



# **Solvency & Financial Condition Report 2021**

**Assurant Europe Insurance N.V.**



**ASSURANT®**

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## Executive Summary

Assurant Europe Insurance N.V. (further referred to as “AEI” or “the company”), is a non-life insurance company, incorporated in the Netherlands as a Naamloze Vennootschap (public limited company) on 29 October 2018. It received its license to operate on 9 June 2020. AEI is supervised by De Nederlandsche Bank (“DNB”) and the Autoriteit Financiële Markten (“AFM”).

This report has been prepared to comply with the reporting requirements of the EU-wide regulatory framework for insurance companies, Solvency 2, which came into force 1 January 2016.

### Business and performance

AEI engages in the following three segments of insurance:

- Connected Living - comprising the insurance of electronic devices for extended warranty, theft and accidental damage. The most important product is that of the insurance of mobile phones.
- Auto - comprising extended warranty and ancillary insurances that are tied to a vehicle; and
- Creditor - comprising disability, unemployment, accident, and life. This segment went into run-off in 2018 and no new policies were written since.

These are primarily consumer insurance products that are sold in the European Union through freedom of service arrangements and distributed on a Business-to-Business basis, via relationships with vehicle importers/dealers, manufacturers, retailers, and other distributors.

The company started writing smaller volumes of business as of July 2020 and assumed two EU-insurance portfolios of two Assurant group companies domiciled in the United Kingdom on 2 November 2020. Where comparative Profit and loss account numbers are provided in this document, these do therefore in effect hold only 2 months of full volume operations.

AEI closed 2021 with a statutory profit after tax of Euro 2,071,607. In 2020, the company incurred a loss due to non-recurring start-up costs.

Section A provides an overview of business performance in the year under review.

### System of governance

AEI is governed by a two-tier board structure with a Board of Directors and a Supervisory Board of Directors. AEI implemented the governance requirements of the Solvency 2 regime and has four key functions: actuarial, compliance, risk management and internal audit.

Refer to section B for further details.

### Risk profile

As a provider of non-life and health (income protection) insurance as well as some ancillary services, the company is exposed to a number of risks, the main ones being Underwriting risk and Market risk. The company invests substantial amounts in fixed income instruments and is exposed to market volatility and default risk, both for which appropriate amounts of solvency capital are set aside. In addition, existing and emerging regulation poses operational risks, which, whilst not necessarily having a very large financial impact, could impede the company’s medium-term outlook for doing business when not properly addressed.

Section C demonstrates in further detail to which risks the company is exposed and how these risks are mitigated.

## Valuation for solvency purposes

This SFCR provides insight in the company's balance sheet and available capital prepared in accordance with Solvency 2 guidelines. These guidelines strive for a market consistent valuation. In comparison to the statutory financial statements (BW2 Titel 9), Solvency 2 portrays a current and economic view on shareholder value and liabilities to policyholders. Under Dutch GAAP many items, such as policyholder liabilities, are valued at historical cost and gains are recognised over the lifetime of products.

Chapter D explains the differences between Solvency 2 and statutory valuation in more detail.

## Capital management

The company's capital management focusses on facilitating the acceptance of new business and the orderly run-off of its Creditor portfolio. The company's solvency position is above average for a non-life carrier, which is intended given anticipated growth. The year-end solvency position is as follows:

	2021	2020
€'000		
Eligible Own Funds	95,023	94,478
SCR	48,304	38,764
<b>Solvency Ratio %</b>	<b>197%</b>	<b>244%</b>

The increase in SCR is mainly due to starting up activities since November 2020. The standard model furthermore imposes capital charges when growing fast (>20%).

Further detail is provided in Section E.

## Outlook

The reader of this report should be conscious that:

- while the company's individual exposures to COVID19 may be modest, adverse developments in economic climate / capital markets will also impact the company;
- as a result of COVID19, supply chains were interrupted, and inflation has increased significantly the past few months. It remains to be seen whether and for how long inflation remains high and how it may impact the future net results of the company;
- In February 2022, the Russian Federation commenced an occupation of the Ukraine, therewith also starting a period of increased sanctions against Russia and Belarus and initiating a period of increased economic uncertainty.

The above three matters increase the potential volatility of future outcomes to above what we have seen in the past decade and the level of volatility of future economic outcomes may be higher than historical developments would indicate.

# A Business and performance

## A.1 Business

### A.1.1 Name and legal form

AEI is a non-life insurance company based in Amsterdam, the Netherlands. The company was incorporated on 29 October 2018 and received its license to operate as a non-life insurer on 9 June 2020. It is a Naamloze Vennootschap.

### A.1.2 Name and contact details of the responsible supervisory authority

Prudential supervision of AEI is the responsibility of De Nederlandsche Bank (“DNB”), Westeinde 1, 1000 AB, Amsterdam, The Netherlands.

Financial conduct is supervised by the Autoriteit Financiële Markten (“AFM”), Vijzelgracht 50, 1017 HS, Amsterdam, The Netherlands.

TWG Europe Ltd, AEI’s shareholder, is supervised by the Prudential Regulation Authority (“PRA”), 20 Moorgate, London, EC2R 6DA, United Kingdom.

### A.1.3 Name and contact details of external auditor

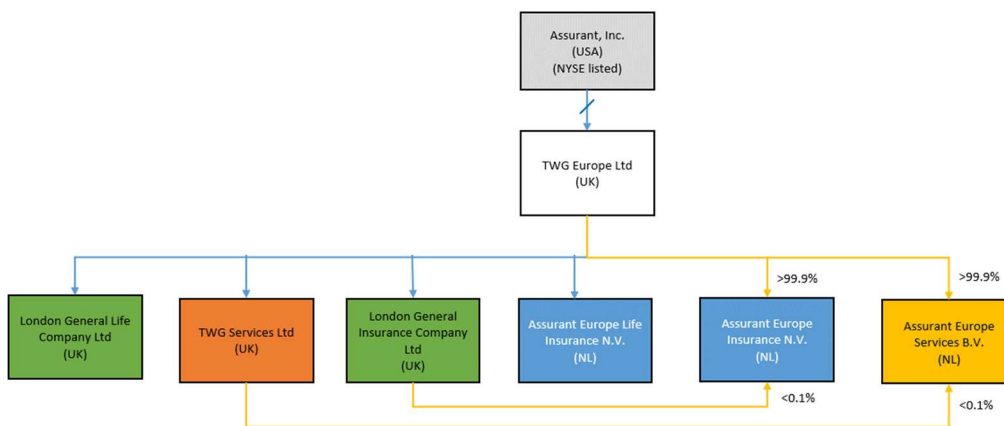
AEI’s external auditor is Deloitte Accountants B.V., Gustav Mahlerlaan 2970, 1081LA, Amsterdam, The Netherlands.







### A.1.4 Shareholders and position within the group

AEI’s shares are held by TWG Europe Ltd, one of the holding companies ultimately owned by Assurant Inc, a public company listed on the New York Stock Exchange (ticker: AIZ), registered in Delaware, United States of America.

A simplified version of the group’s corporate structure is shown below:

Group corporate structure (simplified)



Key	
 EU Regulated Insurer	 EU Regulated intermediary
 UK Regulated intermediary	 Non-Regulated Entity
 UK Regulated Insurer	 Non EU entity

- Notes:**
1. TWGE Group refers to TWG Europe Limited and its subsidiaries.
  2. All depicted entities are 100% owned by their immediate shareholder (shown by blue connecting lines) except for (a) entities shown with yellow connecting lines which are held as per the specified % ownership and (b) Assurant, Inc. which is publicly listed.
  3. This chart does not show (a) intermediary holding companies above TWGE or (b) dormant entities or corporate branches within the TWGE Group.

AEI has issued 43,600,001 shares of which 43,600,000 (> 99.99%) are owned by TWG Europe Ltd and 1 (< 0.01%) is owned by London General Insurance Company Ltd (which itself is 100% owned by TWG Europe Ltd).

#### A.1.5 Material lines of business and material geographical areas where business is carried out

AEI's principal activity is the underwriting of non-life insurance risk in the European Union. Its main clients are larger Mobile phone operators, Mobile phone distributors, Automotive industry manufacturers or distributors/dealers and (online) retailers.

AEI distinguishes the following segments:

- Connected Living (insurance of electronic devices including mobile phones)
- Auto (provision of extended warranty periods)
- Creditor (disability, unemployment). This segment is in run-off since 2018.

Its Solvency 2 lines of business are:

- Fire and Other Property Damage
- Income Protection (Health SLT)
- Miscellaneous Financial Loss

The material lines of business are illustrated in the table below, using financial information for the year ended 31 December 2021.

€'000	Technical Provisions (excl risk margin)			Premiums earned		
	Gross	Ceded	Net	Gross	Ceded	Net
Fire and other property damage	6,465	3,530	2,935	128,769	54,347	74,422
Health SLT	27,690	53	27,637	7,780	3	7,778
Miscellaneous financial loss	30,739	6,449	24,289	33,732	6,670	27,063
<b>Total</b>	<b>64,894</b>	<b>10,032</b>	<b>54,862</b>	<b>170,282</b>	<b>61,019</b>	<b>109,262</b>

The four largest territories of operation are France, Spain, Germany and Italy.

#### A.1.6 Significant business or other events that have occurred during the reporting period

The following events had a significant impact on the company:

##### COVID19

The COVID-19 pandemic had various and sometimes opposing impacts on the financial position of AEI, the major ones being:

- Economic activity was generally volatile in 2021, with periods of lock-down and virtually completely unrestricted activity. AEI's customers were impacted differently, with retailers and dealers being impacted negatively and on-line channels experiencing high growth rates. AEI overall was impacted slightly negatively on (lower) sales.
- Due to reduced (travel) activity levels in general, numbers of claims made decreased, positively impacting the company's result. The logistical cost of repair or replacement sometimes increased but this did not exceed the benefits of reduced numbers of claims.

- Due to additional governmental support measures, the Creditor lines were not impacted by additional unemployment or disability claims. AEI is conscious that this may change in 2022 and has provided for such possible impact accordingly.

The outlook for 2022 is uncertain and in case the vaccination strategies adopted throughout the EU do not deliver the intended outcomes, AEI may be negatively impacted.

### A.1.7 Business performance

Whilst this report generally provides information that is based on valuation rules required by the Solvency 2 reporting regime, the following sections A.2, A.3 and A.4 are required to be reported in accordance with the measurement basis as shown in the company's financial statements, which in AEI's case, is Dutch GAAP (BW2, Titel 9). The disclosure rules of Solvency 2 do require the business performance of the company to be analysed using three distinct sections, being:

- Underwriting performance
- Investment performance
- Performance of other activities

The table below shows the performance of the company's operations by section:

		2021	2020
€'000			
Underwriting performance	Section A.2	3,762	-1,967
Investment performance	Section A.3	-979	957
Performance of other activities	Section A.4	0	0
<b>Profit before tax in statutory financial statements</b>		<b>2,782</b>	<b>-1,010</b>



## A.2 Underwriting Performance

Underwriting performance per Solvency 2 line of business is summarised in below table.

