

**ElFlow Holdings Limited**  
**Solvency and Financial Condition**  
**Report**

**For year ending 31<sup>st</sup> December 2022**

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## Executive Summary

The EFlow Holdings Limited group (“the Group”) is an insurance group; since 2012 the principal insurance entity in the Group has been EFlow Insurance Limited (“the Company” or “EIL”), an insurer licensed in Gibraltar. In December 2019 EIL purchased Beacon Insurance Company Limited (“BICL”), a small insurer with net assets of \$5.8 million at 31 December 2022. In July 2022, EIL purchased 100% of the share capital of Kistler Underwriting Holdings Guernsey Limited (“Kistler”) for \$1.69 million. Kistler completed a commutation of its final liabilities as at 31 December 2022 and the Group accounts for consolidate the final Kistler position as at 31 December 2022. This document is presented as a group SFCR providing the information for the Gibraltar regulated entities during the period since all entities had common governance, ownership with a focus on legacy or run-off insurance and reinsurance business.

The purpose of the report is to satisfy the public disclosure requirements under the Financial Services (Insurance Companies) Regulations 2020. The elements of the disclosure relate to business performance, governance, risk profile, solvency, and capital management.

The Group has performed reasonably given the difficult fixed income markets during the year ended 31 December 2022 with consolidated net assets increasing to \$31.9 million (2021 - \$27.7 million) for the financial year per the unaudited consolidated financial statements. Both remaining Gibraltar regulated entities also comfortably met the prescribed MCR and SCR requirements.

The respective Boards continue to monitor and strengthen the corporate governance framework of the group with explicit focus on the risk management function. The governance and risk frameworks are detailed in this report.

### Solvency II

Solvency II (“SII”) came into force with effect from 1 January 2016. The regime required new reporting and public disclosure arrangements to be put in place by insurers. SII focuses on risk-based assessment of the company’s activities, and this produces a Solvency Capital Requirement (“SCR”) which is compared with the assets available to meet that SCR.

The Group’s SCR is calculated on the basis of the standard formula within the Solvency II regulations. EIL and BICL also calculate SCR using the standard formula. The Group’s significant risks identified in standard formula calculations are underwriting risk, market risk and counterparty risk. The tables below summarise the Group’s capital position and capital requirements as at 31 December 2022.

**Table 1** – EHL, EIL and BICL Solvency Capital Requirement, breakdown by type of risk as at 31 December 2022 and 2021. Solvency II values in USD, in millions.

Risk Type	EiFlow Holdings Limited		EiFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2021	2022	2021
Non- Life underwriting Risk	2.5	3.1	2.2	2.9	0.3	0.4
Life underwriting Risk	0.3	0.3	0.3	-	-	-
Market Risk	4.0	3.6	4.8	4.2	0.3	0.4
Counterparty Risk	1.4	1.3	0.7	0.8	0.1	0.1
<b>Total before diversification</b>	<b>8.2</b>	<b>8.3</b>	<b>8.0</b>	<b>7.9</b>	<b>0.7</b>	<b>0.9</b>
Diversification	(2.2)	(2.2)	(1.8)	(1.8)	(0.2)	(0.2)
<b>Basic Solvency Capital Requirement</b>	<b>6.0</b>	<b>6.1</b>	<b>6.2</b>	<b>6.1</b>	<b>0.5</b>	<b>0.7</b>
Operational Risk	0.3	0.4	0.2	0.3	0.1	0.1
<b>Solvency Capital Requirement</b>	<b>6.3</b>	<b>6.5</b>	<b>6.4</b>	<b>6.4</b>	<b>0.6</b>	<b>0.8</b>
<b>Minimum Capital Requirement</b>	<b>4.0</b>	<b>4.3</b>	<b>4.0</b>	<b>4.3</b>	<b>4.0</b>	<b>4.3</b>

**Table 2** – EHL, EIL and BICL Solvency Ratio as at 31 December 2022 and 2021. Solvency II values in USD, in millions and percentage values.

	EiFlow Holdings Limited		EiFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2021	2022	2021
Total Eligible Own Funds to meet the SCR	36.9	28.4	29.7	26.5	5.5	5.9
Solvency Capital Requirement	6.3	6.5	6.4	6.4	4.0	4.3
Ratio of Eligible Own Funds to SCR	586%	439%	461%	412%	138%	137%

The Group has continuously complied with all aspects of the Solvency II regulations from the date of its first implementation on 01 January 2016. The Group has own funds of \$36.9 million (2021 - \$28.4 million) available to cover the calculated solvency capital requirement of \$6.3 million (2021 - \$6.5 million). As at 31 December 2022 the Group's solvency II capital surplus stands at \$30.6 million (2021 - \$21.9 million).

Each of the Gibraltar regulated insurers, EIL and BICL, has performed analysis to assess the effect on its Solvency II capital surplus in stress scenarios. The results of the stress testing for EIL and BICL are detailed in this report at Section C.

The Group's business plans forecast that own funds will significantly exceed the solvency capital requirement at the year ends 2023, 2024 and 2025.

The Group continues to seek run-off opportunities which offer a good return on solvency capital. During 2022 the Group progressed three legacy or run-off acquisitions one of which, a reinsurance by EIL completed in March 2023, and another, a portfolio transfer, is scheduled to complete into BICL in June 2023. The third transaction is not expected to complete until 2024.

Covid-19 has continued to have relatively little impact on the business, which is focused on run-off insurance businesses and consequently not directly affected by pandemic related insurance claims. The insurance subsidiaries continue to monitor the impact on their business and to respond proactively. The Group is very well capitalised, and it is anticipated that the businesses will continue to meet their obligations.

## A. Business and Performance

### 1. Business Information

1.1 This report relates to EFlow Holdings Limited (“EHL”) and its subsidiaries EFlow Insurance Limited (“EIL”) and Beacon Insurance Company Ltd (“BICL”) (collectively “the Group”). EIL and BICL are insurance companies licensed in Gibraltar and limited by shares.

1.2 EHL is a non-regulated holding company also domiciled in Gibraltar (Company number 106965). EHL’s ultimate 100% owning parent company is Bacchus Holdings Limited (“BHL”), a company registered in England and Wales (Company number 09766399).

1.3 Neither BHL nor any related entity in the UK is a regulated insurer or forms a substantial part of the BHL business. Therefore, in the view of the Board, group supervision under Solvency II at the EHL level is appropriate.

1.4 EIL and BICL are regulated by:

Gibraltar Financial Services Commission  
PO Box 940  
Suite 3, Atlantic Suites  
Gibraltar, GX11 1AA  
Tel: +350 200 40283  
www.fsc.gi

1.5 The Group’s external Auditor is:

RSM Audit (Gibraltar) Limited  
21 Engineer Lane  
Gibraltar, GX11 1AA  
Tel: +350 200 74854  
www.rsm.global

1.6 The registered office for EHL, EIL and BICL is:

5/5 Crutchett’s Ramp  
Gibraltar, GX11 1AA

1.7 The equity of EIL is owned 100% by EFlow Holdings Ltd (‘EHL’). EHL’s ultimate 100% owning parent company is Bacchus Holdings Limited (“BHL”). The equity of BICL is 100% owned by EIL.

1.8 BHL is owned by its Directors and senior staff. The ownership structure is as follows:

In respect of realisations up to \$30,052,173.56:

- Jeremy Fall 42.125%
- Sean McDermott 42.125%
- James Bolton 5.25%
- David Cherry 5.25%
- Ricardo Cantilo 5.25%

In respect of realisations above \$30,052,173.56:

- Jeremy Fall 29.33%
- Sean McDermott 29.33%
- James Bolton 9.78%
- David Cherry 9.78%
- Ricardo Cantilo 9.78%
- Tom Bailey 3.00%
- Paul Hafner 3.00%
- James Perkins 3.00%
- Russell Streeter 3.00%

1.9 Neither EHL or its subsidiaries have any employees.

1.10 Neither EIL or BICL underwrite new insurance risks and are solely insurance run-off companies. Both companies may obtain legacy business through underwriting if approved by the GFSC. Where existing insurance contracts require extension there may be some limited underwriting of risk as part of the run-off strategy under authorisation from the GFSC. The primary lines of business are:

- Marine, aviation, and transport business (“MAT”) from 1985 and prior (EIL).
- Direct marine business from 2012 and prior (EIL).
- Motor (EIL (formerly Preserve) and BICL).
- Reinsurance (BICL and EIL).
- After the Event legal expenses insurance (“ATE”) (EIL).

1.11 The group and each insurance subsidiary have a financial year running to 31 December and each company reports its results in “\$” (United States Dollars or USD).

## 2. Underwriting Performance

2.1 The Group’s Gibraltarian insurance entities, EIL and BICL, are insurance companies focused on run-off business. They do not carry out live underwriting activities. Underwriting activities are limited to the extension of cover on existing risks where there is contractual requirement or, in the case of ATE, where it is a continuation of an ongoing ATE matter. The only other insurance activities are the settlement of claims and the collection of reinsurance.

- 2.2 The majority of outstanding liability on the EIL MAT portfolio arises from US exposure to asbestos, pollution and other health hazards (“APH”) (which include health hazard losses include drugs, chemicals and hearing loss related claims).
- 2.3 The direct marine portfolio in EIL is nearing finalisation, with less than \$0.7 million of outstanding claims remaining, most of which relate to non-moving loss advices that pre-date EIL’s involvement.
- 2.4 In August 2020, EIL received a portfolio of live ATE policies from Lamp Insurance Company Limited (In Liquidation) (“Lamp”). Under the transfer agreement, profits generated after claims and costs from this portfolio in the five years to August 2025 are to be shared equally with Lamp. Deferred premium arising on the ATE portfolio amounted to \$3.1 million as at 31 December 2022. EIL does not book any of this \$3.1 million debt as profit until the premium is collected, hence it is fully provided for by matching bad debt provisions and IBNR in EIL’s balance sheet.
- 2.5 In February 2021 EIL underwrote a portfolio of live ATE policies that had been formerly underwritten by Lamp and disclaimed by the liquidator. The premiums on these policies have been paid up front by funding agents. At 31 December 2022 EIL held \$1.7 million in Unearned Premium Reserve (UPR) in respect of these policies.
- 2.6 The BICL portfolio consists of a Swiss Branch which has been kept open to allow the notification period to expire on some Swiss motor business where there are no outstanding claims, and a reinsurance CAT contract with Hannover Re where the last underwriting year was 2019 and it is expected that this contract will now be concluded in 2024. BICL is also in the process of implementing a portfolio transfer of Aviation business which it is envisaged to complete via a UK Part VII Transfer in June 2023.
- 2.7 The Preserve portfolio which has been transferred to EIL is motor class only with a single PPO and a small number of outstanding claims. All large claims including the PPO are protected by quality reinsurance.
- 2.8 The profit for the group in 2022 is largely attributable to a one-off commutation secured in the group’s subsidiary, Kistler Underwriting Guernsey Limited (“Kistler”), which has finalised the insurance liabilities in the group’s subsidiary as at 31 December 2022. The results of Kistler are shown in Table 3 below.



