underestimates the concentration on reinsurance recoverables from Lloyd's in the event of a worst case marine loss. In the more realistic event that NHC is affected by 2-3 large (but not extreme) claims the modelling is reasonable.

C.4 Liquidity risk

Model results and description of risks

There is no capital requirement for liquidity risk. Liquidity risk is the risk that NHC will not be able to meet obligations when due. The liquidity risk in the investment portfolio is considered to be low. Roughly 88 % of the portfolio is invested in assets that under normal circumstances are highly liquid. These are money market instruments, government bonds, corporate bonds and public equities. Other types of investments, as real estate and private markets is considered to be illiquid, even though secondary markets are available for most of them.

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

Risk mitigation and process for monitoring the effectiveness

NHC's reinsurance contracts has a "simultaneous payment clause" that transfers much of the liquidity risk to reinsurers (as reinsurance recoverable can be collected before payment is made to the assured). In addition, NHC has a credit facility with Nordea of 30 MUSD.

Expected profit in future premium

Expected Profit in Future premium represents a negligible amount of own funds and the illiquidity of this asset has therefore no material effect on liquidity.

Expected profits included in future premiums (EPIFP)	***2017***	***2016***
EPIFP Life business	*0*	*0*
EPIFP Non-life business	*5,584*	*3,757*
Total EPIFP	*5,584*	*3,757*

C.5 Operational risk

Model results and description of risks

NHC risk management framework is based on the COSO II standard adapted to NHC's needs. Based on this standard, all departments in NHC must identify and assess all known risks on a yearly basis in NHC's risk and non-conformity management system (DNA system). In this process all departments have to identify and assess their goals and performance requirements according to the following 4 four groups of objectives:

- Strategic
- Operational
- Reporting
- Compliance

The operational risk measurement system is complemented by a Non-Conformance reporting system, which is also documented and followed up in our DNA system.

The capital requirement for operational risk is calculated as the maximum of 3% of the gross technical provisions and 3% of the earned gross premium the past 12 month, with an add-on if the premium has grown more than 20% the past 12 months.

C.6 Other material risks

Loss absorbing capacity of deferred tax:

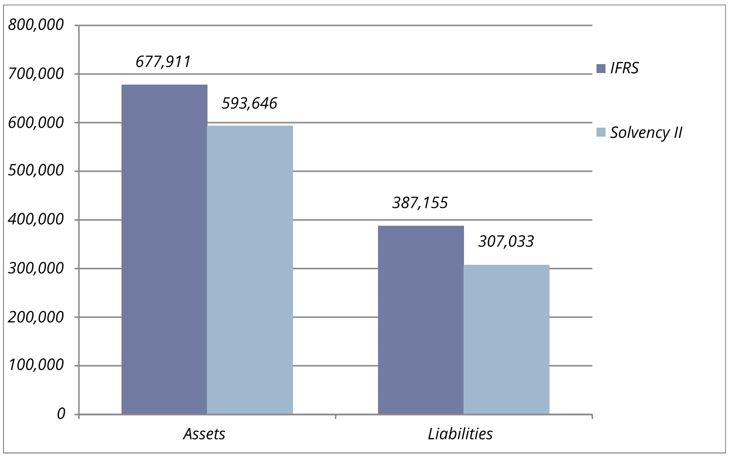
The Solvency II regulation assumes a loss absorbing capacity of deferred tax. Last year this reduced NHC's solvency capital requirement by almost 25%. The issue has since been considered through NHC's annual ORSA process. We concluded that the loss absorbing capacity of deferred tax is questionable as 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. In this year's SCR calculation, the loss absorbing capacity of deferred tax has thus been removed.

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.

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 financial statements.



D.1 Assets

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

Assets	*IFRS*	*Solvency II*	*Delta*
Intangible assets	*0*	*0*	*0*
Deferred tax assets	*0*	*0*	*0*
Financial investments	*409,722*	*409,920*	*198*
Index and unit linked investments	*0*	*0*	*0*
Loans and mortgages	*10,329*	*10,329*	*0*
Reinsurance recoverables	*69,747*	*58,849*	*-10,898*
Cash and cash equivalents	*21,560*	*21,560*	*0*
Other assets	*166,552*	*92,988*	*-73,564*
Total assets	*677,911*	*593,646*	*-84,265*

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, NHC 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.