€'000	Fire & Other			Total
	Damage to Property	Miscellaneous Financial loss	Health (SLT)	
<b>Premiums written</b>				
Gross - Direct Business	130,393	20,954	6,725	158,071
Reinsurers' share	55,807	4,096	0	59,903
Net	74,586	16,858	6,725	98,168
<b>Premiums earned</b>				
Gross - Direct Business	128,769	33,732	7,780	170,282
Reinsurers' share	54,347	6,670	3	61,019
Net	74,422	27,063	7,778	109,262
<b>Claims incurred</b>				
Gross - Direct Business	42,946	4,827	4,338	52,111
Reinsurers' share	21,649	1,565	2	23,216
Net	21,297	3,262	4,336	28,895
<b>Expenses incurred</b>				
Other expenses	51,484	18,722	5,380	75,586
Total expenses				0
				75,586
<b>Underwriting result</b>	<b>1,641</b>	<b>5,079</b>	<b>-1,939</b>	<b>4,781</b>
(-) Asset management expenses				501
(+) Investment income				-1,520
<b>Technical result in statutory financial statements</b>				<b>3,762</b>

### Premiums earned (net)

This represents the sum of premiums earned during the year, net of premiums attributable to reinsurers. Premiums earned follow the risk emergence pattern of the different types of policies. The earning patterns vary substantially and range from monthly earning of monthly billed premiums to earning a single premium received after only three years (extended warranty products).

### Claims incurred (net)

Comprises the sum of the claims paid and the change in the provision for claims outstanding during the financial year, net of reinsurance.

### Changes in other technical provisions

Not applicable

## Expenses incurred

This represents all technical expenses incurred by the company in relation to its insurance operations.

## Other expenses

All expenses incurred relate to the insurance operations.

## Underwriting result

The underwriting result was modestly positive.

The company invested in new large programs that will start generating revenue in 2022 and does not capitalise these expenses. Furthermore, the company still incurred some non-recurring start-up costs that spilled over from 2020.

## Geographical areas

All business is underwritten in the EU and all risks are in the EU. An overview of premiums, claims and expenses by significant risk location is provided in the appended schedule 05.02.

## A.3 Investment Performance

### A.3.1 Investment holdings

The company's investment portfolio as at 31 December of the current period and the investment income generated in the period under review is as follows:

	Position as at end of period		Income for the period	
	€'000	%	€'000	%
Government bonds (*)	14,205	9%	-277	11%
Corporate bonds (*)	136,337	86%	-1,716	69%
Loans to corporate borrowers	1,037	1%	0	0%
Cash and deposits	7,352	5%	-6	0%
Asset management expenses		0%	-501	20%
<b>Total</b>	<b>158,932</b>	<b>100%</b>	<b>-2,499</b>	<b>100%</b>

(\*) On Solvency II valuation basis, which includes accrued interest for € 68,502 and € 826,303 on government and corporate bonds, respectively; see also at D 1.1.

Investment returns are low, in accordance with capital markets. Overall, Euro risk-free-rates increased whereas spreads remained largely unchanged from December 2020 to December 2021. As a consequence, the company incurred unrealised losses on its government and corporate bonds. Cash and deposits generate negative interest.

Except for one investment (Loans to corporate borrowers), the company holds a very liquid and diversified portfolio of relatively high credit standing. Investment income, consequently, is lower than that of a portfolio that would also hold less liquid fixed-income or equity instruments.

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

The company's only activity is that of non-life insurance business.

#### **A.5 Any other disclosures**

There is no other information required to be disclosed regarding the performance of the business.

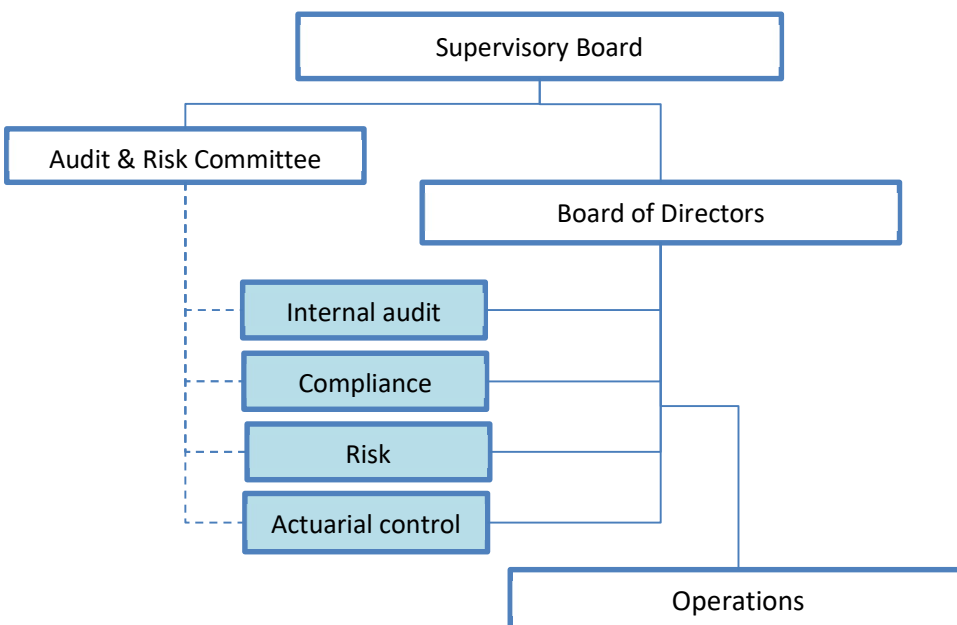
## B System of governance

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

#### B.1.1 Governance structure

AEI’s system of governance is embedded within the overarching system of governance of the Assurant group. The design and effectiveness of system of governance is responsibility of the Board of Directors. The Board of Directors is supervised by an independent board of Supervisory Directors. The Board of Directors delegates responsibilities for certain functions to Key Function Holders (in blue in below table). The company maintains a governance map which documents the detailed implementation of the system of governance. This includes the terms of reference and detailed roles and responsibilities for the key function holders.

The governance structure is summarised in the picture below:



##### B.1.1.1 Supervisory Board

The Supervisory Board supervises the Board of Directors and oversees that the Board of Directors acts in accordance with the Company’s strategy, policies and objectives. It is collectively responsible for coaching and assisting the Board of Directors when necessary.

##### Sub-Committee

The company’s supervisory board has established an Audit Risk & Compliance Committee.

##### B.1.1.2 Board of Directors

The Board comprises the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), and the Head of Risk.

The Board of Directors sets the strategy and business plan within the context of Assurant group's plans and ensures that the necessary financial and human resources are in place to meet the organisation's objectives.

### B.1.1.3 Key function holders

The Board of Directors has delegated the execution of certain key functions to senior management / key function holders. These are functions that have a material effect on the system of internal control in the business and influence material decision making. The key functions have been defined considering the requirements of Solvency 2 regulations and guidance from regulators. The key functions are as follows:

- Risk management
- Internal audit
- Actuarial (control)
- Compliance

Each Key Function Holder prepares a functional performance report to the board(s) on a quarterly basis (risk management & compliance) or annual basis (actuarial and internal audit).

The detailed responsibilities for each Key Function Holder are documented in the Governance Map which is reviewed and approved by the Board of Directors on a regular basis. This ensures that each Key Function Holder has the necessary authority and operational independence to carry out their role. On an annual basis, as part of the Business Planning process, each Key Function Holder will ensure that they have the necessary resources to deliver on their responsibilities. The Business plan is reviewed by the Board of Directors.

The responsibilities of each of the key-functions holders are summarised below.

- The Head of Risk, being a Board of Directors' member, attends the Board of Director's meetings and the Audit Risk & Compliance Committee meetings and has responsibility for the development and review of the risk management system, governance system and internal control system; implementation of risk management processes and systems; reporting on the risk profile of the business, preparation and presentation of the Own Risk and Solvency Assessment (ORSA).
- The 2<sup>nd</sup> line Actuary attends of the meetings of the Board of Directors at which his reporting is on the agenda. The 2<sup>nd</sup> line Actuary oversees all actuarial aspects of strategy and financial management. Oversight of the appropriateness of methodologies, models, bases of calculation of technical provisions; assessment of the sufficiency and quality of the data used in the calculation of technical provisions; reporting on the reliability and adequacy of the calculation of technical provision; advising of any concerns regarding the sufficiency of financial assets to meet liabilities to policies; the modelling of risk capital for the ORSA, including advising on suitable stress and scenario testing; reinsurance arrangements; oversight of investment strategy and asset-liability matching.
- The Head of Internal Audit provides reporting to the Board of Directors and directly to the Chair of the Audit Risk & Compliance Committee and is responsible for providing reasonable assurance to the Board of Directors and the Audit Risk & Compliance Committee about the adequacy and effectiveness of the internal control environment including procedures, controls and policies and for the establishment of an annual audit plan.
- The Head of Compliance provides reporting to the Board of Directors and directly to the Chair of the Audit Risk & Compliance Committee and is responsible for ensuring that the company fulfils its regulatory, legislative, and corporate standards and obligations and for assessing the adequacy of measures taken to prevent non-compliance. The Head of Compliance is also responsible for upholding sanction and anti-money-laundering measures.

### B.1.2 Material changes in the system of governance

In the reporting period, no material changes were made to the system of governance.

### **B.1.3 Information on the remuneration Policy**

The Board of Directors, management and employees of AEI are employed by Assurant Europe Services BV (AES). AEI and AES are under common management and AES applies the same practices that would have applied if management and employees would have been employed by AEI directly.

The Remuneration policy for the Board of Directors is set by the Annual General Meeting. The periodical determination of its remuneration is set by the Supervisory Board, in accordance with that Remuneration policy.

The Board of Directors, management and employees are remunerated as follows:

- Fixed remuneration, based on a (group wide) benchmark / role content basis.
- Variable remuneration, based on personal and company financial performance, such within the local legal limits applying (performance related variable remuneration up to 20% of fixed/guaranteed income).

Variable remuneration is not deferred.

Supervisory Board members receive a fixed fee.

### **B.1.4 Transactions with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body.**

The company did not enter into transactions with subject persons or bodies.

### **B.1.5 Assessment of the adequacy of the system of governance**

The system of governance is set up in accordance with Solvency 2 guidelines and the design is assessed on an annual basis. The Board of Directors reviews effectiveness of the system of governance on a periodical basis. This review comprises the following:

- An annual attestation by management of the Company with regards to the proper functioning of policies within the Company.
- Review of the quarterly reporting of the Key Function Holders (Head of Risk, Actuarial function, Head of Compliance, Head of internal audit), which reporting provides insight into functioning of policies and guidelines, both in terms of adherence and in terms of breaches and incidents.
- Incidental reviews requested by regulators, which entail a detailed review of certain aspects of the governance framework.
- Obtaining feedback from the Internal and External audit functions with regards to their opinions on the functioning of the governance framework.

Key Function Holders and External audit have direct access to the Audit Risk & Compliance Committee and the Supervisory Board to share any concerns they may have about the governance framework.

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

The company has a Fit and proper policy that addresses that appropriate resource are in place to deliver effective and efficient management of the business. The Company takes appropriate steps to ensure that (senior) managers, individuals responsible for key functions and those working in key functions are fit and proper to carry their responsibilities. The requirements are proportionate to the role and responsibilities of the position. Checks are made on initial appointment and are re-assessed when deemed required. The results of all assessments are reported to the Board of Directors. For new employees, these tests included some or all of the following:

- Criminal record checks.
- Credit referencing.
- Curriculum Vitae detailing skills, qualifications and experience.
- Continuous professional development / performance management framework.
- Membership of professional institutes.
- The recruitment and selection process in place at the time of appointment.
- Permanent education requirements, which are reported on quarterly and monitored by the Compliance Officer.

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

### **B.3.1.1 Risk Management System**

AEI has established a risk management system which comprises:

- (a) a strategy;
- (b) risk management and internal control policies;
- (c) risk management processes;
- (d) control activities.