**Table 3** – EHL, EIL, BICL and Kistler Underwriting performance as at 31 December 2022 and 2021. USD, in thousands.

Underwriting performance	EIFlow Holdings Limited		EIFlow Insurance Limited	
	2022	2021	2022	2021
Gross premiums	1,362	2,545	1,361	2,534
Commissions and reinstatement premiums	(126)	(987)	(124)	(975)
Gross claims paid	666	(1,986)	(1,612)	(477)
Reinsurers' share of gross claims	(218)	122	19	-
Gross change in insurance liabilities	3,813	1,972	1,369	140
Reinsurers' share of gross change in insurance liabilities	(586)	(140)	(586)	-
Other operating and administrative expenses	(529)	(1,488)	(1,007)	(1,132)
<b>Net Underwriting Result</b>	<b>4,382</b>	<b>38</b>	<b>(580)</b>	<b>90</b>

Underwriting performance	Beacon Insurance Company Limited		Kistler Underwriting Guernsey Limited	
	2022	2021	2022	2021
Gross premiums	(1)	11	-	-
Commissions and reinstatement premiums	0	(12)	-	-
Gross claims paid	(211)	(731)	2,489	-
Reinsurers' share of gross claims	0	-	(236)	-
Gross change in insurance liabilities	309	1,031	2,135	-
Reinsurers' share of gross change in insurance liabilities	0	-	-	-
Other operating and administrative expenses	(388)	(232)	(41)	-
<b>Net Underwriting Result</b>	<b>(291)</b>	<b>67</b>	<b>4,347</b>	<b>-</b>

### 3. Investment Performance

- 3.1 EHL holds restricted cash of £0.7 million (\$0.8 million) (2021 - \$0.9 million) at a local bank as a security guarantee. EIL and BICL hold a diversified high-quality government and corporate investment portfolio managed by Bank J. Safra Sarasin (Gibraltar) ('JSS'). The investment portfolios of EIL and BICL as at 31 December 2022 were valued at \$23.2 million and \$4.6 million respectively (2021 - \$24.8 million and \$4.9 million). The investments are held in USD. The investment expenses are not significant in the context of the group's total expenses. The Board of Directors of each company is directly responsible for investment decisions and is ably supported by JSS.
- 3.2 EIL has also invested funds in the Mangrove Partners Fund managed by Mangrove Partners, a value-oriented investment manager based in New York. Mangrove Partner's investment goal is to generate positive returns from both long and short investments as opposed to employing a relative value or market hedging strategy. The investment in the fund was valued at \$6.0 million as at 31 December 2022 (\$4.6 million at 2021).
- 3.3 EIL and BICL hold additional liquidity, pending investment, of \$3.3 million and \$0.7 million respectively (2021 - \$4.4m and \$0.2 million) in cash and cash equivalents in three currencies,

namely USD, GBP, and EUR. The income on these investments for year end 31 December 2022 has been immaterial.

The table below shows the investment performance of the year 2022 and 2021, as per unaudited financial statements.

**Table 4–** EHL, EIL and BICL Investment performance as at 31 December 2022 and 2021. USD, in thousands.

Investment performance	EiFlow Holdings Limited		EiFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2020	2022	2021
Net realised (losses)/gains on financial assets	(153)	(1)	(77)	(255)	(76)	(12)
Net (losses)/gains on financial assets at fair value through profit or loss	(1,082)	1,414	(733)	(1,002)	(349)	(122)
Net gain/(losses) on financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Investment and other operating income	2,464	897	1,112	967	93	198
<b>Total income</b>	<b>1,229</b>	<b>2,310</b>	<b>302</b>	<b>(290)</b>	<b>(332)</b>	<b>64</b>

#### 4. Performance of Other Activities

There were no other material activities.

#### 5. Any Other Information

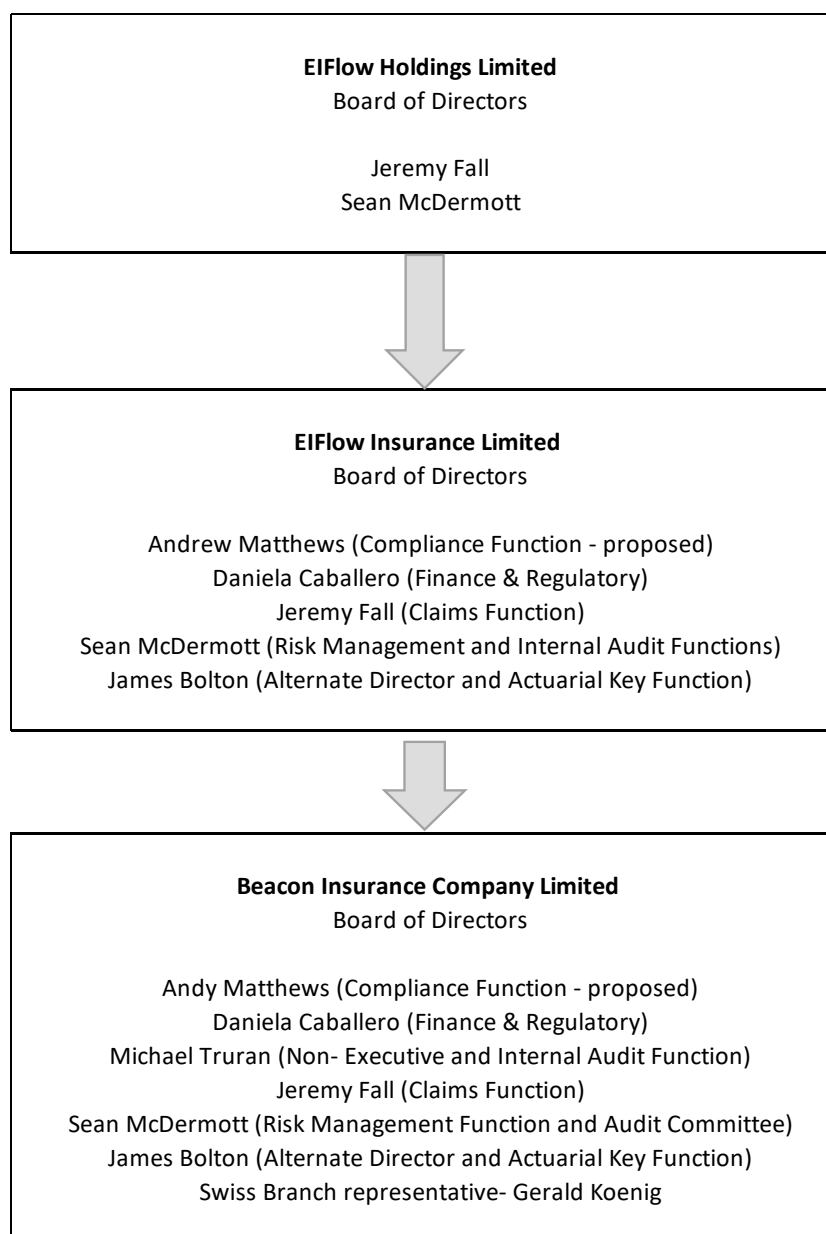
No other material activity to report.

## B. System of Governance

### 1. General Information on the System of Governance

- 1.1 Given the limited nature of business in run-off, the operating structure of the Group is not complex nor is there a large staff requirement to service the insurance companies' needs. Consequently, the Group has no direct employees, and the key activity by the Board is the management of the outsourced functions. Each entity has a Board of Directors that carry responsibility for the oversight of the business and sets its strategy and risk appetite. Most of the Board members are also Directors or representatives of the two outsourced contractors.

**Figure 1** – EHL, EIL, and BICL: Boards of Directors, as at 31 December 2022.



- 1.2 The Group has no employees so there is no remuneration policy required.
- 1.3 The Group has no pension commitments or pension liabilities.
- 1.4 The Group outsources certain services as follows:
- EIL and BICL outsourced management services to Quest Consulting (London) Limited.
  - EIL outsourced management services to Artex Risk Solutions (Gibraltar) Limited up until 30 June 2022, when it switched provider to Robus Risk Services (Gibraltar) Limited.
  - BICL outsourced management services to Robus Risk Services (Gibraltar) Limited.
  - EIL and BICL outsourced investment management services to J. Safra Sarasin Group.

## 2. Fit and Proper Requirements

- 2.1 The Boards of EHL, EIL and BICL have and will continue to be made up of experienced insurance executives with a collective knowledge of a) insurance and financial markets, b) business strategy and business models, c) systems of governance, d) financial and actuarial analysis and e) regulatory matters. In the event that a Board Director is replaced it is incumbent on the remaining Directors to ensure that any replacement Director ensures that the key skills remain covered by the new Board.
- 2.2 Artex Risk Solutions (Gibraltar) Limited (“Artex”) co-ordinated compliance activities on behalf of EIL until 30 June 2022 and maintained an annual self-certification process for the Directors of its client companies. This assisted the Group to cover the ongoing fit and proper monitoring requirements. From 01 July 2022, Robus Risk Services (Gibraltar) Limited (“Robus”) now co-ordinates these services for EIL.
- 2.3 Each insurance company’s Board reviews the continued suitability of Directors, as evidenced by:
- Annual Self-Assessment.
  - Approval of Directors appointments and approved status.
  - Oversight of outsourced service providers.
- 2.4 Robus co-ordinates compliance activities on behalf of BICL and maintains an annual self-certification process for the Directors of its client companies. This assists the Group to cover the ongoing fit and proper monitoring requirements.

The Board’s review of the continued suitability of Directors to continue is evidenced by:

- Annual Self-Assessment.
  - Approval of Directors appointments and approved status.
  - Oversight of outsourced service providers.
- 2.5 The Board of each insurance company is responsible for ensuring individuals meet the regulator’s fit and proper tests, prior to appointment, by checking that the person has the

qualifications, experience, competence, and capacity appropriate to the relevant function and the Group performs the requisite review to ensure the person is:

- Competent and capable.
- Acts honestly, ethically and with integrity.
- Financially sound.

2.6 Details of each Board members qualifications, skills and expertise are as follows:

#### **Daniela Caballero**

Director (EIL and BICL)

Daniela is a Fellow of the Association of Certified Chartered Accountants and has worked in the Gibraltar Insurance market for 12 years. She is a graduate of the Financial Times NED Diploma scheme and is CII certified. Daniela is responsible for overseeing her client's financial, regulatory, and corporate governance reporting. She has worked for a range of insurance companies including run-off entities and subsidiaries of large reinsurers. Daniela has a wealth of directorship experience on company Boards.