Accounts Receivables

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

Employee loans

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

Fixed assets and depreciation

Fixed assets 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.

Foreign exchange

USD is NHC's functional and presentation 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.

Investments

Note 6 in the annual report (https://www.norclub.com/assets/AnnualReports/Norwegian-Hull-Club-Annual-Report-2017.pdf) set out an overview of the carrying and fair values of NHC's financial instruments and the accounting treatment of these instruments as defined in IAS 39

Explanation of material differences between Solvency and Statutory Values

Derivatives - Reclassification
The statutory balance sheet lists the net derivative position (asset minus liability). The Solvency II balance sheet lists the assets and liabilities separately. This does not affect own funds.

Reinsurance Recoverables - Reclassification and Revaluation
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 01.01.2018 policies 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.

Insurance and intermediaries receivables – Reclassification
On 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.1.1 Material intangible assets
NHC has no material intangible assets on the balance sheet.

D.1.2 Material financial assets
NHC 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 recognised on the trade date. Investments are initially recognised 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 recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and NHC 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

The table below set out an overview of the carrying and fair values of NHC’s financial instruments and the accounting treatment of these instruments as defined in IAS 39:

The table above does not include derivatives and shares in subsidiaries and associated companies.

Fair value hierarchy

Government bonds, corporate bonds and other financial instruments that are traded in active markets where the fair values are determined on the basis of 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 on the basis of 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 on the basis of 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 investments

All of these are either investment in funds or in fund of funds. Values are determined on the basis of 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 are adjusted for capital distributions and/or capital calls in the period until 31.12, 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 on the basis of 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.

Further details are available in Note 6 in the annual report (https://www.norclub.com/assets/AnnualReports/Norwegian-Hull-Club-Annual-Report-2017.pdf).

D.1.3 Financial and operational leases
NHC has no material financial or operational leases.

D.1.4 Material deferred taxes
NHC has no deferred tax assets.

D.1.5 Related undertakings
Shares in subsidiaries and associated companies are valued using the cost method in the NHC 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. NHC records received dividend / group contributions the same year as the subsidiary makes the provisions.

D.1.6 Changes to valuation bases during period
There are no changes to the valuation principles during the period.

D.2 Technical provisions

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

Technical provisions	*IFRS*	*Solvency II*	*Delta*
Technical provisions non-life	*276,163*	*202,819*	*-73,344*
Best estimate		*190,039*	
Risk margin		*12,780*	
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	*276,163*	*202,819*	*-73,344*

D.2.1 Life technical provisions

NHC 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	*Technical provisions*	*Best estimate (gross)*	*Risk margin*
Medical expense insurance	*4,695*	*4,400*	*296*
Income protection insurance	*0*	*0*	*0*
Workers' compensation insurance	*0*	*0*	*0*
Motor vehicle liability insurance	*0*	*0*	*0*
Other motor insurance	*0*	*0*	*0*
Marine, aviation and transport insurance	*198,123*	*185,640*	*12,484*
Fire and other damage to property insurance	*0*	*0*	*0*
General liability insurance	*0*	*0*	*0*
Credit and suretyship insurance	*0*	*0*	*0*
Legal expenses insurance	*0*	*0*	*0*
Assistance	*0*	*0*	*0*
Miscellaneous financial loss	*0*	*0*	*0*
Non-proportional health reinsurance	*0*	*0*	*0*
Non-proportional casualty reinsurance	*0*	*0*	*0*
Non-proportional marine, aviation and transport reinsurance	*0*	*0*	*0*
Non-proportional property reinsurance	*0*	*0*	*0*
Total Non-Life	*202,819*	*190,039*	*12,780*

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. 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 run off result has been positive in 8 of the past 10 years with an average gain of 6 MUSD and a standard deviation of 8,5 MUSD.