In addition, it includes a risk management system review; reporting and disclosure; independent assurance and regulatory compliance monitoring.

The risk management system applies to all categories of risk, and, unless stated otherwise, the following information applies for each separate risk category.

### **B.3.1.2 Risk management strategy**

AEI's risk management strategy ensures that the company's risk appetite is not exceeded. Risks are assessed, defined and approached in one of the following four ways, depending on the nature of the risk and related circumstances:

- Risk acceptance: AEI accepts risks that fall within the boundaries/limits defined in the risk appetite statement. Any risk falling outside the specified limits or boundaries is reviewed to ascertain if the risk appetite requires updating or if an exception should be granted.
- Risk reduction/minimisation: these activities generally relate to control and mitigation activities, and therefore this strategy may include, amongst others, any or all of the following: the design of new process or accounting controls, contracting controls, changes in product design, improvement in a set of Terms and Conditions, or other changes designed to control and/or mitigate risk.
- Risk transfer: risk is transferred principally through reinsurance agreements. These may include, but are not limited to stop loss, excess of loss, quota share, or other such treaties. Other types of risk transfer can also be considered.
- Risk Avoidance: where an activity is outside the risk appetite of the AEI, AEI will seek to avoid exposure to that type of risk.

### **B.3.1.3 Process**

AEI implemented the three lines of defence model and enforces the requirement for first line management of risk, with oversight and challenge from the second line risk, actuarial and compliance functions and third line internal audit function confirmation, as follows:

Oversight	Supervisory Board	<ul style="list-style-type: none"> <li>Supervisory Board - independent oversight of Board of Directors</li> </ul>
Responsibility	Board of Directors	<ul style="list-style-type: none"> <li>Establishes risk appetite and strategy</li> <li>Responsible for 1<sup>st</sup> and 2<sup>nd</sup> line activities</li> </ul>
3rd Line of Defence	Internal Advisory Services (Internal Audit)	<ul style="list-style-type: none"> <li>Provides independent assurance on the effectiveness of first and second line of defence functions</li> </ul>
2nd Line of Defence	Risk Management Function Compliance Function Actuarial Function	<ul style="list-style-type: none"> <li>Design, interpret and develop overall risk management framework</li> <li>Overview of AEI risk registers</li> <li>Monitor controls in place against key risks</li> <li>Challenges risk mitigation and acceptance</li> <li>Reports on risk exposures, issues, mitigations, and resolutions</li> </ul>
1st Line of Defence	Business / Functions	<ul style="list-style-type: none"> <li>Executive risk owners</li> <li>Owner of the risk management process</li> <li>Identifies, manages, and mitigates risks</li> <li>Identifies, manages, and reports on issues</li> </ul>

Business areas are responsible for completing quarterly Risk and Control Self-Assessments (RCSA's) which contribute to the Risk Register of the business.

### B.3.2 Own Risk and Solvency Assessment

AEI annually conducts an Own Risk and Solvency Assessment (ORSA). This assessment considers the company's strategy, its operating environment and the risks to which it is exposed and results in a forward-looking assessment of the potential risks and capital impacts which the company uses to assess its current and future capital needs.

#### ORSA Process

The table below show the steps in the ORSA process.





## B.4 Internal control system

### B.4.1 Description of system of internal control

AEI’s internal control system is designed to provide reasonable assurance that its reporting is reliable, compliant with applicable laws and regulations and its operations are effectively controlled.

The Company operates a “three lines of defence model” for the management of risks and performance of internal control, which is adapted and applied for a company of the size and complexity of AEI. This is illustrated in the overview below. Broadly this means that the risk function is responsible for providing a framework for risk management and internal control, the business functions are responsible for implementing the framework and the Internal audit function is responsible for independently validating the appropriateness of both the design and its implementation. The actuarial and compliance functions also provide second line challenge, oversight and assurance.



### B.4.2 Implementation of the compliance function

The Compliance Function operates within Assurant group’s broader risk management framework and:

- is responsible for oversight and monitoring of compliance risk management and related control systems.
- supports the Board of Directors in managing compliance risks and embedding a culture of integrity in the organisation.
- develops the enterprise compliance strategy, structure, and processes of adherence to ethical standards and applicable rules and regulations.
- supports implementation of the compliance program and establishes and maintains effective compliance management and control systems.

The Compliance Function is independent of and takes an objective view on the operational activities of AEI. It provides timely advice to the Board of Directors or, where applicable the Supervisory Board on compliance related matters. If and when potentially significant misconduct in connection with AEI’s business is detected, it ensures that reasonable steps are taken to respond to and resolve the (potential) misconduct. It oversees effective whistleblowing reporting channels and conducts or coordinates internal investigations of compliance violations. It develops and implements compliance policies and procedures, education, and trainings, and keeps abreast of regulatory and industry trends.

At least on an annual basis, the Compliance Function will draft the compliance plan, which describes the monitoring activities which the Compliance Function will perform, considering the risk ratings, supervisor priorities and audit results. The monitoring activities will be executed accordingly.

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

### **B.5.1 Description of how the internal audit function is implemented**

AEI's Head of Internal Audit (HoIA) is responsible for internal audit activities, in coordination with Assurant Inc.'s group Internal Audit Services (IAS) function. The HoIA is accountable to the Audit Risk & Compliance Committee (ARCC) of the Supervisory Board and has administrative responsibility to AEI's Chief Executive Officer.

The HoIA is responsible for regularly assessing the adequacy of governance, risk management and the internal controls system and reports his findings to the Board of Directors and the Audit Risk & Compliance Committee of the Supervisory Board.

Internal audit activities are coordinated with IAS as to ensure coordination of audit plans, coordination of resource planning, alignment on audit process, reporting and follow-up monitoring.

The annual audit plan (based on a three-year cycle) is prepared and submitted to the Supervisory Board for review and confirmation. Upon confirmation, the HoIA distributes the plan to business leaders and executes the plan during the course of the audit plan period. Additionally, at HoIA discretion or at the request of the ARCC, or management, other unannounced audits may be performed.

Initially the entire risk universe is considered during annual audit planning and subsequent revisions to plan, the highest-risk items are included as risk-based audits. Certain processes, while not rising to a level of significant risk, are still included on a cyclical basis to ensure breadth of coverage over a span of time.

Secondly, risks associated to the audit are identified and their mitigation evaluated via an assessment of the design and operational effectiveness of key internal controls, information systems, governance, risk management, and financial reporting supplemented where necessary by a programme of testing, creating audit programs for every project.

### **B.5.2 Description of how the internal audit function maintains independence and objectivity**

The Internal audit function's mandate and responsibilities are documented in the Internal Audit Charter. It defines the framework for the activities of the Internal Audit function and is approved by the Supervisory Board. The charter allows Internal audit to be independent of the functions audited and it provides full, free, and unrestricted access to all operations, records, property, and personnel. Additionally, it provides the authority to allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives.

## **B.6 Actuarial function**

The Board of Directors appoints the Actuarial Function Holder. The holder needs to meet the fit and proper requirements and hold an appropriate practicing certificate from the Actuarial Society (Actuarieel Genootschap) or a comparable foreign qualification.

The Actuarial Function Holder reports to the Head of Risk for management purposes but has a line of escalation to the Supervisory Board (via the Audit Risk & Compliance Committee).

The responsibilities of the Actuarial Function Holder are defined in a Charter. As part of ensuring responsibilities are carried out in an effective and efficient manner, the Actuarial function operates in close cooperation with the members of the 1<sup>st</sup> line actuarial function team.

The Actuarial Function Holder coordinates the calculation of technical provisions, provides opinions on the underwriting policy and reinsurance arrangements, and contributes to the effectiveness of the risk management system.

The actuarial function is responsible for the process of calculating the technical provisions, as well as for the calculation of the SCR, MCR and ORSA capital. In addition, the actuarial function is responsible for reviewing and calculating the appropriateness of insurance product pricing and contributing to the governance committees, capital initiatives and regulatory returns where appropriate.

The Actuarial Function Holder provides quarterly updates and an annual report to the Board of Directors and the Supervisory Board, detailing the methodology, assumptions, and results of its work.

## B.7 Outsourcing

AEI operates as part of the Assurant group and is tightly linked to the European - and partially, US - operations. The company does not employ staff itself but instead benefits from shared services centres and centres of excellence and has entered into service agreements with the group entities that provide these services.

Similarly, AEI does often not employ its own claim-adjusters and policy maintenance staff but instead engages third parties that have proven expertise in dealing with electronic devices and digital customer experience journeys. Assurant group employees supervise such third parties, based on detailed service level agreements.

In the Netherlands, Assurant employees are employed by Assurant Europe Services B.V., a group company under the same management as AEI. The activities of these employees are not considered “outsourcing”.

AEI distinguishes between two types of outsourcing:

- Activities for which the Board of Directors cannot outsource functional responsibility but for which AEI makes use of individuals and infrastructure that are employed or owned by other group entities. These activities are managed as if directly employed / owned by AEI and are not considered “outsourcing”.
- Activities for which functional responsibility can be outsourced and which is considered critical or important outsourcing as defined by Solvency 2 definitions.

AEI’s Outsourcing policy sets the standards and controls required for selection of internal and external service providers as well as the requirements for ongoing management of such providers, with the aim of ensuring adequate oversight and governance of performance.

Critical or important outsourced functions are:

Outsourced Function	Outsourced to
IT & infrastructure management	Assurant group companies (US/UK)
Oversight over third party administrators	Assurant group companies (UK)
Financial administration	Assurant group companies (UK)
Policy administration and claims management	Various third parties (EU)

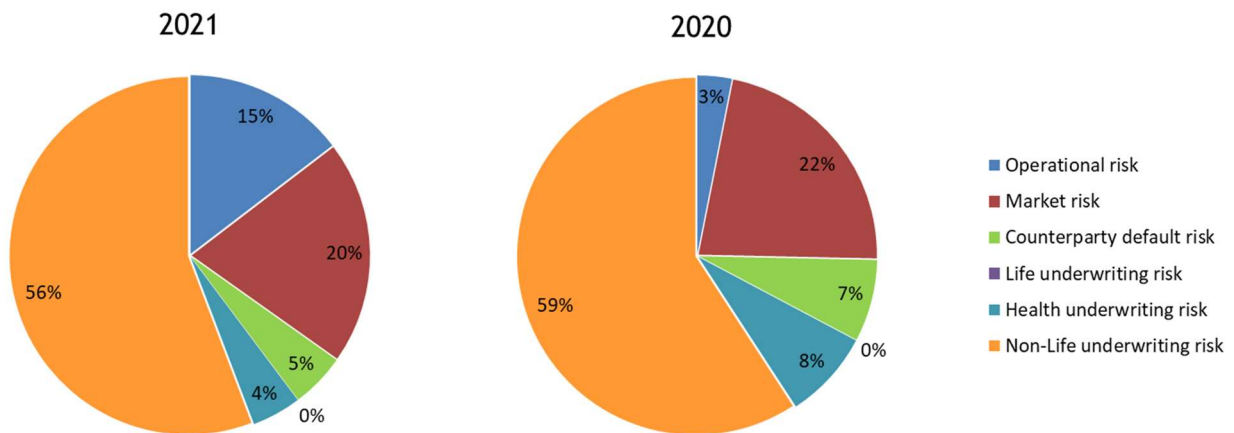
## B.8 Any other disclosures

None.