#### **Andrew Matthews**

Director (EIL and BICL)

Andrew (Andy) is a Chartered Accountant and Director in Robus' Gibraltar Office and has been a Director of several Gibraltarian insurers. Prior to relocating to Gibraltar, Andy spent 25+ years in the London and international markets in insurance and reinsurance roles. Andy uses his extensive experience and knowledge of insurance and his strong commercial acumen to grow and develop the business and relationships with its client base. Andy brings a strong level of insurance experience and expertise to the EIL and BICL Boards.

#### **Sean McDermott**

Director (EIL and BICL)

Sean is a Chartered Accountant and a qualified insolvency practitioner with experience in insurance insolvency and restructuring. Sean is a Director and an ultimate shareholder of Quest Consulting (London) Limited ("Quest"), which provides run-off services to the EHL Group.

Sean spent 10 years of his career, immediately prior to setting up Quest Group, at Ernst & Young LLP, one of the top four accounting firms in the world. During this time, he operated in a wide variety of restructuring engagements around the globe all relating directly to the insurance market. Sean has been approved by or holds approved person status with insurance regulators in the UK, Ireland, Gibraltar, Guernsey, Singapore, New York and Bermuda.

#### **Jeremy Fall**

Director (EIL and BICL)

Jeremy is the Chief Executive Officer and an ultimate shareholder of Quest. He is a law graduate and has worked in the insurance market as a claims specialist throughout his career. He is recognised as a leading specialist in his field and acts as an expert witness and an arbitrator in relation to a range of insurance market disputes. Jeremy has been approved by or holds approved person status with insurance regulators in the UK, Ireland, Gibraltar, Guernsey,

Singapore, New York and Bermuda. Jeremy has experience in managing complex reinsurance commutations and collections, which is of particular value to EIL.

#### **James Bolton**

Alternate Director (EIL and BICL)

James is a Chartered Accountant and a qualified insolvency practitioner with experience in insurance insolvency and restructuring. James is also a Director and an ultimate shareholder of Quest Consulting (London) Limited (“Quest”), which provides run-off services to the EHL Group.

#### **Michael Truran**

Non-Executive Director (BICL)

Mike is a qualified accountant with over 30 years’ experience in financial services, including senior management positions and directorships held at Zurich Financial Services (previously Eagle Star Insurance), Britannic Retirement Solutions, AXA Insurance and Acromas Insurance Company.

### 3. Risk Management System including the Own Risk and Solvency Assessment

#### 3.1 Risk Management System

The risk management system of the Group consists of processes and controls that have been designed by senior management with oversight of the Board of Directors for each of EIL and BICL to identify, measure, monitor and report risks that affect the achievement of our strategic, operational and financial objectives. Since all three regulated insurance entities are in run-off with common management and profiles the risk management systems are largely the same.

Key risks are market risk on the investment portfolios and the risk of future claims deterioration which are not anticipated in claim reserving figures. The investment risk is monitored by management and reported to the Board on a quarterly basis and any deviations from the benchmark performance are explained to the respective Board and remedial action taken if necessary.

The material claims are reviewed by management and any material proposed settlements are reported to the respective Board and approvals sought. The material claims are reported to the Board on a quarterly basis to assess any new information which would result in a change in the claim levels.

#### 3.2 Process of Risk Management

The process of risk management is a continuous and systematic one, comprising five elements:

- **Identification** - The key risks of the business are identified and monitored by the Board. The Board recognizes its ultimate responsibility for the risk management system, setting the risk appetite and risk tolerance limits.

- **Assessment** - The key risks by risk category for each entity are set out in the Risk Register which defines for each risk in each category the likelihood and the potential severity for all the key risks, the risk appetite and the risk tolerance. After the risk analysis is carried out, risks are graded in terms of importance. This helps the Board consider the risk appetite and risk tolerance parameters.
- **Response** – All risks are dealt with as and when they arise by the responsible Director or by the Board. Decisions are detailed in the minutes of the relevant Board meeting and the risk register updated accordingly.
- **Monitoring** – At each quarterly Board meeting the Board, led by the Director in charge of the risk management function, considers what changes there are to the risk profile of the business and if any new risks have been identified. Given the business is run-off there is no new business so it is very unlikely there will be a new risk identified for any of the insurers which are all in run-off. More likely is that something has changed in relation to the business that might trigger an increase or decrease in an already identified risk.
- **Reporting** - Reporting includes risk and internal controls, summary of risk assessments, risk appetite monitoring, internal control performance, incident reporting and status of actions with respect to incidents, risks and controls.

### 3.3 Own Risk and Solvency Assessment (ORSA)

For EIL and BICL the ORSA process starts with its business strategy which, as a run-off insurer, has a very simple business model with a very limited range of risk. The nature of the run-off in terms of quantum and volatility dictate the capital required which then feeds into the regulatory and economic capital requirements of the company. The nature of the business also dictates the risk appetite and risk tolerance of the company. The Board of each insurer, considering these factors, sets out the key Risk Management Policies and Systems of Governance for EIL and BICL respectively. Separate reserve approaches are adopted for each of EIL and BICL reflecting the nature of the underlying claims as follows:

- EIL - As the business of EIL remains relatively static from year to year, a triennial review of the process is sufficient for the needs of EIL except where there is a substantial change brought about by the introduction of a new portfolio of business. Similarly, the nature of run-off business that is largely 25+ years old with no active underwriting means that there is limited value in operating complex internal modelling to make its business decisions. This is consistent with the principles of proportionality as set out in Guideline 4 of EIOPA CP 13/09.
- BICL - BICL has no activity other than the Hannover Re Q/S where IBNR figures are provided. Hence the only actuarial work undertaken is the mandatory annual review of the Swiss branch confirming there are no reported claims. This policy will be reviewed in 2023 following the completion of the Part VII Transfer of a portfolio of international aviation business. Since the new portfolio is well developed and very stable, it is likely that the BICL Board will adopt a similar triennial policy to its parent, EIL, subject to an agreement with the GFSC.

The ORSA process for each insurer is an iterative one where each of the above factors influences the other (e.g. the greater the risk tolerance the greater is the capital required).

The ORSA process is conducted annually, in compliance with regulatory requirements, by the Director in charge and reviewed and approved by the respective Board. The process by which the ORSA is conducted is reviewed periodically. This will be the earlier of a) once every 3 years (given the portfolio of business will not change) or b) where there is a substantial change in the business through the addition of new portfolios of run-off business resulting in a material change to the profile of the insurance business or time horizon.

The Board of each insurer adopts an integrated approach whereby the Business Strategy, Capital Management, Risk Management Policy and Risk Tolerance all interact. For example, the release or increase in capital is dictated by the business strategy and the addition of insurance legacy portfolios. Similarly, the risk tolerance levels set by the Board are also dictated by the level of capital relative to the SCR.

## 4. Internal Control System

### 4.1 Internal Control System

The Group operates a flat structure for each insurance company with a Board of Directors managing the key outsourced contracts. All payments have dual signature requirements with one local Gibraltar signatory and one Quest Director as signatories. Similarly, with respect to claims reserve movements, the Director responsible for claims signs off on all claims reserve movements. The control environment is appropriate and proportional to the business needs of each of the two insurers, EIL and BICL.

### 4.2 Compliance Function

Robus co-ordinates compliance activities on behalf of the Group and implements an annual self-certification process for the Directors of client companies.

For each insurer a single Board member has overall responsibility for the compliance function. This is a Gibraltar based Director with local expertise and knowledge of the compliance requirements as set down under Gibraltar company law, GFSC guidance and EU regulations including Solvency II.

The role of Robus (and Artex up to June 2022) in the compliance function is to:

- Assist the Board with ensuring ongoing compliance with legislative requirements.
- Enhance the Group's awareness of compliance matters.
- Document any breaches identified, how they were addressed and whether any third-party reporting of the breach is required.
- Ensure that the Board of the respective insurer is kept informed of any amendment to the applicable regulations, legislation and guidelines or the addition of any new requirements and the potential impact on the Group.



## 5. Internal Audit Function

As already noted, the Group is not a complex business. For EHL, the Board is satisfied that due to low activity, no internal audit function is required. The audit performed annually by external auditors sufficiently discharges all EHL audit requirements.

For EIL and BICL, the internal audit approach involves auditing the performance of the outsourced service contracts by parties independent of those contracts. This is undertaken to ensure that there is (as far as possible) a third-party review of the performance of each outsourced contract against its contracted objectives. Findings from the audit reviews are reported to the respective Board. The internal reviews outlined are sufficient and proportional given EIL or BICL are not underwriting and have only a small number of activities, transactions and personnel involved in the business processes.

The Group utilises both internal and external resources for the internal audit function. From 01 January 2016, the Group appointed an external firm to oversee and participate in the internal audit function. In addition, the Board has appointed Quest's Head of Internal Audit, Mr Karl Floyd, to oversee and manage the internal audit role.

## 6. Actuarial Function

Each insurer in the EHL group has its own actuarial function holder. The actuarial function holder reports directly to each Board. The reserving tasks of the actuarial function are outsourced to an independent actuarial consultant. The key function holder is also responsible for overseeing this outsourced relationship including monitoring the scope of the work, service levels and challenging the results.

The actuarial function for each insurance entity is responsible for:

- a) Co-ordination of the calculation of the technical provisions.
- b) Ensuring the accuracy of the data presented to the independent actuarial consultant.
- c) Ensuring the appropriateness of the methodologies and assumptions used in the calculation of technical provisions.
- d) Comparing best estimates against experience.
- e) Informing the Board of the adequacy and reasonableness of the calculation of technical provisions.

EIL is not underwriting any new business such that periodic reviews as required by the GFSC once every three years by an external actuary are considered sufficient by the Board for the needs of EIL.

BICL has no activity other than the Hannover Re Q/S where IBNR figures are provided. Hence the only actuarial work undertaken is the mandatory annual review of the Swiss branch confirming there are no reported claims.

The services of an independent actuarial consultant will be utilised, a) when there is an acquisition of a new portfolio, b) where there is a periodic review as required under the GFSC

licence terms, or c) where there is a material change in the claims profile as determined by the Claims Director such that an interim updated actuarial report should be required. Willis Towers Watson carried out an actuarial review on reserves in June 2021 on data as at 31 December 2020, the results of were incorporated into the annual audited accounts and have been carried forward into the 2022 year-end technical provisions.

## 7. Outsourcing

### 7.1 Outsourcing policy of EHL, EIL and BICL

The outsourcing policy of EHL, EIL and BICL is summarised as follows:

- The Group Board considers the appropriateness of all outsourcing activities.
- All outsourced functions subject to bi-annual review for compliance and performance assessment with findings reported to the respective Board.
- Written agreements to have a clear fee structure including termination provisions in the event of non-performance or insolvency.