Material differences between valuation for Solvency purposes and financial statement

Premium provision:

	Solvency II	Statutory Accounts	Comment
Unearned Gross Premium	77 407 114	77 407 114	
Expected Profit in unearned premium, 01.01 Policies and long term policies	-6 050 496		Negative = profit
Non due premium receivables	-73 563 838	0	Reclassification
Discounting	-2 256 015		
Gross Premium Provision	**-4 463 235**	**77 407 114**	

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.

Claims Provision
The Solvency II claim provisions are discounted. This reduce the reserves by 2% 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 claims 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	*IFRS*	*Solvency II*	*Delta*
Technical provisions	*276,163*	*202,819*	*-73,344*
Pension obligations	*4,246*	*4,246*	*0*
Deferred tax liabilities	*83,495*	*83,495*	*0*
Derivatives	*0*	*789*	*789*
Financial liabilities	*0*	*0*	*0*
Subordinated liabilities	*0*	*0*	*0*
Other liabilities	*23,251*	*15,684*	*-7,566*
Total liabilities	*387,155*	*307,033*	*-80,121*

Pension cost, funding and obligations

The liability recognised 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 and tax expense

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.

Risk equalisation

The opportunity to make provisions to the risk equalisation has been removed from 01.01.2016. At dissolution, the risk equalisation was divided into other equity and deferred tax. The latter is however subject to a high level of uncertainty, and tax treatment of the dissolution has not been concluded by The Norwegian Ministry of Finance. The balance sheet as of 31.12.2015 has been restated accordingly.

Derivatives - Reclassification

The statutory balance sheet lists the net derivative position (asset minus liability) as an asset. The Solvency II balance sheet lists the assets and liabilities separately. This does not affect own funds.

Reinsurance payable – Reclassification

On 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 D1

D.5 Any other information

Ref. section E1 below for a summary of the overall effect of the revaluation of the assets and liabilities for Solvency purposes.

E Capital Management

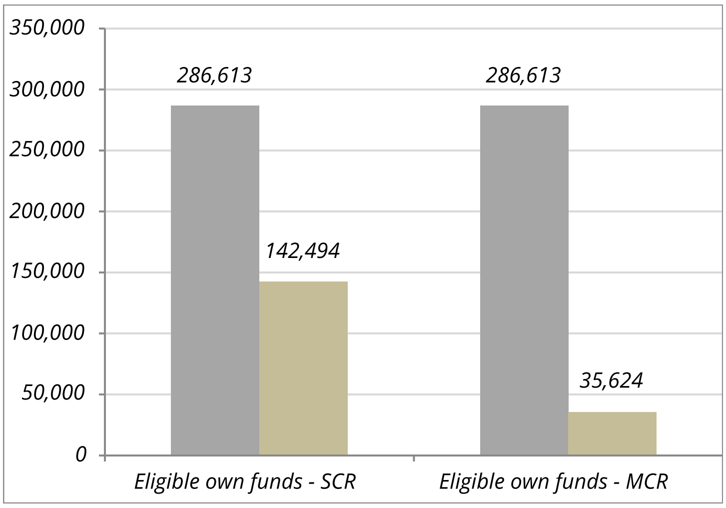
The different contributing elements to SCR and MCR are represented in the table below, it also includes the total SCR/MCR and corresponding ratios.

	2017		2016	
	SCR	MCR	SCR	MCR
Eligible Own Funds	286,613	286,613	260,108	260,108
Capital Requirement	142,494	35,624	112,984	32,540
Difference	144,119	250,989	147,124	227,568
Ratio	201%	805%	230%	799%

The increase in SCR and thus decrease in the SCR coverage ratio is due to a more conservative approach in assessing the loss absorbing capacity of deferred tax.

E.1 Own funds

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



All funds are classified as unrestricted Tier 1 capital. The annual result explains most of the increase in the reconciliation reserve. In addition, the following factors affects the development of own funds:

Deferred tax, change in expected profit in future premium, changes in the effect of discounting reserves, changes in expected losses on reinsurance receivables.

NHC have applied the FSA to have supplemental mutual calls recognized as tier 2 capital. The maximum supplemental calls equal one year’s mutual premium – currency 70 MUSD. Additional premium has not been called since 1947 and is considered an option of last resort.