## C Risk management

The sections below provide a qualitative and quantitative summary of the risk profile for each category of risk. Where information is specific to each risk category it has been set out under the relevant heading. Where the information is common across all risk categories it has been included in Section C.7.

AEI is mainly exposed to non-life underwriting risk, followed by market risk. The chart below shows the distribution of the gross SCR by risk module (excluding the diversification effects between the risk modules) as at current and prior year-end.



The increase in Operational risk follows the start-up of the portfolio and the additional charge that the Standard model imposes on companies growing by more than 20%.

A further breakdown of market and non-market risk capital requirements is provided in the following sections

### C.1 Underwriting risk

#### C.1.1 Qualitative review of risk profile

##### Underwriting risk - non-life

AEI is exposed to the risk of having to pay more claims, or incur higher than expected costs per claim, than foreseen when pricing its insurance products. Its insurance risk is generally more driven by claim frequency as the insurances generally cover high volume low value categories. Depending on the individual program, the risk concerning the cost of individual claims may have been negated by up-front agreements with original or alternative manufacturers of parts or devices.

##### Underwriting risk - disability-morbidity

AEI is exposed to disability-morbidity risk; the probability of having to pay out more benefits due to increased disability-morbidity.

In case of annuities, disability-morbidity risk carries the possibility of recovery, meaning insureds can recover from their illness and benefits can cease to be paid at that point. Some covers involve a lump sum payment only.

AEI did not write policies on a standalone basis, but as wrappers to consumer borrowing arrangements, like mortgage loans or consumer credits, meaning they were less exposed to disability-morbidity risk compared to insureds that had a health driven incentive to buy protection.

### Underwriting risk - unemployment

AEI is exposed to the risk of unemployment. The Company did not write this risk on a standalone basis, but as a wrapper to a consumer borrowing arrangement, like a mortgage loan or consumer credit. The risk of unemployment tends to be related to the stages of the economic cycle. The Company is not exposed to unemployment in a particular industry or region.

### Underwriting risk - expense

The Company is exposed to expense risk. This arises if future expenses turn out to be higher than expected or higher than those provisions are carried for. Cost increases have different causes, such as non-recurring regulatory change costs, or recurring inflation increases. This risk can be mitigated only partially.

### Underwriting risk - revision

Revision risk applies to annuity insurances where the benefits ‘could increase because of changes in inflation, the legal environment or the state of health of the person insured.’ AEI’s insurances do not provide such benefits; therefore, this risk is not applicable.

### Underwriting risk - lapse

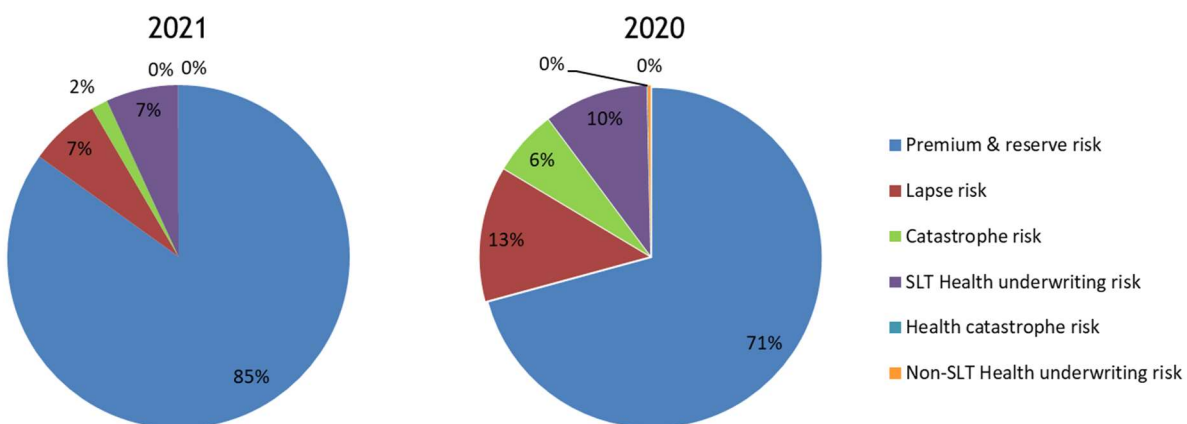
Lapse risk arises mainly due to the loss of future income if lapses are higher than expected. Lapse risk can be driven by external events such as an economic recession or by internal factors such as poor customer service delivery.

### Underwriting risk - catastrophe

In some territories AEI is exposed to this risk, for example due to floods or windstorm. This risk is generally remote.

## C.1. Quantitative review of risk profile

The graphs below show the underwriting risk profile of the Company using the risk capital requirements calculated by the standard formula as at 31 December of the current and prior year.



Most of the Underwriting risk SCR is made up by Premium and reserve risk (non-life), which is in line with expectations for an average non-life insurer. Lapse risk is smaller as contracts tend to be of shorter duration. Catastrophe risk is also relatively low as the terms and conditions of many products exclude catastrophe risk or the policies are written in a territory where catastrophe risk is covered by national schemes.

In 2021, CAT risk decreased compared to prior year as a consequence of using CRESTA level data in territories where this was not previously done.

### C.1.3 Risk mitigation Techniques

The below table sets out the techniques used for mitigating (material) risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Premium & reserve risk (non-life)	<ul style="list-style-type: none"> <li>▪ Underwriting guidelines include conditions that limit maximum duration of individual policies and claim re-pricing rights for policies that have a longer duration.</li> <li>▪ Underwriting practices allow for profit-sharing mechanisms due to which the interests of AEI and its program client are more closely aligned.</li> <li>▪ Reinsurance guidelines prescribe the use of reinsurance if the underwriting risk is outside of AEI's risk appetite.</li> <li>▪ Regular experience investigations and monthly review of programs avoid insufficient technical provisions.</li> <li>▪ Emerging risk reviews focus on market developments that may prove a program under-reserved.</li> </ul>
Underwriting risk - Disability Risk / Morbidity/ Unemployment Risk (SLT Health)	<ul style="list-style-type: none"> <li>▪ Regular experience investigations, and industry analysis, to support best estimate assumptions and identify trends.</li> <li>▪ Policy conditions include (low) limits in amount and duration of payment(s).</li> </ul>
Expense Risk	<ul style="list-style-type: none"> <li>▪ Stringent regime of budgetary control, monitored as part of the annual planning and quarterly reporting cycles.</li> <li>▪ Outsourcing strategy keeps costs variable.</li> </ul>
Lapse Risk	<ul style="list-style-type: none"> <li>▪ Regular experience investigations to support best estimate assumptions and identify trends.</li> <li>▪ Stringent management of customer service delivery and adherence to treating customers fairly (TCF) principles.</li> </ul>
Catastrophe Risk	<ul style="list-style-type: none"> <li>▪ Given low exposure to this risk, no specific mitigation measures are in place.</li> </ul>

## C.2 Market risk

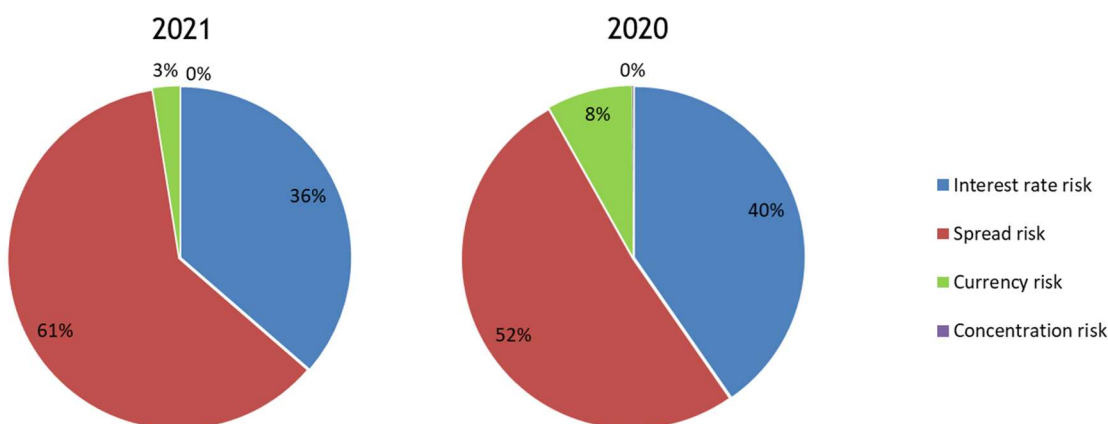
### C.2.1 Qualitative review of risk profile

Market risk emerges in different ways. It arises directly, because of interest rate and spread movements or exchange rate movements but also due to a loss of funds if a debtor is not able to repay its debt. This indirect risk is credit risk is treated in section C.3.

AEI does not seek market risk to increase revenue or profit but rather incurs it as a consequence of having to invest funds to cover policyholder liabilities and hold capital for regulatory purposes.

Included within market risk are: <b>Risk category</b>	Description
Interest Rate Risk	Interest risk is inherently present. Given that a major part of AEI's assets are bonds, interest fluctuations will impact these assets' values. Fluctuations in interest rates also affect liabilities' values. The overall impact of interest risk is therefore depending on how well the assets and liabilities are matched. Given that AEI has a larger exposure on interest sensitive assets than exposure on liabilities, decreasing interest rates are beneficial to its solvency position.
Spread Risk	Given the large share of corporate bonds in its asset portfolio, AEI is exposed to spread risk. Spread is the part of the interest rate above the risk-free rate. When spreads increase, the market value of assets reduces.
Currency Risk	Currency risk emerges when currencies lose value compared to the Euro, the companies reporting currency. AEI only operates in the European Union, and therefore its exposure to currency risk is limited.
Equity risk	AEI had no exposure to equity risk as at 31 December.
Property Risk	AEI had no exposure to property risk as at 31 December.

### C.2.2 Quantitative review of risk profile





The company is exposed mostly to interest-rate risk and spread risk, both a as result of investing its Own funds mostly in a corporate bonds portfolio. Spread risk is the largest category as there are no off-sets available in liabilities, unlike for interest rate risk. Currency risk is small as this concerns business underwritten in Hungary and Poland only. Concentration risk is nil, as the company’s investment policy contains concentration limits that are stricter than those allowed by Solvency 2 standard model.

### C.2.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Interest Risk	Matching of assets and liabilities to reduce the impact of adverse interest rate movements.
Spread risk	Investing in Investment grade bonds only, with diversification over many regions and sectors.
Concentration Risk	Diversified portfolio of investments with smaller notional exposures to avoid concentration of risk.
Currency Risk	Investments in Euro bonds only. For HUF and PLN exposures maintain current accounts in these currencies against the liabilities denominated in these currencies.

The company does not use any derivatives or other specific risk mitigation instruments to manage its market risk exposure.

### C.2.5 Assets invested in accordance with the Prudent person principle.

#### C.2.5.1 Prudent Person Principle

The Company holds assets to back its various liabilities and its shareholder funds. Through pro-active investment management the Company can achieve an appropriate level of investment return. Achieving an appropriate level of investment return is not the sole aim though, as the Company needs to keep the risks within its risk tolerance limits, which are set with the aim to achieve pay outs in line with policyholders’ reasonable expectations.

The Company has a limited risk appetite to incur losses on investments that are held to cover policyholder liabilities. These investments are held to match the best estimate cash outflows and returns on funds are of lower priority (since the liabilities do not hold guarantees and are discounted against the (very low) EIOPA curve).

The Company has a higher risk appetite for invested shareholder funds. For these, return on investment has a higher priority and with that comes a more positive risk appetite towards credit and spread risk.