### 7.2 Services Outsourced and Jurisdiction

The main insurance activities of EIL and BICL are carried out under three key outsourced contracts:

- The local insurance managers from Robus who provide company secretarial, accounting, risk management and solvency calculation support and compliance support in Gibraltar.
- Quest Consulting in London provides the claims management and reinsurance collection activities.
- Bank J. Safra Sarasin, a Swiss private bank with an office in Gibraltar, provides the investment management activities for each insurance entity under the supervision of the respective Board.

## 8. Adequacy of the System of Governance

The Group carries out a very limited range of activities. The run-off nature of EIL and BICL, each with a known portfolio of liabilities means that frequent internal reviews of its systems are not required. It is considered that a review once every three years is therefore sufficient. In the event that further books of business are acquired that materially alter the characteristics of one of the insurance entities, then the potential need for an earlier review will be considered at that time.

The Group is satisfied that it has the systems in place to proportionately meet the requirements of the group's systems of governance and Articles 43-50 and 223 of the Solvency II Act in Gibraltar.

## 9. Any Other Information

## Related Party Transactions

Apart from balances and transactions disclosed elsewhere in this report, there were the following significant transactions with related parties per the unaudited consolidated financial statements:

**Table 5** – EHL, EIL and BICL Transactions with related parties as at 31 December 2022 and 2021. USD, in thousands.

	EiFlow Holdings Limited		EiFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2021	2022	2021
Artex Risk Solutions (Gibraltar) Limited	69	104	69	104	-	-
Robus Risk Solutions (Gibraltar) Limited	206	232	44	-	162	232
Quest Consulting (London) Limited	1,070	1,132	1,007	1,132	63	-
<b>Total</b>	<b>1,345</b>	<b>1,468</b>	<b>1,120</b>	<b>1,236</b>	<b>232</b>	<b>232</b>

## C. Risk Profile

The Board considers there to be no significant risk concentrations as defined by art. 376 of the commission delegated regulation (EU) 2015/35. The Group's risk profile can be considered in two distinct parts, risks to EHL as a holding company and risks to EIL and BICL as run-off insurance companies.

For EHL, there is only investment risk associated with the restricted cash held at a local bank in Gibraltar.

EIL and BICL carry out no new underwriting and so their underwriting risk exposure is linked only to the variation or extension of risks already attaching as part of the run-off, the adequacy of the claim reserves, and the associated operational risk linked to the validation of claims for settlement. The other key risks to which EIL or BICL are exposed arise from the investment portfolios. These risks include market risk (interest rate and currency risk) and credit risk.

EIL or BICL's claims portfolios are not active and the expense profile is very clear and so the liquidity risk is negligible.

As run-off insurers, EIL and BICL have a very simple business model with a very limited range of risks:

### 1. Underwriting Risk

EIL or BICL's insurance business assumes the risk of loss from persons or organisations that are directly exposed to an insurance policy. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of the insurance liabilities following an insured loss. EIL or BICL have no appetite for new underwriting risk and have not entered into any new contracts of insurance that involve material exposure to live risks.

The three key components of insurance risk for an insurer in run-off are reserving, claims management and reinsurance risk. Each risk is considered below in relation to EIL or BICL.

### 1.1 Reserving Risk

In establishing reserves, the management of EIL includes amounts for IBNR reserves supported by an independent actuarial review from a firm of specialist actuarial consultants to ensure that all reported claims are adequately provided for. For BICL the amount for IBNR reserves is currently provided directly by the cedant. Reserving risk occurs within the insurance company where established insurance liabilities are insufficient through inaccurate forecasting, or where there is inadequate allowance for expenses and reinsurance bad debts within those provisions. The reserves of EIL and BICL are quantified periodically through an internal assessment of the reported claims reserves at each quarter end. Additionally, at suitable intervals or points of significant change, external actuarial reports which consider both the best estimate reserves and estimating reserves at higher confidence levels. Outstanding Claims Reserves are reviewed on a quarterly basis to ensure that all reported claims are adequately provided for. The results are disclosed in the respective Board packs at quarterly meetings and are discussed and formally approved at each entity's Board meeting.

Using the SII standard formula, reserving risk comprises of \$2.8 million (2021 - \$3.4 million) of the Group's total Group Solvency Capital Requirement of \$6.5 million (2021 - \$6.6 million) as at 31 December 2022.

### 1.2 Claims Management Risk

Claims Management Risk may arise within each insurance company in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or excessive claims handling costs. Inaccurate calculation and reporting of claims case reserves may lead to under or over estimation of IBNR. Hence there is a great focus on data quality to produce an accurate record of updated claims.

Careful monitoring and supervision with the direct involvement of a Board member is key to mitigating Claims Management Risk. Claims management is a core part of the business and due to the limited nature of the business major claims are reported to and considered at Board level of the relevant entity; this further mitigates the risk.

### 1.3 Reinsurance Risk

Reinsurance risk for the Company arises where reinsurance contracts put into place to reduce gross insurance risk do not perform as anticipated, result in coverage disputes or prove inadequate in terms of the vertical or horizontal limits purchased. Each of the insurers has a different reinsurance profile.

The Preserve portfolio in EIL is UK motor and all claims above a GBP500,000 excess are 100% reinsured including the PPO claim. This means the net exposure is capped. Reinsurance security is assessed regularly and all reinsurance is of a very high quality.

Other than the Preserve portfolio, EIL and BICL have no material ongoing outwards reinsurance on its main portfolios; however, EIL has an agreed claim in the liquidation of a former Swiss insurer, Universale Ruck.

We measure reinsurance risk by reference to the collectability of the reinsurance balances due from EIL's remaining reinsurance asset. Estimates are produced to predict the likely recoverable amounts from this reinsurer and a relatively prudent asset is provided for in the balance sheet. The Directors remain in close contact with the reinsurer, and dialogue is maintained at least annually.

## 2. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include currency risk and interest rate risk.

Using the SII standard formula, market risk for the Group comprises:

**Table 6** – EHL, EIL and BICL Solvency Capital Requirement, Market risk as at 31 December 2022 and 2021. USD, in thousands.

Market Risk	EIFlow Holdings Limited		EIFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2021	2022	2021
Interest rate risk	833	-	763	576	216	196
Equity risk	2,956	2,304	3,940	3,297	-	-
Spread risk	1,091	1,470	892	382	183	214
Currency risk	82	148	221	427	82	127
Concentration risk	148	8	8	128	53	63
Property Risk	-	48	-	-	-	48
Diversification between Market Risk submodules	(1,149)	(359)	(1,045)	(1,023)	(208)	(266)
<b>Total Market Risk post diversification</b>	<b>3,961</b>	<b>3,619</b>	<b>4,779</b>	<b>3,787</b>	<b>326</b>	<b>382</b>

### 2.1 Spread Risk

Spread Risk is the risk that the value of investments reduces due to a reduction in the perceived creditworthiness of the issuers of the debt instruments. The Group actively seeks to mitigate spread risk by only investing in assets that are investment grade government and corporate bonds or equivalent and by diversifying the portfolio. There is a limited exposure to any one issued bond as they are limited to 5% of assets rated A- or better and to 3% of assets rated BBB+ or lower. Exposure to Government and Supranational is not limited.

### 2.2 Currency Risk

Currency risk relates to the Group operating in different currencies and converting non-USD earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. The Group seeks to mitigate currency risk by matching the currency assets held to the currency liabilities recognised. The exposure of the Group to currencies other than the reporting currency is very limited.

### 2.3 Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The portfolio managers have a discretionary mandate that allows the use of derivative instruments to hedge duration risk and to help mitigate the adverse impact on the portfolio value arising from interest rate rises.

### 2.4 Credit Risk

Credit risk is the risk of financial loss to EHL, EIL or BICL if a client or counterparty to a financial instrument is unable to pay in full amounts when due and arises from the Group's held-to-collect-and-sell investments, loans and receivables, cash and cash equivalents and financial liabilities at fair value through profit or loss.

The credit risk that the Group is exposed to relates only to investment of the assets. These assets are invested in investment grade government and corporate bonds or equivalent. The portfolio is well diversified so that there is a limited exposure to any one issue to 5% of assets rated A- or better and to 3% of assets rated BBB+ or lower. Exposure to Government and Supranational is not limited.

Investments are spread across a wide diversified range of instruments to reduce the credit risk exposure to any one counterparty. Non-rated investments are only held where such instruments are in liquid form and are assessed as being of investment grade. EIL has no experience of defaults on its investment portfolio.

### 2.5 Liquidity Risk

Liquidity risk arises if the Group is unable to realize investments and other assets in order to settle financial and claim obligations when they fall due or that the Group would have to incur excessive cost to do so.

The insurance companies' claims portfolios are largely not active and the expense profile is very clear, and therefore the liquidity risk is low. EIL and BICL are not complex businesses and are all focused on run-off only. Claims activity can be accurately forecast several months ahead so that all the liquidity needs can be proactively managed as they arise.

As the operating costs are managed through outsourced agreements with Quest, Robus and JSS, EHL and the insurance entities have clear visibility on the upcoming operating costs under fixed quarterly fee arrangements.

In the unlikely event of short-term liquidity issue, the investment portfolio is highly liquid and could be converted to cash at short notice with minimal additional cost.

### 3. Operational Risk

Operational risk is the risk of losses due to deficiencies or errors in processes and systems, whereas business risk is the risk of losses due to external factors such as the market situation or government regulations. The Board of each insurance company monitors the operational risk by monitoring the business systems, including the use of outsourced functions and promptly responding to any identified deficiencies. The Board reviews the situation periodically and considers that the benefits significantly outweigh the disadvantages in outsourcing its primary functions.

### 4. Risk Concentration

There are no material risk concentrations. The legacy portfolios are a diverse portfolio of international insurance and reinsurance risks so there is no concentration risk in underwriting activities either within one insurer or across the insurance Group as a whole.

The investment portfolio is spread across a range of investments so there is no risk concentration risk associated with investments.

### 5. Risk Mitigation

In addition to the techniques used to mitigate risks described above, the use of Quest's expertise in London is used to validate claims and commute risks where this can be achieved on terms acceptable to EIL or BICL. The Group is always looking to add additional legacy portfolios particularly where such portfolios help reduce and diversify the legacy exposure across other classes of business.

On the investments side, the Board of each insurance company limits the investment of assets as described above and limits investments to highly rated or equivalent investment grade bonds. Further, each insurer currency matches liabilities with investment of assets in the same currency (in particular USD where much of the exposure lies). In this way both market risk and credit risk are mitigated as far as possible. Preserve's claims liabilities are predominately GBP as is the reinsurance asset and a certain amount of GBP funds are held to mitigate the GBP claims exposure.

### 6. Stress Testing and Sensitivity Analysis

Sensitivity and stress testing reported in this section refers to EHL Group. Tests presented in this section were based on assets and liabilities as at 31 December 2022.