E.1.1 Capital management

NHC has a target of 50% margin in excess of the highest of the S&P capital requirement and the Solvency II SCR. If the margin drops below 25%, risk-reducing measures will be implemented.
A basic assumption in all capital planning and risk management is that NHC 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 NHC's financial statement equity and Own funds:

The differences between the Solvency II balance sheet and the Statutory accounts is a mix of reclassifications and revaluations. The following table shows the effect on own funds:

Statutory Equity	290 756
+ Discounting Technical Provisions	3 054
+ Expected Profit in Future Premium	5 584
- Risk Margin	-12 780
= Solvency II Excess of Assets over Liabilities	286 614

E.1.2 Own funds tiers - SCR

Eligible own funds MCR	*2017*	*2016*
Tier 1 (unrestricted)	*286,613*	*260,108*
Tier 1 (restricted)	*0*	*0*
Tier 2	*0*	*0*
Tier 3		
Total eligible own funds MCR	*286,613*	*260,108*

E.1.3 Own funds tiers - MCR

Eligible own funds MCR	*2017*	*2016*
Tier 1 (unrestricted)	*286,613*	*260,108*
Tier 1 (restricted)	*0*	*0*
Tier 2	*0*	*0*
Tier 3		
Total eligible own funds MCR	*286,613*	*260,108*

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	*2017*	*2016*
Market risk	*53,068*	*55,405*
Counterparty default risk	*36,423*	*32,781*
Life underwriting risk	*0*	*0*
Health underwriting risk	*8,019*	*9,054*
Non-life underwriting risk	*87,563*	*92,085*
Diversification	*-48,280*	*-49,386*
Basic Solvency Capital Requirement	*136,793*	*139,939*
Operational Risk	*5,701*	*6,652*
Loss-absorbing capacity of technical provisions	*0*	*0*
Loss-absorbing capacity of deferred taxes	*0*	*-33,607*
Solvency Capital Requirement (SCR)	*142,494*	*112,984*
Minimum Capital Requirement (MCR)	*35,624*	*32,540*

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

NHC does not apply the duration based approach.

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

NHC does not use an internal model.

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

NHC has sufficient amount of capital to meet the capital requirements.

E.6 Any other information

NHC 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.

02.01.02 - Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	7,056
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	409,920
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	4,017
Equities	R0100	36,642
Equities - listed	R0110	0
Equities - unlisted	R0120	36,642
Bonds	R0130	190,986
Government Bonds	R0140	39,177
Corporate Bonds	R0150	135,539
Structured notes	R0160	0
Collateralised securities	R0170	16,271
Collective Investments Undertakings	R0180	178,077
Derivatives	R0190	198
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	10,329
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	10,329
Reinsurance recoverables from:	R0270	58,849
Non-life and health similar to non-life	R0280	58,849
Non-life excluding health	R0290	57,541
Health similar to non-life	R0300	1,308
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	0
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	63,086
Reinsurance receivables	R0370	12,397
Receivables (trade, not insurance)	R0380	9,137
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	21,560
Any other assets, not elsewhere shown	R0420	1,312
Total assets	R0500	593,646

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	202,819
Technical provisions – non-life (excluding health)	R0520	198,123
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	185,640
Risk margin	R0550	12,484
Technical provisions - health (similar to non-life)	R0560	4,695
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	4,400
Risk margin	R0590	296
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	4,246
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	83,495
Derivatives	R0790	789
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	630
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	11,867
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	3,188
Total liabilities	R0900	307,033
Excess of assets over liabilities	R1000	286,613