Finally, the Company has a limited risk appetite for liquidity risk and concentration risk. Subsequently, when setting the asset mix and determining suitable investments it is important to maintain a minimum level of cash holdings and to ensure that the company does not invest too much with a single counterparty, for which strict limits exist.

### C.2.5.2 Investment management

The Board of Directors is responsible for ensuring that the controls for investment management are appropriate and effective. As such the board is responsible for the approval of the Investment policy and oversight of its operation. This includes signing off major changes in the approach used for investment management. At AEI, also the Supervisory Board signs off the Investment policy.

## C.3 Credit risk

### C.3.1 Qualitative review of risk profile

Two types of exposures are distinguished:

#### Type 1

The Company holds significant amounts of funds with banks in The Netherlands. Counterparty default risk would emerge if one or more of these banks would not be able to repay the balances held.

The Company has placed reinsurance with certain reinsurers, for specific programs in its portfolio. From time to time the Company has significant amounts receivable, both current and future, from these reinsurers.

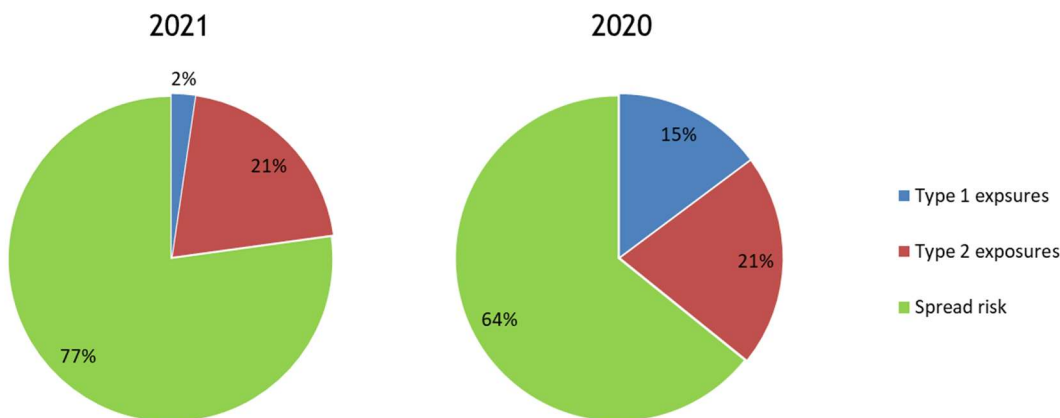
#### Type 2

The company has significant amounts due from intermediaries.

Spread risk, reflecting credit risk on the corporate bond portfolio, is treated in paragraph C.2.

### C.3.2 Quantitative review of risk profile

The graphs below show the credit risk profile of the Company using the risk capital requirements calculated by the standard formula as at 31 December of current and prior year.



In comparison, the credit risk on the bond portfolio is larger than that associated with type 1 and 2 exposures. The capital held for type 1 exposures is relatively modest as exposure to reinsurers is mostly covered by liabilities or collateral and exposure to banks is mainly to higher rated banks (which also are Globally Systemic Important Banks). Exposure to banks decreased in 2021 due to building up the investment portfolio.

Type 2 exposure is important but modest as many programs know monthly premium cycles or single premium payments up-front.

### C.3.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Credit and counterparty default	<ul style="list-style-type: none"> <li>▪ Operation of controls which limit the level of exposure to any single counterparty and impose limits on exposure by credit rating.</li> <li>▪ Product design allowing for cancellation of coverage when premiums unpaid.</li> <li>▪ Bank accounts held with GSIB's.</li> <li>▪ Reinsurance treaties only with highly rated reinsurers and/or with set-off and collateral clauses.</li> </ul>

## C.4 Liquidity risk

Liquidity risk is defined as the risk that the company will have insufficient liquid assets available to meet liabilities as they become due.

### C.4.1 Qualitative review of risk profile

Liquidity risk arises when cash outflows to policyholders or pay-out patterns deviate from expectations, or when cash outflows are not properly matched by cash inflows. The company holds almost all its invested assets in liquid instruments (cash at bank and government and corporate bonds) which are directly or almost directly available. The only illiquid investment is in a closed fund that originates private loans, which accounts for 0.7% of total invested assets. Therefore, liquidity risk is not considered a major residual risk.

Other liquidity issues could arise from counterparty default risk (see section C.3).

### C.4.2 Quantitative review of risk profile

Given the very large excess of liquid investments over policyholder liabilities, no further details are provided.

### C.4.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Liquidity	<ul style="list-style-type: none"> <li>▪ Funds held at GSIB banks with limits per institution.</li> <li>▪ Investment policy prescribes investment in liquid assets.</li> <li>▪ Quarterly cash flow forecasts to anticipate funding requirements over the following three months and considering wider funding requirements from the business planning and/or group dividend payments.</li> <li>▪ Weekly / monthly / quarterly treasury reporting showing the liquid assets held and how these compare to the minimum threshold set in the Investment policy.</li> <li>▪ ORSA liquidity stress scenarios.</li> </ul>

### C.4.5 Expected Profit in Future Premiums

As required by Article 260(2) of the S2 Directive, the company calculated the amount of expected profit in future premiums included in the best estimate technical provisions:

	2021	2020
€'000		
Expected profit in future premiums	7,530	7,924
<b>Total EPIFP</b>	<b>7,530</b>	<b>7,924</b>

## C.5 Operational risk

### C.5.1 Qualitative review of risk profile

The company typically carries the same operational risks as most insurers. Operational risks manifest themselves in a wide variety of forms. The company is considered to be most exposed to IT-related risks (continuity of processing, data security, data privacy) and regulation related risks (changes in regulation that increase the cost base or changes in regulations that are applied retro-actively and for which no means of compensation exists). Other categories of operational risk that the company is exposed to, either directly or via its business partners / outsource partners, are:

- Supply chain and customer experience interruptions (IT or otherwise)
- Internal or external fraud
- Conduct and reputational risk

Operational risks are assessed periodically and captured in a risk register.

### C.5.2 Quantitative review of risk profile

In the first section of this chapter C, a graph shows the distribution of the four main risk groups that are part of the SCR, including operational risk, calculated by the standard formula as at 31 December of the current and prior period. This graph shows that as at current year-end operational risk is, from a quantitative perspective, relatively material, contributing circa 18% of its final SCR. This is a temporary

effect, mainly due to the significant growth in gross earned premium volumes achieved by the company in 2021 (>20%). This triggers an additional SCR in the standard model.

Whilst the company is exposed to many operational risks and has quantified the (external) cost of these scenarios, the impact of each scenario does not exceed the SCR as determined at 31 December 2021.

### C.5.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness

Risk Category	Key Controls and Risk Mitigation Techniques
Operational risk	<ul style="list-style-type: none"> <li>▪ Close oversight of the performance and risk management of (IT-) service providers.</li> <li>▪ SOX review of major IT applications.</li> <li>▪ Ongoing monitoring and testing of business continuity plans.</li> <li>▪ (Preventive) health and safety measures.</li> <li>▪ Remote work facilities.</li> </ul>

### C.6 Other material risks

We report the following other main risks categories:

- As per the date of this report, the financial outlook for 2022 remains uncertain and dependent on the success of the various COVID19 vaccination programs existing in the company’s main markets, France, Spain, Germany and Italy. Whilst the Connected Living insurance business is relatively resilient, the Automotive sector (sales of new vehicles) is still impacted significantly by COVID19. The Creditor portfolio (in run-off) is exposed to mortality, disability and unemployment. In 2021, it has not seen large impacts for the first two risks. In 2022, unemployment related claims may increase, dependent on the duration of government support programs. The reader of this report should be conscious that while the company’s individual exposures to COVID19 may be modest, adverse developments in economic climate / capital markets will also impact the company and that the level of volatility in future economic outcomes may be higher than historical developments would indicate.
- Towards the end of 2021, increased levels of inflation were recorded, mainly in relation to increased energy prices and high consumption levels which could not be met amongst others due to COVID19 restrictions on supply chains. To which extent higher inflation levels are temporary, in the mid-term or the longer term remains to be seen. Higher cost levels could reflect in higher costs of spare parts and repair fees.
- In the course of February 2022, the Russian Federation invaded Ukraine, which triggered the start of a period of global economic uncertainty and the establishment of new sanctions against the Russian Federation and Belarus. The Company does not have direct exposure to the countries concerned nor is it impacted by sanctions. The investment portfolio does not hold bonds in these territories either. Nevertheless, whilst individual exposures may be modest, the impact on capital markets and inflation more generally may significantly impact the Company in 2022.

## C.7 Any other disclosures

### C.7.1 Risk mitigation techniques and monitoring

#### Risk assessment

Section B.3.1 sets out the Risk management framework of the Company and section B.3.2 explains how the Company carries out its Own Risk and Solvency Assessment (ORSA). This provides the framework by which individual risks are identified, assessed, monitored and managed. As part of this framework, the Company quantifies the capital impact of different risks by:

- Determining the risk capital requirements using the standard formula as part of the quarterly financial reporting cycle.
- Performing additional stress and scenario testing to support the ORSA.

An assessment is carried out on an annual basis to confirm that the standard formula remains appropriate for establishing the regulatory capital requirements for the Company. This assessment is approved by the Board of Directors.

### C.7.2 Stress testing and sensitivity analysis

#### C.7.2.1 Overview

The Company uses the standard formula to determine its regulatory capital requirements, and these are calculated and reported on a quarterly basis. As part of the Own Risk and Solvency Assessment (ORSA) the Company performs a forward-looking assessment of its ability to meet the regulatory capital requirements under a range of stresses and scenarios.

Full details of the stresses and scenarios, the methodologies used and the results are included in the ORSA report will be submitted to DNB.

#### C.7.2.2 Methodology

The stress and scenario tests are carried out with a base date of 31 December 2021.

In quantifying the financial impact of each stress, it is assumed that each stress occurs immediately after the year-end, i.e., at 1 January 2022.

After applying the stress, risk capital is recalculated in accordance with the standard formula in order to re-establish the regulatory capital requirements.

#### C.7.2.3 Outcomes from the stress and scenario testing

Each stress and scenario test was performed using the methodology described above, and the Solvency ratio was compared to the base financial position. The analysis concluded that the amount of available capital at 31 December 2021 is sufficient to withstand the stresses and scenarios adopted by the Board of Directors.