Using SII standard formula, a number of tests to assess the impact on available capital in stress event scenarios have been performed. The stress tests performed attempt to capture the key risks identified to EHL Group, by considering the particular asset and liability elements of each subsidiary company, and by design, stress a worst-case scenario. The stress tests and the results of stress testing are shown below by category.

**Table 7 - Sensitivity and stress testing at 31 December 2022. USD, in thousands.**

Scenario	SCR	MCR	SII excess of assets over liabilities	SCR Coverage
<b>Base line</b> (actual Dec-22)	6,303	3,971	36,947	586%
<b>Underwriting risk - Reserve risk</b>	7,016	3,971	37,968	541%
<b>Market risk - Investment shocks</b>				
- interest rate +100 bps	6,277	3,971	36,270	578%
- interest rate -100 bps	6,331	3,971	37,652	595%
- collective investment < 20%	5,842	3,971	35,712	611%
<b>Counterparty risk</b>				
- credit rating 1 step downgrade	6,876	3,971	36,947	537%
- credit rating 2 steps downgrade	8,032	3,971	36,947	460%
<b>Severe scenario</b>	8,149	3,971	36,063	443%

A more detailed description of the various stress tests and observations on the impact of those tests follows:

- **Reserving Risk Test** - a stress test whereby non-life-long tail (EIL) technical provisions increase by 50%, non-life short tail (EIL and BICL) technical provisions increase by 25% and non-life ATE (EIL) technical provisions increase by 100%. Additionally, for the EIL Preserve portfolio, an increase in inflation to 5% was also modelled on Life technical provisions. EHL's SCR coverage reduces to 541% from 586%.
- **Market Risk, Investment Shocks** - two types of tests were performed on the investments of EIL and BICL, a first one assuming interest rate shocks and a second one assuming a decrease in the value of collective investments:
  - **Interest rate shocks** – two tests were carried out, one to evaluate the impact on the investments of an increase of 100 bps of the interest rate and one to assess the impact of a 100 bps decrease of the interest rate. Results show that only in the event of an increased interest rate does EHL's SCR coverage reduce.
  - **Collective investments value decrease** - a test whereby the value of EIL's investments in hedge funds decrease by 20%. This test results in an increase to SCR coverage despite a loss to the asset base, a consequence of the change in large SCR charge applied to the collective investment in the first instance.
- **Counterparty Risk - Credit Default** - two tests were performed. A stress test where all debt securities experience a 1 notch downgrade was performed and a stress test where all debt securities experience 2 notches downgrade. We note that the likelihood of these events happening to all EHL's investments at the same time is extremely remote. The most extreme of these two tests reduces the SCR coverage from 586% to 460%.



- **Severe Scenario** - a severe scenario stress test was carried out assuming that the weakening of general economic conditions would cause a loss in the investments comparable to the stress test interest rate shock and a deterioration of the credit rating of the counterparties of the company. In this context, the Company is advised of a large claim which is modelled as having an effect comparable to the entire Reserving risk test presented above. This scenario, deemed very extreme, shows that EIflow will remain profitable and solvent with SCR coverage modelled to reduce to 443%.

Given the proportionally large excess of assets above SCR, the SCR coverage remains well above 400% in all stress testing scenarios presented.

## 7. Other Material Risks

Following the development of a significant number of cases of the Coronavirus (“Covid-19”) across the world, a public health emergency of international concern was declared in January 2020. However, given that the Group’s insurance portfolios are in run-off, the Directors continue to assess that the impact of Covid-19 on EHL has been limited. The main impact was limited to the progress made on certain claims, due to delays in medical appointments and to the Court timetables, which have now largely been addressed. The Directors consider that accordingly there will be no impact on the assessment of IBNR. The Company’s Board and management team continue to carry out their duties while the business continuity plans for the outsourced service providers has ensured continuity of these services.

## D. Valuation for Solvency Purposes

To ensure reporting continuity across the EHL Group, the financial statements for the year ended 31 December 2020 and subsequent for each insurance entity are prepared in accordance with the Financial Services (Insurance Companies) Regulations 2020 and the Financial Services (Insurance Companies: Accounts Directive) Regulations 2020, both of which came into force on 15 January 2020. GFRS accounting policies have also been adopted across the entire Group.

- 7.1 Cash and Equivalents – cash and cash equivalents consist of deposits in banks and short-term investments with original maturities of three months or less. Included within cash at bank are margin accounts which represent margin deposits held in respect of open exchange-traded futures contracts. They are valued at their book value.
- 7.2 Financial Investments – Non-derivative financial assets are classified as financial assets at fair value through profit or loss and comprise investments in equity instruments and debt securities, including the Company's investment in a private company. These instruments are carried at fair value.
- 7.3 Loans and Receivables – These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortised cost, using the effective interest rate method, less any impairment losses.

## 8. Technical Provisions

- 8.1 Generally, provision is made for the estimated unpaid amounts of losses and loss expenses arising from incidents reported to the company during the year, together with a provision for losses incurred but not yet reported (IBNR). The IBNR is based on past experience using the latest available information and management best estimates of the probable number and nature of claims arising from incidents not yet reported. The methods of making such estimates and the resulting reserves established are continually reviewed and updated. Any adjustments resulting therefrom are reflected in earnings in the year in which they became known and such adjustments could be material.
- 8.2 EIL acts as an insurer and reinsurer of companies which are subject to claims arising from environmental property damage and the clean-up of toxic waste disposal sites. In a large number of instances, the Company has been advised that a potential for claims against the insured exists, but the insured and reinsured are only partly in a position to quantify the amounts involved. There are various potential interpretations of the coverage provided by the underlying contracts. In addition, it is probable that all insured claims have not yet been reported. As a result, the potential exposure to loss varies significantly over a wide range of values.
- 8.3 Adjustments have been made to transit from GAAP accounts to Solvency II ("SII") best estimate technical provisions.

The SII Best Estimate represents a probability-weighted average of future cash flows, discounted using the EIOPA risk-free interest rate term structure. The probability weights were based on the Towers Watson actuarial estimates for the main portfolio in EIL and shorter tail management estimates in respect of all other business.

The loss data underlying the calculation of insurance reserves as reported in the financial statements of each insurance entity is the same as that used to calculate the technical provisions. Estimates of each insurance entity's aggregate technical provisions have been developed separately for loss reserves and the risk margin.

All insurance entities are in run-off. No premium provision including any provision for Bound But Not Incepted (BBNI) business is required. The allowance for Events Not In Data Set (ENIDs) is based on an explicit loading to the gross reserves for each entity. The loading is based on a benchmarking analysis.

The best estimate is calculated separately for cash flows in different currencies (Commission Delegated Regulation EU 2015/35, Art. 33) and discounted according to the relevant yield curve.

The best estimate of the net technical provisions includes a provision for unallocated loss adjustment expenses (ULAE). For Solvency II purposes, the total future anticipated expenses of EIL at \$1.4 million are included as provided in the independent actuarial review.

The risk margin was estimated based on projections of KPMG standard formula capital at future evaluation dates and a 6% cost of capital as prescribed by EIOPA.

Insurance and intermediaries' receivables not past-due are netted off the technical provisions for Solvency II purposes. Reinsurance receivables not past-due are reclassified as part of the reinsurance share of technical provisions for Solvency II purposes.

Insurance and Intermediaries payables not past-due form part of the Solvency II technical provisions. Reinsurance payables not past-due form part of the Solvency II technical provisions.

On the reinsurance recoverables, the net expected losses due to counterparty default were estimated using the simplification (Art. 61 Commission Delegated Regulation (EU) 2015/35) that allows the adjustment to be based on an estimate of the one-year probability of default multiplied by the duration of the recoverable. The one-year probability of default was taken from EIOPA guidelines but was also determined based on both a study performed by S&P on the probability of default of similarly-rated bonds and on management judgement.

A summary of reclassifications and adjustments of assets and liabilities relating to the technical provisions are reported below for each insurance entity. Due to the simple structure of the business, these adjustments provide the full reconciliation between GAAP and Solvency II accounts.

**Table 8** – EIL Summary of transition from GAAP to Solvency II items as at 31 December 2022 and 2021: a reconciliation. USD, in thousands.

2022	Statutory accounts value	Reclassification for Solvency II purposes	Solvency II Valuation adjustment	Solvency II value
<b>Assets</b>				
Reinsurance recoverables	5	-	(5)	-
Insurance and intermediaries receivables	-	-	-	-
Reinsurance receivables	2,315	-	(915)	1,400
Other assets	41,044	-	(7)	41,037
<b>Total Assets</b>	<b>43,364</b>	<b>-</b>	<b>(927)</b>	<b>42,437</b>
<b>Liabilities</b>				
Technical provisions	16,289	-	(6,632)	9,657
Risk margin	-	-	337	337
Insurance & intermediaries payables	261	-	-	261
Reinsurance payables	-	-	-	-
Other liabilities	2,489	-	(7)	2,482
<b>Total Liabilities</b>	<b>19,039</b>	<b>-</b>	<b>(6,302)</b>	<b>12,737</b>
<b>Net assets/Own Funds</b>	<b>24,325</b>	<b>-</b>	<b>5,375</b>	<b>29,700</b>

2021	Statutory accounts value	Reclassification for Solvency II purposes	Solvency II Valuation adjustment	Solvency II value
<b>Assets</b>				
Reinsurance recoverables – non-life (excluding health)	54	-	(16)	38
Insurance and intermediaries receivables	-	-	-	-
Reinsurance receivables	3,228	-	(442)	2,786
Other assets	41,361	-	0	41,361
<b>Total Assets</b>	<b>44,643</b>	<b>-</b>	<b>(458)</b>	<b>44,185</b>
<b>Liabilities</b>				
Technical provisions – non-life (excluding health)	16,271	-	(2,575)	13,696
Risk margin	-	-	477	477
Insurance & intermediaries payables	284	-	-	284
Reinsurance payables	-	-	-	-
Other liabilities	3,192	-	-	3,192
<b>Total Liabilities</b>	<b>19,747</b>	<b>-</b>	<b>(2,098)</b>	<b>17,649</b>
<b>Net assets/Own Funds</b>	<b>24,896</b>	<b>-</b>	<b>1,640</b>	<b>26,536</b>

**Table 9** – BICL Summary of transition from GAAP to Solvency II items as at 31 December 2022 and 2021: a reconciliation. USD, in thousands.