05.01.02 - Premiums, claims and expenses by line of business

		Line of Business for: Non-life insurance...						
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and damage to property insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross - Direct Business	R0110	12,303	0	0	0	0	147,493	0
Gross - Proportional reinsurance accepted	R0120	295	0	0	0	0	11,329	0
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	2,516	0	0	0	0	37,700	0
Net	R0200	10,082	0	0	0	0	121,121	0
Premiums earned								
Gross - Direct Business	R0210	13,040	0	0	0	0	140,575	0
Gross - Proportional reinsurance accepted	R0220	387	0	0	0	0	13,685	0
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	2,697	0	0	0	0	28,026	0
Net	R0300	10,730	0	0	0	0	126,234	0
Claims incurred								
Gross - Direct Business	R0310	9,674	0	0	0	0	209,519	0
Gross - Proportional reinsurance accepted	R0320	528	0	0	0	0	11,330	0
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	2,041	0	0	0	0	109,289	0
Net	R0400	8,162	0	0	0	0	111,561	0
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	R0420	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	0	0	0	0	0	0	0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	2,433	0	0	0	0	31,121	0
Other expenses	R1200							
Total expenses	R1300							

... and reinsurance obligations (direct business and accepted proportional					Line of Business for: accepted non-proportional reinsurance				
General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
0	0	0	0	0					159,796
0	0	0	0	0					11,623
					0	0	0	0	0
0	0	0	0	0	0	0	0	0	40,216
0	0	0	0	0	0	0	0	0	131,203
0	0	0	0	0					153,615
0	0	0	0	0					14,072
					0	0	0	0	0
0	0	0	0	0	0	0	0	0	30,723
0	0	0	0	0	0	0	0	0	136,965
0	0	0	0	0					219,193
0	0	0	0	0					11,859
					0	0	0	0	0
0	0	0	0	0	0	0	0	0	111,329
0	0	0	0	0	0	0	0	0	119,723
0	0	0	0	0					0
0	0	0	0	0					0
					0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	33,554
									0

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities relating to health	Annuities other than health	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1420	0	0	0	0	0	0	0	0	0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1520	0	0	0	0	0	0	0	0	0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1620	0	0	0	0	0	0	0	0	0
Net	R1700	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	R1710	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1720	0	0	0	0	0	0	0	0	0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900	0	0	0	0	0	0	0	0	0
Other expenses	R2500									
Total expenses	R2600									0

05.02.01 - Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) nonlife obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		GERMANY	UNITED	CYPRUS	GREECE	UNITED	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	35,992	22819285	12962043	8080320	11313039	9422064	100,589
Gross - Proportional reinsurance accepted	R0120	1,127	19526	209597	4526281		303748	6,186
Gross - Non-proportional reinsurance accepted	R0130	0						0
Reinsurers' share	R0140	9,989	7422765	2239349	2115276	3331812	2082262	27,180
Net	R0200	27,130	15416046	10932292	10491325	7981227	7643550	79,595
Premiums earned								
Gross - Direct Business	R0210	35,514	23843777	10252858	7631250	10444370	9778161	97,465
Gross - Proportional reinsurance accepted	R0220	951	38149	285090	4879224		322275	6,476
Gross - Non-proportional reinsurance accepted	R0230	0						0
Reinsurers' share	R0240	10,884	5274730	1139525	1736695	1778834	1452940	22,267
Net	R0300	25,581	18607196	9398423	10773779	8665536	8647496	81,674
Claims incurred								
Gross - Direct Business	R0310	18,180	20654030	8221172	3231239	7314067	96362134	153,962
Gross - Proportional reinsurance accepted	R0320	1,075	-15500		4710226			5,769
Gross - Non-proportional reinsurance accepted	R0330	0						0
Reinsurers' share	R0340	-804	6815162	134646	370146	1546560	76929560	84,992
Net	R0400	20,058	13823369	8086526	7571319	5767507	19432575	74,739
Changes in other technical provisions								
Gross - Direct Business	R0410	0						0
Gross - Proportional reinsurance accepted	R0420	0						0
Gross - Non- proportional reinsurance accepted	R0430	0						0
Reinsurers' share	R0440	0						0
Net	R0500	0						0
Expenses incurred	R0550	6,818	4358325	2147488	2329692	2002118	1848102	19,503
Other expenses	R1200							
Total expenses	R1300							19,503