## D Valuation for Solvency purposes

This section of the Solvency and Financial Condition Report shows how the assets and liabilities of the Company have been valued, both for solvency and statutory reporting purposes. The below table summarises the Own funds (as measured on a solvency basis) and net assets (as measured on a statutory basis) and provides a reference where further information is provided:

		<b>Solvency 2</b>	<b>Statutory</b>
€'000			
Assets	Section D.1	202,999	244,010
Technical provisions	Section D.2	-71,433	-125,250
Other liabilities	Section D.3	-36,543	-38,597
<b>Own funds / net assets</b>		<b>95,023</b>	<b>80,162</b>

### D.1 Assets

The table below shows separately each class of asset with Solvency 2 value and the statutory account value:

	Section	Solvency II value	Statutory accounts value
		C0010	C0020
<b>Assets</b>			
R0010 Goodwill			
R0020 Deferred acquisition costs	<b>D 1.1</b>		32,006,269
R0030 Intangible assets			0
R0040 Deferred tax assets	<b>D 1.2</b>		711,957
R0050 Pension benefit surplus			0
R0060 Property, plant & equipment held for own use			0
R0070 Investments (other than assets held for index-linked and unit-linked contracts)		151,579,602	150,684,737
R0080 Property (other than for own use)			0
R0090 Holdings in related undertakings, including participations			0
R0100 Equities		0	0
R0110 Equities - listed			0
R0120 Equities - unlisted			0
R0130 Bonds	<b>D 1.3</b>	150,542,196	149,647,331
R0140 Government Bonds		14,204,800	14,136,237
R0150 Corporate Bonds		136,337,396	135,511,093
R0160 Structured notes			
R0170 Collateralised securities			
R0180 Collective Investments Undertakings		1,037,406	1,037,406
R0190 Derivatives			
R0200 Deposits other than cash equivalents			
R0210 Other investments			
R0220 Assets held for index-linked and unit-linked contracts			
R0230 Loans and mortgages		0	0
R0240 Loans on policies			
R0250 Loans and mortgages to individuals			
R0260 Other loans and mortgages			
R0270 Reinsurance recoverables from:	<b>D 2</b>	10,031,557	21,472,578
R0280 Non-life and health similar to non-life		9,978,910	21,469,452
R0290 Non-life excluding health		9,978,910	21,469,452
R0300 Health similar to non-life			
R0310 Life and health similar to life, excluding health and index-linked and unit-linked		52,647	3,126
R0320 Health similar to life		52,647	3,126
R0330 Life excluding health and index-linked and unit-linked			
R0340 Life index-linked and unit-linked			
R0350 Deposits to cedants			
R0360 Insurance and intermediaries receivables	<b>D 1.4</b>	31,438,355	49,657,868
R0370 Reinsurance receivables		122	122
R0380 Receivables (trade, not insurance)	<b>D 1.5</b>	2,597,793	3,596,825
R0390 Own shares (held directly)			
R0400 Amounts due in respect of own fund items or initial fund called up but not yet paid			
R0410 Cash and cash equivalents	<b>D 1.6</b>	7,351,953	7,351,953
R0420 Any other assets, not elsewhere shown			
R0500 <b>Total assets</b>		202,999,383	265,482,310

The following table provides the differences between the value of total assets between the statutory financial statements and the column statutory values in Schedule 02.01:

	Row	2021
Total assets in statutory financial statements		244,010
Reclassification of reinsurance share of technical provisions (statutory deducted from liabilities)	R0280	21,469
Reclassification of reinsurance share of accrued claims (statutory deducted from liabilities)	R0310	3
<b>Total assets in statutory column in Schedule 02.01</b>		<b>265,482</b>

### D.1.1 Deferred acquisition costs

In Solvency 2, deferred acquisition costs, not being a future cashflow, are valued at nil.



### D.1.2 Deferred tax assets

The deferred tax asset represents a tax claim out of historical loss carried forward. In the statutory accounts this presents the only deferred tax position. In the Solvency 2 balance sheet this item is presented on a net basis in the liability section.

### D.1.3 Bonds

Bonds are measured at fair value.

The difference between the Solvency 2 and statutory value of investments is due to a difference in the classification of accrued investment income, which is recognised within Investments in Solvency 2 and within Other assets in the statutory financial statements.

	Row	2021
€'000		
Bonds in the statutory accounts	R0130	149,647
Reclassification of accrued interest to Bonds	R0380	895
<b>Bonds in Solvency 2</b>		<b>150,542</b>

### D.1.4 Insurance and Intermediaries receivables

Insurance and intermediary receivables are measured at the undiscounted amount of the cash or other consideration expected to be received, net of any allowance for impairment.

	Row	2021
€'000		
Insurance and intermediary receivables in statutory accounts	R0360	49,658
Reclassification of premiums and commissions not yet due to technical provisions	R0360	-18,220
<b>Insurance and intermediary receivables in Solvency 2</b>		<b>31,438</b>

### D.1.5 Receivables (trade, not insurance)

Trade receivables are measured at the undiscounted amount of the cash or other consideration expected to be received, net of any allowance for impairment.

	Row	2021
€'000		
Receivables (trade, not insurance) in statutory accounts	R0380	3,597
Reclassification of accrued interest to Bonds	R0130	-895
Write-off of prepayments	R0380	-104
<b>Receivables (trade, not insurance) in Solvency 2</b>		<b>2,598</b>

## D.1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments and are measured at fair value. Highly liquid is defined as having a short maturity of three months or less at acquisition.

## D.2 Technical provisions

The following table shows the net technical provisions under Solvency 2 and the statutory financial statements.

	Solvency II value	Statutory accounts value
	C0010	C0020
<b>Liabilities</b>		
R0510 Technical provisions – non-life	<b>D 2</b> 40,229,150	118,913,347
R0520 Technical provisions – non-life (excluding health)	40,229,150	118,913,347
R0530 Technical provisions calculated as a whole	0	
R0540 Best Estimate	37,203,805	
R0550 Risk margin	3,025,345	
R0560 Technical provisions - health (similar to non-life)	0	0
R0570 Technical provisions calculated as a whole	0	
R0580 Best Estimate	0	
R0590 Risk margin	0	
R0600 Technical provisions - life (excluding index-linked and unit-linked)	<b>D 2</b> 31,203,631	27,809,523
R0610 Technical provisions - health (similar to life)	31,203,631	27,809,523
R0620 Technical provisions calculated as a whole	0	
R0630 Best Estimate	27,690,003	
R0640 Risk margin	3,513,628	
R0650 Technical provisions – life (excluding health and index-linked and unit-linked)	0	0
R0660 Technical provisions calculated as a whole	0	
R0670 Best Estimate	0	
R0680 Risk margin	0	
R0690 Technical provisions – index-linked and unit-linked	0	0
R0700 Technical provisions calculated as a whole	0	
R0710 Best Estimate	0	
R0720 Risk margin	0	
<b>Assets</b>		
R0270 Reinsurance recoverables from:	<b>D 2</b> 10,031,557	21,472,578
R0280 Non-life and health similar to non-life	9,978,910	21,469,452
R0290 Non-life excluding health	9,978,910	21,469,452
R0300 Health similar to non-life	0	
R0310 Life and health similar to life, excluding health and index-linked and unit-linked	52,647	3,126
R0320 Health similar to life	52,647	3,126
R0330 Life excluding health and index-linked and unit-linked	0	
R0340 Life index-linked and unit-linked	0	
<b>Net provisions</b>	61,401,224	125,250,292

### D.2.1 Bases, methods, and main assumptions

Under Solvency 2, liabilities must be valued at the amount for which they could be transferred between two knowledgeable parties.

Technical Provisions are defined as the sum of a best estimate and a risk margin. The best estimate is the probability weighted mean average of all future cash-flows and the risk margin is the cost of providing the solvency capital required necessary to support these best estimate liabilities.

The following principles were applied for compiling the Solvency 2 technical provisions:

- The liabilities valued in the technical provisions are those associated with existing contracts at the valuation date. Under Solvency 2, contracts must be valued if there is a legal obligation to provide cover even if this is before the commencement date of the policy which is different to the approach under Dutch GAAP.
- The non-life business of AEI is split into homogeneous risk groupings referred to as “model points”. These homogeneous risk groups split the business by product and currency and, for significant ones, by program.

- The technical provisions for each model point are calculated using a cash-flow model. This is carried out by predicting the expected cash-flow for each model point separately for each future year until all existing contracts have expired.
- Expenses are projected as for the cash flow projections and allocated between model points and currency and between earned and unearned exposure.
- The best estimate is calculated separately for the premium provision and claim provision. Premium provisions are established in respect of unearned exposure and claims provisions are established in respect of earned exposure.
- Gross cash-flows are calculated separately from reinsurance cash flows, to recognize that there could be significant differences in the timing of these cash flows.
- The assumptions underlying the calculation of the technical provisions are derived based on the assumption that AEI will continue to write new business (going concern assumption).
- A yield curve is required to discount future cash flows. This is the EIOPA provided curve per currency (no VA or MA applied).

### D.2.2 Level of uncertainty

There are several areas of uncertainty in the calculation of the technical provisions. Reserving is carried out by using standard actuarial methods of projecting the paid (or known) claims to estimate the ultimate claim experience. These methods are generally based on the assumption that the future experience will develop in the same way as historic experience. There is uncertainty in the actual future development patterns, for example due to changes in handling processes such as innovative ways to settle a claim or changes in consumer behaviour.

The main uncertainties concern:

- The number and amount of claims, which can, for example, change because of consumer behavior, environmental developments or the cost of repair or replacement material.
- Lapse patterns. Generally, the shorter a policy remains in force the lower the income for the company.
- Expense developments. Higher than expected inflation could negatively impact the company's income.

### D.2.3 Differences between Solvency 2 and the statutory financial statements

The below table explains the main differences between statutory and Solvency 2 technical provisions.

	Row	2021	2020
€'000			
Technical provisions per statutory financial statements (Non-life & Health SLT)			
Gross	R0510+R0600	146,723	163,544
Reinsurance	R0270	-21,473	-22,228
Net		125,250	141,316
Include Net deferred acquisition cost		-28,167	-31,822
Adjustment to best estimate premium and claim provision		-36,195	-38,993
Inclusion of Premiums and commissions "not yet due"		-15,799	-19,347
Expense loadings on best estimate claim provision		6,665	7,269
Contract boundary adjustment		-482	-300
Discounting		267	819
Risk Margin		6,539	6,026
Profit share on future risk expiry (*)		3,428	-
Miscellaneous		-105	3,272
		-63,849	-73,076
Gross technical provisions	R0510+R0600	71,433	74,250
Reinsurers' share of technical provisions	R0270	-10,032	-6,010
<b>Net technical provisions per Solvency 2</b>		<b>61,401</b>	<b>68,240</b>

(\*) For 2020, this is included in the Adjustment to best estimate premium and claim provision

### D.2.3.1 Premium and claim provision

The methodology for the calculation of the premium provision for the non-life business, in AEI, under Solvency 2 is fundamentally different to that used in the financial statements. The Premium provision is based on the probability weighted average of future cash flows related to policies within contract boundaries whereas under Dutch GAAP, the unearned premium reserve is an allocation of premium income to the remaining time to expiry of the insurance contracts already issued. Though not directly comparable, the main difference arises due to the recognition of future profit on issued policies and expected profit in future premiums.

The calculation of the Solvency 2 best estimate claims provision is closely aligned with Dutch GAAP, the main difference being discounting in Solvency 2.

### D.2.3.2 Risk Margin

For Solvency 2 a risk margin is determined using a cost of capital approach which involves calculating the cost of holding the SCR per Standard formula calculation at each future time period until the technical provisions at the reporting date have run off. The amounts are then discounted back to the current time period. The calculation excludes new business and market risk. AEI determines its risk margin by projecting the SCR in line with the run-off of best estimate liabilities (method 2).

### D.2.3.3 Discounting

Under Solvency 2 the best estimate technical provisions are discounted rather than at nominal value under Dutch GAAP.

### D.2.4 Use of Long-term guarantee package

- AEI has not applied the matching adjustment referred to in Article 77b of Directive 2009/138/EC.
- AEI has not used the volatility adjustment referred to in Article 77d of Directive 2009/138/EC
- AEI has not applied the transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC.
- AEI has not applied the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

### D.2.5 Reinsurance

Reinsurance recoverables represent the net discounted cash flow expected to be received from AEI's reinsurers. AEI only uses facultative reinsurance, primarily quota share, to cede risk on particular programs, either due to the business being outside of risk appetite or because program commercials so require.

### D.2.6 Material changes in the relevant assumptions made in the calculation of technical provisions

No material changes were made compared to the prior period.