2022	Statutory accounts value	Reclassification for Solvency II purposes	Solvency II Valuation adjustment	Solvency II value
<b>Assets</b>				
Reinsurance recoverables – non-life (excluding health)	-	-	-	-
Insurance and intermediaries receivables	-	-	-	-
Prepayments	-	-	-	-
Other assets	7,002	-	(57)	6,945
<b>Total Assets</b>	<b>7,002</b>	<b>-</b>	<b>(57)</b>	<b>6,945</b>
<b>Liabilities</b>				
Technical provisions – non-life (excluding health)	1,156	-	238	1,394
Risk margin	-	-	43	43
Insurance & intermediaries payables	-	-	-	-
Reinsurance payables	-	-	-	-
Other liabilities	52	-	-	52
<b>Total Liabilities</b>	<b>1,208</b>	<b>-</b>	<b>281</b>	<b>1,489</b>
<b>Net assets/Own Funds</b>	<b>5,794</b>	<b>-</b>	<b>(338)</b>	<b>5,456</b>

2021	Statutory accounts value	Reclassification for Solvency II purposes	Solvency II Valuation adjustment	Solvency II value
<b>Assets</b>				
Reinsurance recoverables – non-life (excluding health)	2,018	-	(30)	1,988
Insurance and intermediaries receivables	-	-	-	-
Prepayments	12	-	(12)	-
Other assets	6,015	-	-	6,015
<b>Total Assets</b>	<b>8,045</b>	<b>-</b>	<b>(42)</b>	<b>8,003</b>
<b>Liabilities</b>				
Technical provisions – non-life (excluding health)	1,473	-	524	1,997
Risk margin	-	-	48	48
Insurance & intermediaries payables	-	-	-	-
Reinsurance payables	-	-	-	-
Other liabilities	38	-	-	38
<b>Total Liabilities</b>	<b>1,511</b>	<b>-</b>	<b>572</b>	<b>2,083</b>
<b>Net assets/Own Funds</b>	<b>6,534</b>	<b>-</b>	<b>(614)</b>	<b>5,920</b>

8.4 The SII net technical provisions were estimated at \$8.6 million and \$1.4 million for EIL and BICL respectively as at 31.12.2022 (2021 – \$11.3 million and \$2.0 million). A comparison of the net technical provisions as per GAAP and as per SII is presented below.

**Table 10** – EIL and BICL GAAP and Solvency II Net Technical Provisions as at 31 December 2022 and 2021: a reconciliation. USD, in thousands.

	EiFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2021
<b>Net technical provisions</b>	<b>13,974</b>	<b>13,043</b>	<b>1,156</b>	<b>1,478</b>
Total items reclassified for SII	-	-	-	-
ULAE increase for SII	402	402	319	544
Provision for ENID's	121	140	-	-
UPR adjustment	(3,200)	(1,230)	3	
PPO Valuation adjustment	0	0	-	-
Discounting	(3,040)	(1,445)	(84)	(25)
<b>Discounted technical provisions</b>	<b>8,257</b>	<b>10,910</b>	<b>1,394</b>	<b>1,997</b>
Risk Margin	337	413	43	48
<b>SII Net Technical Provisions</b>	<b>8,594</b>	<b>11,323</b>	<b>1,437</b>	<b>2,045</b>

8.5 The key areas of uncertainty associated with the value of technical provisions across the two regulated entities are as follows:

- Estimation of the Outstanding Loss Reserves (OLSR) - the uncertainty is around the assessment of settling claims.
- Estimation of claims Incurred But Not Reported (IBNR) - the uncertainty is due to the fact that the nature of the claims is not known at time of reserving.
- Estimation of Events Not In Data (ENIDs) - the uncertainty lies in the fact that an estimation is made for events not observed.
- Run-off expenses provision - the estimation is inherently uncertain due to the evaluation of the base costs, inflation, period of the run-off.
- Risk margin - it is uncertain due to the requirement to forecast future solvency capital requirement over the period of a run-off.

8.6 The insurance entities have not applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating their respective technical provisions.

8.7 The reinsurance contracts on the EIL Preserve Motor Business are excess of loss in nature and provide coverage on the major losses that have impacted the reinsurance excess point. No other losses are projected to impact the reinsurance.

## 9. Other Liabilities

9.1 As EIL and BICL do not underwrite live business the liabilities are substantially claims reserves and ledger balances. Claims reserves for agreed valid claims are booked as reported and authorised by the respective Claim Director. IBNR reserves are based on the most recent

external actuarial valuation where appropriate and approved by the actuarial function holder and are recorded at best estimates.

- 9.2 Expenses are substantially the quarterly fees of the two service contracts which are fixed contractual figures and hence there are very limited non-insurance assets or liabilities in the balance sheet.
- 9.3 No additional adjustments were required for Solvency II purposes other than to include accrued interest within the valuation of the bonds.

## E. Capital Management

### 1. Own Funds

- 1.1 The Group has a simple capital structure involving Share Capital, Share Premium account. Available for sale reserve and P&L reserves only for each company where applicable. The P&L and Available for sale reserves support the capital and SCR/MCR, and the P&L Reserves surplus above this is available for distribution subject to Board and GFSC approval. The policy of each insurance entity is to review future capital needs and only seek release of surplus to the parent company once satisfied there is excess capital where there are no further investment opportunities.
- 1.2 For the purpose of calculating Group solvency, method 1 - default accounting consolidation-based method has been used (Article 199 of the Financial Services (Insurance Companies) Regulations 2020).

The eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement classified by Tier are detailed in the table below.

**Table 11** – EHL, EIL and BICL Solvency II Own funds classified by Tier, as at 31 December 2022 and 2021. Solvency II values in USD, in thousands.

Own fund items	Tier	EiFlow Holdings Limited		EiFlow Insurance Limited		Beacon Insurance Company Limited	
		2022	2021	2022	2021	2022	2021
Share capital	1	9,902	9,902	12,100	12,100	11,214	11,214
Share premium	1	-	-	-	-	-	-
Reconciliation reserve	1	27,045	18,512	17,600	14,436	(5,758)	(5,294)
Own Funds		36,947	28,414	29,700	26,536	5,456	5,920

- 1.3 The transition from the statutory balance sheet to SII balance sheet generates small differences between the equity as shown in the financial statements and the excess of assets over liabilities calculated for Solvency II purposes. This difference is due to SII adjustments to the technical provisions and non-material adjustment to the assets. The adjustments are generated from the application of the EIOPA SII rules relating to the technical provisions.

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

- 2.1 The EHL group SCR as at 31 December 2022 was \$6.3 million (2021 - \$6.5 million) and the MCR was \$4.0 million (2021 - \$4.3 million). The SII Own funds to SCR ratio was 439% (2021 - 429%).
- 2.2 The amount of the Group's Solvency Capital Requirement split by risk resulting from the application of the standard formula is shown in Table below:



**Table 12** – EHL, EIL and BICL Solvency Capital Requirement classified by risk modules as at 31 December 2022 and 2021. USD, in thousands.

Risk modules	EIFlow Holdings Limited		EIFlow Insurance Limited		Beacon Insurance Company Limited	
	2022	2021	2022	2021	2022	2021
<b>Solvency Capital Requirement</b>	<b>6,303</b>	<b>6,467</b>	<b>6,372</b>	<b>6,447</b>	<b>617</b>	<b>766</b>
Operational Risk	309	427	267	368	42	60
<b>Basic Solvency Capital Requirement</b>	<b>5,994</b>	<b>6,040</b>	<b>6,105</b>	<b>6,079</b>	<b>575</b>	<b>706</b>
Diversification between UW, CDR and Market Risk modules	(2,152)	(2,187)	(1,796)	(2,163)	(178)	(205)
<b>Market Risk post diversification</b>	<b>3,961</b>	<b>3,619</b>	<b>4,779</b>	<b>3,787</b>	<b>325</b>	<b>382</b>
Diversification between Market Risk submodules	(1,149)	(359)	(1,045)	(1,023)	(208)	(266)
Interest rate risk	833	-	763	576	216	196
Equity risk	2,956	2,304	3,940	3,297	-	-
Property risk	-	48	-	-	-	48
Spread risk	1,091	1,470	892	382	183	214
Currency risk	82	148	221	427	82	127
Concentration risk	148	8	8	128	52	63
<b>Counterparty default risk</b>	<b>1,400</b>	<b>1,255</b>	<b>717</b>	<b>1,380</b>	<b>80</b>	<b>60</b>
<b>Non-Life underwriting risk post diversification</b>	<b>2,492</b>	<b>3,060</b>	<b>2,182</b>	<b>2,852</b>	<b>348</b>	<b>469</b>
<b>Life underwriting risk post diversification</b>	<b>293</b>	<b>293</b>	<b>223</b>	<b>223</b>	<b>-</b>	<b>-</b>

2.3 A Simplification approach is used in the application of the Method 1 for the calculation of the risk margin. A provision for a counterparty risk (reinsurance bad debt) has been included within the technical provisions using the simplification allowed under the Art. 61 of the Commission Delegated Regulation (EU) 2015/35. The risk mitigating effect has been calculated in accordance with Art. 111 of the Commission Delegated Regulation (EU) 2015/35 which allows for a simplified calculation of the risk mitigating effect itself.

2.4 There has been no use of undertaking specific parameters in the non-life underwriting risk calculation.

### 3. Use of the Duration-Based Equity Risk Sub-Module in the calculation of the Solvency Capital Requirement

This section is not applicable to the Group.

### 4. Differences between the Standard Formula and any Internal Model used

Capital and solvency requirements are computed and monitored using the standard model formula. Therefore, no additional information is reported in this section.

5. Non-Compliance with the Minimum Capital Requirement and Non-Compliance with the Solvency Capital Requirement

At the end of the reporting period, the Group was compliant with the Minimum Margin and Solvency Capital Requirement and had surplus to meet and exceed the Solvency II requirements for all three regulated entities and the Group.

6. Any Other Information

The Directors do not consider that further information should be disclosed for the Group in relation to the management of the capital.