		Home Country	Top 5 countries (by amount of gross premiums written) life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0010		0					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	0						0
Reinsurers' share	R1420	0						0
Net	R1500	0						0
Premiums earned								
Gross	R1510	0						0
Reinsurers' share	R1520	0						0
Net	R1600	0						0
Claims incurred								
Gross	R1610	0						0
Reinsurers' share	R1620	0						0
Net	R1700	0						0
Changes in other technical provisions								
Gross	R1710	0						0
Reinsurers' share	R1720	0						0
Net	R1800	0						0
Expenses incurred	R1900	0						0
Other expenses	R2500							
Total expenses	R2600							0

17.01.02 - Non-Life Technical Provisions

		Direct business...						
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	R0060	-1,146	0	0	0	0	-3,318	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-119	0	0	0	0	4,818	0
Net Best Estimate of Premium	R0150	-1,026	0	0	0	0	-8,136	0
Claims provisions								
Gross	R0160	5,545	0	0	0	0	188,957	0
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	1,427	0	0	0	0	52,722	0
Net Best Estimate of Claims	R0250	4,118	0	0	0	0	136,235	0
Total Best estimate - gross	R0260	4,400	0	0	0	0	185,640	0
Total Best estimate - net	R0270	3,092	0	0	0	0	128,099	0
Risk margin	R0280	296	0	0	0	0	12,484	0
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	R0290	0	0	0	0	0	0	0
Best estimate	R0300	0	0	0	0	0	0	0
Risk margin	R0310	0	0	0	0	0	0	0
Technical provisions - total								
Technical provisions - total	R0320	4,695	0	0	0	0	198,123	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default -	R0330	1,308	0	0	0	0	57,541	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	3,387	0	0	0	0	140,583	0

General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Accepted non-proportional reinsurance: Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport	Non-proportional property reinsurance	Total Non-Life obligation
C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	-4,463
0	0	0	0	0	0	0	0	0	4,699
0	0	0	0	0	0	0	0	0	-9,162
0	0	0	0	0	0	0	0	0	194,502
0	0	0	0	0	0	0	0	0	54,150
0	0	0	0	0	0	0	0	0	140,352
0	0	0	0	0	0	0	0	0	190,039
0	0	0	0	0	0	0	0	0	131,190
0	0	0	0	0	0	0	0	0	12,780
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	202,819
0	0	0	0	0	0	0	0	0	58,849
0	0	0	0	0	0	0	0	0	143,970

19.01.21 - Non-life insurance claims

Z0020	Accident year / Underwriting year:	Accident year

Development year

Year		0	1	2	3	4	5
		C0010	C0020	C0030	C0040	C0050	C0060
Prior	R0100						
N-9	R0160	49,124	50,534	26,824	6,401	6,980	760
N-8	R0170	28,525	47,675	19,589	7,333	3,224	1,841
N-7	R0180	18,836	29,397	13,723	7,119	2,521	2,772
N-6	R0190	74,022	38,137	16,102	10,835	7,326	-103
N-5	R0200	49,312	53,345	15,736	9,800	6,694	39,937
N-4	R0210	27,845	48,921	18,889	7,554	5,229	
N-3	R0220	29,911	52,288	18,801	5,193		
N-2	R0230	72,263	50,145	38,383			
N-1	R0240	41,439	56,972				
N	R0250	109,674					

Z0020	Accident year / Underwriting year:	Accident year

Development year

Year		0	1	2	3	4	5
		C0200	C0210	C0220	C0230	C0240	C0250
Prior	R0100						
N-9	R0160	107,085	43,356	19,227	8,220	4,402	1,586
N-8	R0170	98,178	40,772	14,431	7,628	3,772	2,507
N-7	R0180	73,020	32,189	19,535	9,604	6,835	4,194
N-6	R0190	78,751	45,460	23,944	10,220	2,228	3,305
N-5	R0200	108,484	51,529	30,850	21,777	26,910	6,965
N-4	R0210	103,982	47,353	30,274	17,559	5,376	
N-3	R0220	88,654	38,420	14,318	4,838		
N-2	R0230	101,256	53,084	10,657			
N-1	R0240	88,768	34,236				
N	R0250	97,154					