## D.3 Other liabilities

The table below shows the other liabilities as per 31 December:

	Row	Solvency 2	Statutory
€'000			
Deferred tax liabilities	R0780	4,242	0
Insurance & intermediary payables	R0820	13,221	13,221
Reinsurance payables	R0830	11,880	11,880
Payables (trade)	R0840	7,201	13,496
<b>Other liabilities</b>		<b>36,543</b>	<b>38,597</b>

### D.3.1 Deferred tax liabilities

The deferred taxes shown in the below table comprises net deferred tax liabilities on the temporary valuation differences between the statutory financial statements and Solvency 2.

	Row	2021
€'000		
Deferred tax asset out of losses carried forward	R0040	0
Deferred tax liabilities out of valuation differences	R0780	4,242
<b>Total deferred tax liabilities</b>	<b>R0780</b>	<b>4,242</b>

### D.3.2 Insurance and Intermediaries payables

Insurance and intermediary payables are measured at the undiscounted amount of the cash or other consideration expected to be paid.

### D.3.3 Reinsurance payables

Reinsurance payables are measured at the undiscounted amount of the cash or other consideration expected to be paid.

### D.3.4 Trade Payables

Deferred reinsurance commissions and insurance taxes payable on Premiums not yet due are classified in Technical provisions under Solvency 2.

	Row	2021
€'000		
Payables (trade, not insurance) statutory value	R0840	13,496
Deferred reinsurance commission reclassified to Technical provisions	R0510	-3,875
IPT due on Premiums not yet due reclassified to Technical provisions	R0510	-2,421
<b>Payables (trade, not insurance) in Solvency 2</b>	<b>R0840</b>	<b>7,201</b>

## D.4 Alternative methods for valuation

No alternative methods of valuation were used.

## D.5 Any other disclosures

None.

## E Capital management

### E.1 Own funds

#### E.1.1 Capital Management Policy

AEI's Capital Management policy, which is approved by the Board of Directors and the Supervisory Board, describes the company's internal capital targets. Besides the aim to always fulfil regulatory capital requirements, the company has also determined internal buffers on top of that regulatory capital.

#### E.1.2 Analysis of Own Funds

The table below provides an overview of movements in and composition of Own funds.

	31-Dec-20 (*)	Mvmt in year	Transfers	31-Dec-21
€'000				
<b>Tier 1:</b>				
Share capital	43,600	-	-	43,600
Share premium reserve	35,767	-	-	35,767
Total ordinary share capital	79,367	-	-	79,367
Reconciliation reserve before deductions	15,111	545	-	15,656
Foreeable dividends	-	-	-	-
Restricted own funds (ring fenced funds)	-	-	-	-
Total reconciliation reserve	15,111	545	-	15,656
Deductions for participations in financial institutions	-	-	-	-
<b>Total tier 1 own funds after deductions</b>	<b>94,478</b>	<b>545</b>	<b>-</b>	<b>95,023</b>
<b>Eligible own funds to cover SCR:</b>				
Tier 1	94,478	545	-	95,023
Tier 2	-	-	-	-
Tier 3	-	-	-	-
	<b>94,478</b>	<b>545</b>	<b>-</b>	<b>95,023</b>
SCR	38,764	9,540		48,304
<b>Solvency ratio</b>	<b>244%</b>	<b>-47%</b>		<b>197%</b>

(\*) Adjusted for classification purposes only

#### E.1.3 Differences between equity in the statutory financial statements and excess of assets over liabilities as calculated for solvency purposes

The main differences between equity as shown in the company financial statements and the excess of assets over liabilities as calculated for solvency purposes are shown in the table below:

	Row	Statutory	Solvency 2	2021
€'000				
Shareholders' equity in the statutory financial statements				80,162
Derecognition of deferred acquisition costs	R0020	32,006	0	-32,006
Derecognition of deferred reinsurance commission	R0840	-3,875	0	3,875
Valuation differences net best estimate	R0510& R0600	-130,924	-61,466	69,458
Valuation differences reinsurance best estimate	R0270	21,473	10,032	-11,441
Valuation differences gross best estimate - profit share on future risk expiry	R0510& R0600	0	-3,428	-3,428
Risk margin on gross best estimate - non life	R0550	0	-3,025	-3,025
Risk margin on gross best estimate - health SLT	R0640	0	-3,514	-3,514
Risk margin on gross best estimate - health NSLT	R0590	0	0	0
Deferred tax liabilities on valuation differences	R0040& R0780	712	-4,242	-4,954
Valuation of prepayments	R0380	104	0	-104
				14,861
<b>Own funds in Schedule 02.01</b>				<b>95,023</b>

### E.1.3 Items deducted from Own Funds

No items require deduction of Own funds.

## E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR as at 31 December amounts to:

	2021	2020
€'000		
Market Risk	12,966	12,377
Counterparty Default Risk	3,180	4,128
Non-Life Underwriting Risk	35,847	32,974
Life Underwriting Risk	-	-
Health Underwriting Risk	2,869	4,485
Sum of risk modules	<b>54,862</b>	<b>53,965</b>
Diversification between risk modules	-11,715	-12,972
Basic SCR	<b>43,147</b>	<b>40,993</b>
Operational Risk	9,399	1,733
Loss-absorbing capacity of deferred taxes	-4,242	-3,962
<b>SCR</b>	<b>48,304</b>	<b>38,764</b>

No undertaking specific parameters or simplifications are applied. No capital add-ons have been imposed by the DNB.



The MCR has been calculated using the linear calculation as set out in the Solvency 2 Directive.

€'000	Row	2021	2020
Linear MCR	R0300	13,038	8,830
SCR	R0310	48,304	38,387
MCR cap	R0320	21,737	17,274
MCR floor	R0330	12,076	9,597
Combined MCR	R0340	13,038	9,597
Absolute floor of the MCR	R0350	3,700	3,700
<b>Minimum Capital Requirement</b>	<b>R0400</b>	<b>13,038</b>	<b>9,597</b>

Details of the SCR and MCR calculations, including the MCR inputs and floor, are provided in the appended S.25.01 and S.28.01.

### **E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement**

The company does not make use of the duration-based equity risk sub-module in the calculation of the SCR.

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

The company does not use an internal model.

### **E.5 Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement**

The Company has met its SCR and MCR at all times during the year.

### **E.6 Any other disclosures**

There is no other information regarding the capital management of the Company that is deemed material to report.

## F. Quantitative reporting templates

### S.02.01 - Balance Sheet

	Solvency II value	Statutory accounts value
	C0010	C0020
<b>Assets</b>		
R0010 Goodwill		0
R0020 Deferred acquisition costs		32,006,269
R0030 Intangible assets	0	0
R0040 Deferred tax assets	0	711,957
R0050 Pension benefit surplus	0	0
R0060 Property, plant & equipment held for own use	0	0
R0070 Investments (other than assets held for index-linked and unit-linked contracts)	151,579,602	150,684,737
R0080 Property (other than for own use)	0	0
R0090 Holdings in related undertakings, including participations	0	0
R0100 Equities	0	0
R0110 Equities - listed	0	0
R0120 Equities - unlisted	0	0
R0130 Bonds	150,542,196	149,647,331
R0140 Government Bonds	14,204,800	14,136,237
R0150 Corporate Bonds	136,337,396	135,511,093
R0160 Structured notes	0	0
R0170 Collateralised securities	0	0
R0180 Collective Investments Undertakings	1,037,406	1,037,406
R0190 Derivatives	0	0
R0200 Deposits other than cash equivalents	0	0
R0210 Other investments	0	0
R0220 Assets held for index-linked and unit-linked contracts	0	0
R0230 Loans and mortgages	0	0
R0240 Loans on policies	0	0
R0250 Loans and mortgages to individuals	0	0
R0260 Other loans and mortgages	0	0
R0270 Reinsurance recoverables from:	10,031,557	21,472,578
R0280 Non-life and health similar to non-life	9,978,910	21,469,452
R0290 Non-life excluding health	9,978,910	21,469,452
R0300 Health similar to non-life	0	0
R0310 Life and health similar to life, excluding health and index-linked and unit-linked	52,647	3,126
R0320 Health similar to life	52,647	3,126
R0330 Life excluding health and index-linked and unit-linked	0	0
R0340 Life index-linked and unit-linked	0	0
R0350 Deposits to cedants	0	0
R0360 Insurance and intermediaries receivables	31,438,355	49,657,868
R0370 Reinsurance receivables	122	122
R0380 Receivables (trade, not insurance)	2,597,793	3,596,825
R0390 Own shares (held directly)	0	0
R0400 Amounts due in respect of own fund items or initial fund called up but not yet paid in	0	0
R0410 Cash and cash equivalents	7,351,953	7,351,953
R0420 Any other assets, not elsewhere shown	0	0
R0500 <b>Total assets</b>	<b>202,999,383</b>	<b>265,482,310</b>

	<b>Solvency II value</b>	<b>Statutory accounts value</b>
	C0010	C0020
R0510 Technical provisions – non-life	40,229,150	118,913,347
R0520 Technical provisions – non-life (excluding health)	40,229,150	118,913,347
R0530 Technical provisions calculated as a whole	0	
R0540 Best Estimate	37,203,805	
R0550 Risk margin	3,025,345	
R0560 Technical provisions - health (similar to non-life)	0	0
R0570 Technical provisions calculated as a whole	0	
R0580 Best Estimate	0	
R0590 Risk margin	0	
R0600 Technical provisions - life (excluding index-linked and unit-linked)	31,203,631	27,809,523
R0610 Technical provisions - health (similar to life)	31,203,631	27,809,523
R0620 Technical provisions calculated as a whole	0	
R0630 Best Estimate	27,690,003	
R0640 Risk margin	3,513,628	
R0650 Technical provisions – life (excluding health and index-linked and unit-linked)	0	0
R0660 Technical provisions calculated as a whole	0	
R0670 Best Estimate	0	
R0680 Risk margin	0	
R0690 Technical provisions – index-linked and unit-linked	0	0
R0700 Technical provisions calculated as a whole	0	
R0710 Best Estimate	0	
R0720 Risk margin	0	
R0730 Other technical provisions		0
R0740 Contingent liabilities	0	0
R0750 Provisions other than technical provisions	0	0
R0760 Pension benefit obligations	0	0
R0770 Deposits from reinsurers	0	0
R0780 Deferred tax liabilities	4,241,714	0
R0790 Derivatives	0	0
R0800 Debts owed to credit institutions	0	0
R0810 Financial liabilities other than debts owed to credit institutions	0	0
R0820 Insurance & intermediaries payables	13,221,143	13,221,143
R0830 Reinsurance payables	11,879,792	11,879,792
R0840 Payables (trade, not insurance)	7,200,761	13,496,329
R0850 Subordinated liabilities	0	0
R0860 Subordinated liabilities not in Basic Own Funds	0	0
R0870 Subordinated liabilities in Basic Own Funds	0	0
R0880 Any other liabilities, not elsewhere shown	0	0
R0900 <b>Total liabilities</b>	107,976,191	185,320,134
R1000 <b>Excess of assets over liabilities</b>	95,023,192	80,162,176