## F. Appendices – Public QRTs

### 1. EHL Group Year End 2022

**Table 13** – EHL Group S.02.01.02 Balance Sheet as at 31.12.2022. Values in USD thousands.

		Solvency II value
		C0010
<b>Assets</b>		
Intangible assets	<b>R0030</b>	
Deferred tax assets	<b>R0040</b>	
Pension benefit surplus	<b>R0050</b>	
Property, plant & equipment held for own use	<b>R0060</b>	
Investments (other than assets held for index-linked and unit-linked contracts)	<b>R0070</b>	34,332
Property (other than for own use)	<b>R0080</b>	
Holdings in related undertakings, including participations	<b>R0090</b>	
Equities	<b>R0100</b>	
Equities - listed	<b>R0110</b>	
Equities - unlisted	<b>R0120</b>	
Bonds	<b>R0130</b>	27,815
Government Bonds	<b>R0140</b>	4,065
Corporate Bonds	<b>R0150</b>	23,750
Structured notes	<b>R0160</b>	
Collateralised securities	<b>R0170</b>	
Collective Investments Undertakings	<b>R0180</b>	6,174
Derivatives	<b>R0190</b>	
Deposits other than cash equivalents	<b>R0200</b>	343
Other investments	<b>R0210</b>	
Assets held for index-linked and unit-linked contracts	<b>R0220</b>	
Loans and mortgages	<b>R0230</b>	
Loans on policies	<b>R0240</b>	
Loans and mortgages to individuals	<b>R0250</b>	
Other loans and mortgages	<b>R0260</b>	
Reinsurance recoverables from:	<b>R0270</b>	1,401
Non-life and health similar to non-life	<b>R0280</b>	692
Non-life excluding health	<b>R0290</b>	692
Health similar to non-life	<b>R0300</b>	
Life and health similar to life, excluding health and index-linked and unit-linked	<b>R0310</b>	709
Health similar to life	<b>R0320</b>	709
Life excluding health and index-linked and unit-linked	<b>R0330</b>	
Life index-linked and unit-linked	<b>R0340</b>	
Deposits to cedants	<b>R0350</b>	
Insurance and intermediaries receivables	<b>R0360</b>	1,131
Reinsurance receivables	<b>R0370</b>	2,000
Receivables (trade, not insurance)	<b>R0380</b>	129
Own shares (held directly)	<b>R0390</b>	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	<b>R0400</b>	
Cash and cash equivalents	<b>R0410</b>	17,611
Any other assets, not elsewhere shown	<b>R0420</b>	
<b>Total assets</b>	<b>R0500</b>	56,604

**Table 13 (continued)** – EHL Group S.02.01.02 Balance Sheet as at 31.12.2022. Values in USD thousands.

	<b>Solvency II value</b>	
		<b>C0010</b>
<b>Liabilities</b>		
Technical provisions – non-life	<b>R0510</b>	10,551
Technical provisions – non-life (excluding health)	<b>R0520</b>	10,551
TP calculated as a whole	<b>R0530</b>	
Best Estimate	<b>R0540</b>	10,177
Risk margin	<b>R0550</b>	374
Technical provisions - health (similar to non-life)	<b>R0560</b>	
TP calculated as a whole	<b>R0570</b>	
Best Estimate	<b>R0580</b>	
Risk margin	<b>R0590</b>	
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b>	905
Technical provisions - health (similar to life)	<b>R0610</b>	
TP calculated as a whole	<b>R0620</b>	
Best Estimate	<b>R0630</b>	
Risk margin	<b>R0640</b>	
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b>	905
TP calculated as a whole	<b>R0660</b>	
Best Estimate	<b>R0670</b>	875
Risk margin	<b>R0680</b>	30
Technical provisions – index-linked and unit-linked	<b>R0690</b>	
TP calculated as a whole	<b>R0700</b>	
Best Estimate	<b>R0710</b>	
Risk margin	<b>R0720</b>	
Contingent liabilities	<b>R0740</b>	
Provisions other than technical provisions	<b>R0750</b>	
Pension benefit obligations	<b>R0760</b>	
Deposits from reinsurers	<b>R0770</b>	
Deferred tax liabilities	<b>R0780</b>	
Derivatives	<b>R0790</b>	
Debts owed to credit institutions	<b>R0800</b>	
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>	
Insurance & intermediaries payables	<b>R0820</b>	
Reinsurance payables	<b>R0830</b>	5,661
Payables (trade, not insurance)	<b>R0840</b>	
Subordinated liabilities	<b>R0850</b>	
Subordinated liabilities not in BOF	<b>R0860</b>	
Subordinated liabilities in BOF	<b>R0870</b>	
Any other liabilities, not elsewhere shown	<b>R0880</b>	2,540
<b>Total liabilities</b>	<b>R0900</b>	19,657
<b>Excess of assets over liabilities</b>	<b>R1000</b>	36,947

**Table 14 – EHL Group S.05.01.02 Premiums, claims and expenses by line of business as at 31.12.2022. Values in USD thousands.**

	Line of Business for: <b>non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)</b>												Line of business for:				Total
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	
<b>Premiums written</b>																	
Gross - Direct Business	R0110							3,000		1,047							4,047
Gross - Proportional reinsurance accepted	R0120					7	-11										-4
Gross - Non-proportional reinsurance accepted	R0130																
Reinsurers' share	R0140																
Net	R0200					7	-11	3,000		1,047							4,043
<b>Premiums earned</b>																	
Gross - Direct Business	R0210							250		1,110							1,360
Gross - Proportional reinsurance accepted	R0220					5	-6										-1
Gross - Non-proportional reinsurance accepted	R0230																
Reinsurers' share	R0240																
Net	R0300					5	-6	250		1,110							1,359
<b>Claims incurred</b>																	
Gross - Direct Business	R0310				-572		-140	-1,433	-324		-740		-740				-3,949
Gross - Proportional reinsurance accepted	R0320						158	-181									-23
Gross - Non-proportional reinsurance accepted	R0330																
Reinsurers' share	R0340				-567		-19	-73	-17	-64		-38			-509		-804
Net	R0400				-5		37	-1,541	-307	-676		-702			-483		-3,677
<b>Changes in other technical provisions</b>																	
Gross - Direct Business	R0410						-75										-75
Gross - Proportional reinsurance accepted	R0420																
Gross - Non-proportional reinsurance accepted	R0430																
Reinsurers' share	R0440																
Net	R0500						-75										-75
<b>Expenses incurred</b>	R0550					41	1,287	111	3	614		7		5			2,068
<b>Other expenses</b>	R1200																4
<b>Total expenses</b>	R1300																2,072

**Table 15 – EHL Group S.23.01.22 Own funds as at 31.12.2022. Values in USD thousands.**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>					
Ordinary share capital (gross of own shares)	R0010	9,902			
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	27,044			
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
<b>Deductions</b>					
Deductions for participations in financial and credit institutions	R0230				
<b>Total basic own funds after deductions</b>	R0290	36,946	36,946		
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
<b>Total ancillary own funds</b>	R0400				
<b>Available and eligible own funds</b>					
Total available own funds to meet the SCR	R0500	36,946	36,946		
Total available own funds to meet the MCR	R0510	36,946	36,946		
Total eligible own funds to meet the SCR	R0540	36,946	36,946		
Total eligible own funds to meet the MCR	R0550	36,946	36,946		
<b>SCR</b>	R0580	6,303			
<b>MCR</b>	R0600	3,971			
<b>Ratio of Eligible own funds to SCR</b>	R0620	586.17%			
<b>Ratio of Eligible own funds to MCR</b>	R0640	930.40%			
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	R0700	36,946			
Own shares (held directly and indirectly)	R0710				
Foreseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	9,902			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
<b>Reconciliation reserve</b>	R0760	27,044			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790				

**Table 16** – EHL Group S.25.01.22 Solvency Capital Requirement - for groups on Standard Formula as at 31.12.2022. Values in USD thousands.

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 3,961		
Counterparty default risk	R0020 1,400		
Life underwriting risk	R0030 293		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050 2,492		
Diversification	R0060 -2,152		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	R0100 5,994		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 309		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 6,303		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	R0220 6,303		

**Table 17** – EHL S.32.01.22 Undertakings in the scope of the group as at 31.12.2022. Values in USD thousands.

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	2138004I7ZV4IZXAZ694	LEI	EIFLOW INSURANCE	2	limited by shares	2	Gibraltar Finan	10000.00%	100	10000.00%		1	100.00%	1		1
GI	213800HU12V8LR7SFQ36	LEI	BEACON INSURANCE	2	limited by shares	2	Gibraltar Finan	10000.00%	100	10000.00%		1	100.00%	1		1



## 2. EHL Group Year End 2021

**Table 18** – EHL Group S.02.01.02 Balance Sheet as at 31.12.2021. Values in USD thousands.

	Solvency II value
	C0010
<b>Assets</b>	
Intangible assets	<b>R0030</b>
Deferred tax assets	<b>R0040</b>
Pension benefit surplus	<b>R0050</b>
Property, plant & equipment held for own use	<b>R0060</b>
Investments (other than assets held for index-linked and unit-linked contracts)	<b>R0070</b> 34,992
Property (other than for own use)	<b>R0080</b>
Holdings in related undertakings, including participations	<b>R0090</b>
Equities	<b>R0100</b>
Equities - listed	<b>R0110</b>
Equities - unlisted	<b>R0120</b>
Bonds	<b>R0130</b> 29,675
Government Bonds	<b>R0140</b> 3,788
Corporate Bonds	<b>R0150</b> 25,887
Structured notes	<b>R0160</b>
Collateralised securities	<b>R0170</b>
Collective Investments Undertakings	<b>R0180</b> 4,820
Derivatives	<b>R0190</b>
Deposits other than cash equivalents	<b>R0200</b> 497
Other investments	<b>R0210</b>
Assets held for index-linked and unit-linked contracts	<b>R0220</b>
Loans and mortgages	<b>R0230</b>
Loans on policies	<b>R0240</b>
Loans and mortgages to individuals	<b>R0250</b>
Other loans and mortgages	<b>R0260</b>
Reinsurance recoverables from:	<b>R0270</b> 4,774
Non-life and health similar to non-life	<b>R0280</b> 3,409
Non-life excluding health	<b>R0290</b> 3,409
Health similar to non-life	<b>R0300</b>
Life and health similar to life, excluding health and index-linked and unit-linked	<b>R0310</b> 1,365
Health similar to life	<b>R0320</b>
Life excluding health and index-linked and unit-linked	<b>R0330</b> 1,365
Life index-linked and unit-linked	<b>R0340</b>
Deposits to cedants	<b>R0350</b>
Insurance and intermediaries receivables	<b>R0360</b> 1,696
Reinsurance receivables	<b>R0370</b> 873
Receivables (trade, not insurance)	<b>R0380</b>
Own shares (held directly)	<b>R0390</b>
Amounts due in respect of own fund items or initial fund called up but not yet paid in	<b>R0400</b>
Cash and cash equivalents	<b>R0410</b> 5,755
Any other assets, not elsewhere shown	<b>R0420</b> 309
<b>Total assets</b>	<b>R0500</b> 48,399