	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
	C0070	C0080	C0090	C0100	C0110		C0170	C0180
					1,072	R0100	72	72
	648	-191	278	72		R0160	72	141,431
	401	157	-45			R0170	-45	108,700
	521	8				R0180	8	74,896
	2,224					R0190	2,224	148,541
						R0200	39,937	174,824
						R0210	5,229	108,438
						R0220	5,193	106,192
						R0230	38,383	160,790
						R0240	56,972	98,412
						R0250	109,674	109,674
Total						R0260	257,862	1,787,209

	6	7	8	9	10 & +		Year end (discounted data)
	C0260	C0270	C0280	C0290	C0300		C0360
					2,197	R0100	-286
	657	992	392	81		R0160	81
	1,040	1,040	23			R0170	23
	2,966	1,540				R0180	1,529
	611					R0190	606
						R0200	6,913
						R0210	5,301
						R0220	4,761
						R0230	10,430
						R0240	33,476
						R0250	95,033
Total						R0260	159,721

23.01.01 - Own funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	0	0		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	8,042	8,042		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	278,571	278,571			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
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	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	
Total basic own funds after deductions	R0290	286,613	286,613	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	286,613	286,613	0	0	0
Total available own funds to meet the MCR	R0510	286,613	286,613	0	0	
Total eligible own funds to meet the SCR	R0540	286,613	286,613	0	0	0
Total eligible own funds to meet the MCR	R0550	286,613	286,613	0	0	
SCR	R0580	142,494				
MCR	R0600	35,624				
Ratio of Eligible own funds to SCR	R0620	0				
Ratio of Eligible own funds to MCR	R0640	0				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	286,613
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	0
Reconciliation reserve	R0760	278,571
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	5,584
Total Expected profits included in future premiums (EPIFP)	R0790	5,584

25.01.21 - Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	53,068		
Counterparty default risk	R0020	36,423		
Life underwriting risk	R0030	0	None	
Health underwriting risk	R0040	8,019	None	
Non-life underwriting risk	R0050	87,563	None	
Diversification	R0060	-48,280		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	136,793		

		Value
		C0100
Operational risk	R0130	5,701
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	142,494
Capital add-on already set	R0210	
Solvency capital requirement	R0220	142,494
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

28.01.01 - Minimum Capital Requirement: Only life or only non-life

		MCR components
		C0010
MCRNL Result	R0010	30,719

		Background information	
		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	3,092	10,631
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional	R0070	128,099	120,572
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

		MCR components
		C0040
MCRL Result	R0200	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary	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		

		C0070
Linear MCR	R0300	30,719
SCR	R0310	142,494
MCR cap	R0320	64,122
MCR floor	R0330	35,624
Combined MCR	R0340	35,624
Absolute floor of the MCR	R0350	4,306
Minimum Capital Requirement	R0400	35,624

28.02.01 - Minimum Capital Requirement: Both life and non-life

		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	30,719	0

		Background information			
		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	3,092	10,631	0	0
Income protection insurance and proportional reinsurance	R0030	0	0	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0	0	0
Other motor insurance and proportional reinsurance	R0060	0	0	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	128,099	120,572	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0	0	0
General liability insurance and proportional reinsurance	R0090	0	0	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0	0	0
Assistance and proportional reinsurance	R0120	0	0	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0	0	0
Non-proportional health reinsurance	R0140	0	0	0	0
Non-proportional casualty reinsurance	R0150	0	0	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0	0	0
Non-proportional property reinsurance	R0170	0	0	0	0

		Non-life activities	Life activities
		MCR(L, NL) Result	MCR(L, L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	0	0

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
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				

		C0130
Linear MCR	R0300	30,719
SCR	R0310	142,494
MCR cap	R0320	64,122
MCR floor	R0330	35,624
Combined MCR	R0340	35,624
Absolute floor of the MCR	R0350	4,306
Minimum Capital Requirement	R0400	35,624

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	30,719	0
Notional SCR excluding add-on (annual or latest calculation)	R0510	142,494	0
Notional MCR cap	R0520	64,122	0
Notional MCR floor	R0530	35,624	0
Notional Combined MCR	R0540	35,624	0
Absolute floor of the notional MCR	R0550		
Notional MCR	R0560	35,624	0