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accented proportional reinsurance)		Total
		Fire and other damage to property insurance	Miscellaneous financial loss	
		C0070	C0120	C0200
<b>Premiums written</b>				
R0110	Gross - Direct Business	130,392,858	20,953,959	151,346,817
R0120	Gross - Proportional reinsurance accepted	0	0	0
R0130	Gross - Non-proportional reinsurance accepted			0
R0140	Reinsurers' share	55,807,236	4,095,943	59,903,179
R0200	Net	74,585,623	16,858,016	91,443,638
<b>Premiums earned</b>				
R0210	Gross - Direct Business	128,768,908	33,732,444	162,501,352
R0220	Gross - Proportional reinsurance accepted	0	0	0
R0230	Gross - Non-proportional reinsurance accepted			0
R0240	Reinsurers' share	54,347,042	6,669,672	61,016,714
R0300	Net	74,421,865	27,062,773	101,484,638
<b>Claims incurred</b>				
R0310	Gross - Direct Business	42,946,283	4,826,861	47,773,144
R0320	Gross - Proportional reinsurance accepted	0	0	0
R0330	Gross - Non-proportional reinsurance accepted			0
R0340	Reinsurers' share	21,649,060	1,564,783	23,213,843
R0400	Net	21,297,222	3,262,078	24,559,300
<b>Changes in other technical provisions</b>				
R0410	Gross - Direct Business	0	0	0
R0420	Gross - Proportional reinsurance accepted	0	0	0
R0430	Gross - Non- proportional reinsurance accepted			0
R0440	Reinsurers' share	0	0	0
R0500	Net	0	0	0
R0550	<b>Expenses incurred</b>	51,483,819	18,721,580	70,205,399
<b>Administrative expenses</b>				
R0610	Gross - Direct Business	23,146,087	8,416,845	31,562,932
R0620	Gross - Proportional reinsurance accepted	0	0	0
R0630	Gross - Non-proportional reinsurance accepted			0
R0640	Reinsurers' share	0	0	0
R0700	Net	23,146,087	8,416,845	31,562,932
<b>Investment management expenses</b>				
R0710	Gross - Direct Business	340,969	123,990	464,959
R0720	Gross - Proportional reinsurance accepted	0	0	0
R0730	Gross - Non-proportional reinsurance accepted			0
R0740	Reinsurers' share	0	0	0
R0800	Net	340,969	123,990	464,959
<b>Claims management expenses</b>				
R0810	Gross - Direct Business	0	0	0
R0820	Gross - Proportional reinsurance accepted	0	0	0
R0830	Gross - Non-proportional reinsurance accepted			0
R0840	Reinsurers' share	0	0	0
R0900	Net	0	0	0
<b>Acquisition expenses</b>				
R0910	Gross - Direct Business	45,131,059	9,807,110	54,938,170
R0920	Gross - Proportional reinsurance accepted	0	0	0
R0930	Gross - Non-proportional reinsurance accepted			0
R0940	Reinsurers' share	18,320,043	2,018,111	20,338,154
R1000	Net	26,811,016	7,788,999	34,600,016
<b>Overhead expenses</b>				
R1010	Gross - Direct Business	1,185,746	2,391,746	3,577,492
R1020	Gross - Proportional reinsurance accepted	0	0	0
R1030	Gross - Non-proportional reinsurance accepted			0
R1040	Reinsurers' share	0	0	0
R1100	Net	1,185,746	2,391,746	3,577,492
R1200	<b>Other expenses</b>			0
R1300	<b>Total expenses</b>			70,205,399

**S.05.01 - Premiums, claims and expenses by line of business (Health SLT)**

		Line of Business for:	
		Health insurance	Total
		C0210	C0300
<b>Premiums written</b>			
R1410	Gross	6,724,548	6,724,548
R1420	Reinsurers' share	0	0
R1500	Net	6,724,548	6,724,548
<b>Premiums earned</b>			
R1510	Gross	7,780,219	7,780,219
R1520	Reinsurers' share	2,534	2,534
R1600	Net	7,777,685	7,777,685
<b>Claims incurred</b>			
R1610	Gross	4,337,830	4,337,830
R1620	Reinsurers' share	1,998	1,998
R1700	Net	4,335,832	4,335,832
<b>Changes in other technical provisions</b>			
R1710	Gross	0	0
R1720	Reinsurers' share	0	0
R1800	Net	0	0
R1900	<b>Expenses incurred</b>	5,380,474	5,380,474
<b>Administrative expenses</b>			
R1910	Gross	2,418,953	2,418,953
R1920	Reinsurers' share	0	0
R2000	Net	2,418,953	2,418,953
<b>Investment management expenses</b>			
R2010	Gross	35,634	35,634
R2020	Reinsurers' share	0	0
R2100	Net	35,634	35,634
<b>Claims management expenses</b>			
R2110	Gross	0	0
R2120	Reinsurers' share	0	0
R2200	Net	0	0
<b>Acquisition expenses</b>			
R2210	Gross	708,194	708,194
R2220	Reinsurers' share	-1,411	-1,411
R2300	Net	709,604	709,604
<b>Overhead expenses</b>			
R2310	Gross	2,216,283	2,216,283
R2320	Reinsurers' share	0	0
R2400	Net	2,216,283	2,216,283
R2500	<b>Other expenses</b>		0
R2600	<b>Total expenses</b>		5,380,474
R2700	<b>Total amount of surrenders</b>	0	0





**S.17.01 - Non-Life Technical Provisions**

		Direct business and accepted		Total Non-Life obligation
		Fire and other damage to property insurance	Miscellaneous financial loss	
		C0080	C0130	C0180
R0010	<b>Technical provisions calculated as a whole</b>	0	0	0
R0020	Direct business	0	0	0
R0030	Accepted proportional reinsurance business	0	0	0
R0040	Accepted non-proportional reinsurance			0
R0050	<b>Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole</b>	0	0	0
	<b>Technical provisions calculated as a sum of BE and RM</b>			
	<b>Best estimate</b>			
	<b>Premium provisions</b>			
R0060	Gross - Total	-1,588,671	28,499,851	26,911,180
R0070	Gross - direct business	-1,588,671	28,499,851	26,911,180
R0080	Gross - accepted proportional reinsurance business			0
R0090	Gross - accepted non-proportional reinsurance business			0
R0100	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	1,063,878	5,495,897	6,559,775
R0110	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	1,063,878	5,495,897	6,559,775
R0120	Recoverables from SPV before adjustment for expected losses			0
R0130	Recoverables from Finite Reinsurance before adjustment for expected losses			0
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	1,063,878	5,495,897	6,559,775
R0150	<b>Net Best Estimate of Premium Provisions</b>	-2,652,549	23,003,954	20,351,405
	<b>Claims provisions</b>			
R0160	Gross - Total	8,053,791	2,238,834	10,292,625
R0170	Gross - direct business	8,053,791	2,238,834	10,292,625
R0180	Gross - accepted proportional reinsurance business			0
R0190	Gross - accepted non-proportional reinsurance business			0
R0200	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	2,465,786	953,349	3,419,135
R0210	Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	2,465,786	953,349	3,419,135
R0220	Recoverables from SPV before adjustment for expected losses			0
R0230	Recoverables from Finite Reinsurance before adjustment for expected losses			0
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	2,465,786	953,349	3,419,135
R0250	<b>Net Best Estimate of Claims Provisions</b>	5,588,005	1,285,485	6,873,490
R0260	<b>Total Best estimate - gross</b>	6,465,120	30,738,685	37,203,805
R0270	<b>Total Best estimate - net</b>	2,935,456	24,289,439	27,224,895
R0280	<b>Risk margin</b>	332,598	2,692,747	3,025,345
	<b>Amount of the transitional on Technical Provisions</b>			
R0290	<b>TP as a whole</b>			0
R0300	<b>Best estimate</b>			0
R0310	<b>Risk margin</b>			0
	<b>Technical provisions - total</b>			
R0320	Technical provisions - total	6,797,718	33,431,432	40,229,150
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	3,529,664	6,449,246	9,978,910
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	3,268,054	26,982,186	30,250,240
	<b>Line of Business: further segmentation (Homogeneous Risk Groups)</b>			
R0350	Premium provisions - Total number of homogeneous risk groups	37	44	
R0360	Claims provisions - Total number of homogeneous risk groups	37	44	
	<b>Cash-flows of the Best estimate of Premium Provisions (Gross)</b>			
	<b>Cash out-flows</b>			
R0370	Future benefits and claims	15,952,199	29,657,735	45,609,934
R0380	Future expenses and other cash-out flows	1,485,054	4,873,343	6,358,397
	<b>Cash in-flows</b>			
R0390	Future premiums	19,025,924	6,031,227	25,057,151
R0400	Other cash-in flows (incl. Recoverable from salvages and subrogations)	0	0	0
	<b>Cash-flows of the Best estimate of Claims Provisions (Gross)</b>			
	<b>Cash out-flows</b>			
R0410	Future benefits and claims	7,810,297	2,099,302	9,909,599
R0420	Future expenses and other cash-out flows	243,494	139,532	383,026
	<b>Cash in-flows</b>			
R0430	Future premiums			0
R0440	Other cash-in flows (incl. Recoverable from salvages and subrogations)			0
R0450	<b>Percentage of gross Best Estimate calculated using approximations</b>			





**S.25.01 Solvency Capital Requirement**

R0010 Market risk  
 R0020 Counterparty default risk  
 R0030 Life underwriting risk  
 R0040 Health underwriting risk  
 R0050 Non-life underwriting risk  
 R0060 Diversification  
 R0070 Intangible asset risk  
 R0100 **Basic Solvency Capital Requirement**

**Calculation of Solvency Capital Requirement**

R0120 Adjustment due to RFF/MAP nSCR aggregation  
 R0130 Operational risk  
 R0140 Loss-absorbing capacity of technical provisions  
 R0150 Loss-absorbing capacity of deferred taxes  
 R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC  
 R0200 **Solvency Capital Requirement excluding capital add-on**  
 R0210 Capital add-on already set  
 R0220 **Solvency capital requirement**

	Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
	C0030	C0040	C0050
<b>R0010</b>	12,965,591	12,965,591	0
<b>R0020</b>	3,179,670	3,179,670	0
<b>R0030</b>			0
<b>R0040</b>	2,869,398	2,869,398	0
<b>R0050</b>	35,847,482	35,847,482	0
<b>R0060</b>	-11,715,367	-11,715,367	
<b>R0070</b>	0	0	
<b>R0100</b>	43,146,774	43,146,774	
	C0100		
<b>R0120</b>			
<b>R0130</b>	9,398,602		
<b>R0140</b>	0		
<b>R0150</b>	-4,241,714		
<b>R0160</b>			
<b>R0200</b>	48,303,661		
<b>R0210</b>			
<b>R0220</b>	48,303,661		



**S.28.01 Minimum Capital Requirement  
Linear formula component for non-life  
insurance and reinsurance obligations**

	C0010	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
R0010 MCRNL Result	12,444,368		
		C0020	C0030
R0080 Fire and other damage to property insurance and proportional reinsurance		2,935,456	74,585,623
R0130 Miscellaneous financial loss insurance and proportional reinsurance		24,289,439	16,858,016

**Linear formula component for life  
insurance and reinsurance obligations**

	C0040	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
R0200 MCRL Result	593,726		
		C0050	C0060
R0240 Other life (re)insurance and health (re)insurance obligations		27,637,356	
R0250 Total capital at risk for all life (re)insurance obligations			19,059,465

**Overall MCR calculation**

	C0070
R0300 Linear MCR	13,038,094
R0310 SCR	48,303,661
R0320 MCR cap	21,736,647
R0330 MCR floor	12,075,915
R0340 Combined MCR	13,038,094
R0350 Absolute floor of the MCR	3,700,000
	C0070
R0400 <b>Minimum Capital Requirement</b>	13,038,094