**Table 18 (continued)** – EHL Group S.02.01.02 Balance Sheet as at 31.12.2021. Values in USD thousands.

	<b>C0010</b>
<b>Liabilities</b>	
Technical provisions – non-life	<b>R0510</b> 14,754
Technical provisions – non-life (excluding health)	<b>R0520</b> 14,754
TP calculated as a whole	<b>R0530</b>
Best Estimate	<b>R0540</b> 14,007
Risk margin	<b>R0550</b> 747
Technical provisions - health (similar to non-life)	<b>R0560</b>
TP calculated as a whole	<b>R0570</b>
Best Estimate	<b>R0580</b>
Risk margin	<b>R0590</b>
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b> 1,744
Technical provisions - health (similar to life)	<b>R0610</b>
TP calculated as a whole	<b>R0620</b>
Best Estimate	<b>R0630</b>
Risk margin	<b>R0640</b>
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b> 1,744
TP calculated as a whole	<b>R0660</b>
Best Estimate	<b>R0670</b> 1,686
Risk margin	<b>R0680</b> 58
Technical provisions – index-linked and unit-linked	<b>R0690</b>
TP calculated as a whole	<b>R0700</b>
Best Estimate	<b>R0710</b>
Risk margin	<b>R0720</b>
Contingent liabilities	<b>R0740</b>
Provisions other than technical provisions	<b>R0750</b>
Pension benefit obligations	<b>R0760</b>
Deposits from reinsurers	<b>R0770</b>
Deferred tax liabilities	<b>R0780</b>
Derivatives	<b>R0790</b>
Debts owed to credit institutions	<b>R0800</b>
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>
Insurance & intermediaries payables	<b>R0820</b> 283
Reinsurance payables	<b>R0830</b>
Payables (trade, not insurance)	<b>R0840</b> 52
Subordinated liabilities	<b>R0850</b>
Subordinated liabilities not in BOF	<b>R0860</b>
Subordinated liabilities in BOF	<b>R0870</b>
Any other liabilities, not elsewhere shown	<b>R0880</b> 3,152
<b>Total liabilities</b>	<b>R0900</b> 19,985
<b>Excess of assets over liabilities</b>	<b>R1000</b> 28,414

**Table 19 – EHL Group S.05.01.02 Premiums, claims and expenses by line of business as at 31.12.2021. Values in USD thousands.**

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	
<b>Premiums written</b>																	
Gross - Direct Business	R0110					7				4,627							4,634
Gross - Proportional reinsurance accepted	R0120					23	-25										-2
Gross - Non-proportional reinsurance accepted	R0130																
Reinsurers' share	R0140																
Net	R0200					30	-25			4,627							4,632
<b>Premiums earned</b>																	
Gross - Direct Business	R0210					7				2,527							2,534
Gross - Proportional reinsurance accepted	R0220					22	-24										-2
Gross - Non-proportional reinsurance accepted	R0230																
Reinsurers' share	R0240																
Net	R0300					29	-24			2,527							2,533
<b>Claims incurred</b>																	
Gross - Direct Business	R0310			12		-361				615							266
Gross - Proportional reinsurance accepted	R0320					-110	-377										-487
Gross - Non-proportional reinsurance accepted	R0330																
Reinsurers' share	R0340																
Net	R0400			12		-470	-377			615							-220
<b>Changes in other technical provisions</b>																	
Gross - Direct Business	R0410																
Gross - Proportional reinsurance accepted	R0420						-85			5							-80
Gross - Non-proportional reinsurance accepted	R0430																
Reinsurers' share	R0440																
Net	R0500						-85			5							-80
<b>Expenses incurred</b>	R0550					1,250	205			1,447							2,902
<b>Other expenses</b>	R1200																
<b>Total expenses</b>	R1300																2,902

**Table 20 – EHL Group S.23.01.22 Own funds as at 31.12.2021. Values in USD thousands.**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector</b>					
Ordinary share capital (gross of own shares)	R0010	9,902	9,902		
Non-available called but not paid in ordinary share capital at group level	R0020				
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Non-available subordinated mutual member accounts at group level	R0060				
Surplus funds	R0070				
Non-available surplus funds at group level	R0080				
Preference shares	R0090				
Non-available preference shares at group level	R0100				
Share premium account related to preference shares	R0110				
Non-available share premium account related to preference shares at group level	R0120				
Reconciliation reserve	R0130	18,512	18,512		
Subordinated liabilities	R0140				
Non-available subordinated liabilities at group level	R0150				
An amount equal to the value of net deferred tax assets	R0160				
The amount equal to the value of net deferred tax assets not available at the group level	R0170				
Other items approved by supervisory authority as basic own funds not specified above	R0180				
Non available own funds related to other own funds items approved by supervisory authority	R0190				
Minority interests (if not reported as part of a specific own fund item)	R0200				
Non-available minority interests at group level	R0210				
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
<b>Deductions</b>					
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230				
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240				
Deductions for participations where there is non-availability of information (Article 229)	R0250				
Deduction for participations included by using D&A when a combination of methods is used	R0260				
Total of non-available own fund items	R0270				
<b>Total deductions</b>	R0280				
<b>Total basic own funds after deductions</b>	R0290	28,414	28,414		
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Non available ancillary own funds at group level	R0380				
Other ancillary own funds	R0390				
<b>Total ancillary own funds</b>	R0400				
<b>Own funds of other financial sectors</b>					
<b>Reconciliation reserve</b>					
Institutions for occupational retirement provision	R0410				
Non regulated entities carrying out financial activities	R0420				
Total own funds of other financial sectors	R0430				
<b>Own funds when using the D&amp;A, exclusively or in combination of method 1</b>					
Own funds aggregated when using the D&A and combination of method	R0450				
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460				
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	R0520	28,414	28,414		
Total available own funds to meet the minimum consolidated group SCR	R0530	28,414	28,414		
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	R0560	28,414	28,414		
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	28,414	28,414		
<b>Minimum consolidated Group SCR</b>	R0610	4,309			
<b>Ratio of Eligible own funds to Minimum Consolidated Group SCR</b>	R0650	659.46%			
<b>Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&amp;A )</b>	R0660	28,414	28,414		
<b>Group SCR</b>	R0680	6,468			
<b>Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&amp;A</b>	R0690	439.33%			
	<b>C0060</b>				
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	R0700	28,414			
Own shares (included as assets on the balance sheet)	R0710				
Forseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	9,902			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
Other non available own funds	R0750				
<b>Reconciliation reserve before deduction for participations in other financial sector</b>	R0760	18,512			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
<b>Total EPIFP</b>	R0790				

**Table 21** – EHL Group S.25.01.22 Solvency Capital Requirement - for groups on Standard Formula as at 31.12.2021. Values in USD thousands.

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 3,619		
Counterparty default risk	R0020 1,255		
Life underwriting risk	R0030 293		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050 3,060		
Diversification	R0060 -2,187		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	R0100 6,040		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 428		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 6,468		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	R0220 6,468		
<b>Other information on SCR</b>			
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirements for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		
Minimum consolidated group solvency capital requirement	R0470 4,309		
<b>Information on other entities</b>			
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530		
Capital requirement for non-controlled participation requirements	R0540		
Capital requirement for residual undertakings	R0550		
<b>Overall SCR</b>			
SCR for undertakings included via D and A	R0560		
<b>Solvency capital requirement</b>	R0570 6,468		

**Table 22 – EHL S.32.01.22 Undertakings in the scope of the group as at 31.12.2021. Values in USD thousands.**

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence					Inclusion in the scope of group supervision		Group solvency calculation	
								% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	2138004I7ZV4IZXAZ694	LEI	EIFLOW INSURANCE	2	limited by shares	2	Gibraltar Finan	10000.00%	100	10000.00%		1	100.00%	1		1
GI	213800HU12V8LR7SFQ36	LEI	BEACON INSURANCE	2	limited by shares	2	Gibraltar Finan	10000.00%	100	10000.00%		1	100.00%	1		1

### 3. EIFlow Insurance Limited Year End 2022

**Table 23** – EIL S.02.01.02 Balance Sheet as at 31.12.2022. Values in USD thousands.

	Solvency II value	
	C0010	
<b>Assets</b>		
Intangible assets	<b>R0030</b>	
Deferred tax assets	<b>R0040</b>	
Pension benefit surplus	<b>R0050</b>	
Property, plant & equipment held for own use	<b>R0060</b>	
Investments (other than assets held for index-linked and unit-linked contracts)	<b>R0070</b>	34,428
Property (other than for own use)	<b>R0080</b>	
Holdings in related undertakings, including participations	<b>R0090</b>	
Equities	<b>R0100</b>	4,741
Equities - listed	<b>R0110</b>	
Equities - unlisted	<b>R0120</b>	4,741
Bonds	<b>R0130</b>	24,868
Government Bonds	<b>R0140</b>	2,828
Corporate Bonds	<b>R0150</b>	22,039
Structured notes	<b>R0160</b>	
Collateralised securities	<b>R0170</b>	
Collective Investments Undertakings	<b>R0180</b>	4,820
Derivatives	<b>R0190</b>	
Deposits other than cash equivalents	<b>R0200</b>	
Other investments	<b>R0210</b>	
Assets held for index-linked and unit-linked contracts	<b>R0220</b>	
Loans and mortgages	<b>R0230</b>	
Loans on policies	<b>R0240</b>	
Loans and mortgages to individuals	<b>R0250</b>	
Other loans and mortgages	<b>R0260</b>	
Reinsurance recoverables from:	<b>R0270</b>	2,786
Non-life and health similar to non-life	<b>R0280</b>	1,422
Non-life excluding health	<b>R0290</b>	1,422
Health similar to non-life	<b>R0300</b>	
Life and health similar to life, excluding health and index-linked and unit-linked	<b>R0310</b>	1,365
Health similar to life	<b>R0320</b>	
Life excluding health and index-linked and unit-linked	<b>R0330</b>	1,365
Life index-linked and unit-linked	<b>R0340</b>	
Deposits to cedants	<b>R0350</b>	
Insurance and intermediaries receivables	<b>R0360</b>	1,696
Reinsurance receivables	<b>R0370</b>	873
Receivables (trade, not insurance)	<b>R0380</b>	
Own shares (held directly)	<b>R0390</b>	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	<b>R0400</b>	
Cash and cash equivalents	<b>R0410</b>	4,402
Any other assets, not elsewhere shown	<b>R0420</b>	
<b>Total assets</b>	<b>R0500</b>	44,185

**Table 23 (continued)** – EIL S.02.01.02 Balance Sheet as at 31.12.2022. Values in USD thousands.

	<b>C0010</b>
<b>Liabilities</b>	
Technical provisions – non-life	<b>R0510</b> 12,430
Technical provisions – non-life (excluding health)	<b>R0520</b> 12,430
TP calculated as a whole	<b>R0530</b>
Best Estimate	<b>R0540</b> 12,011
Risk margin	<b>R0550</b> 420
Technical provisions - health (similar to non-life)	<b>R0560</b>
TP calculated as a whole	<b>R0570</b>
Best Estimate	<b>R0580</b>
Risk margin	<b>R0590</b>
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b> 1,744
Technical provisions - health (similar to life)	<b>R0610</b>
TP calculated as a whole	<b>R0620</b>
Best Estimate	<b>R0630</b>
Risk margin	<b>R0640</b>
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b> 1,744
TP calculated as a whole	<b>R0660</b>
Best Estimate	<b>R0670</b> 1,686
Risk margin	<b>R0680</b> 58
Technical provisions – index-linked and unit-linked	<b>R0690</b>
TP calculated as a whole	<b>R0700</b>
Best Estimate	<b>R0710</b>
Risk margin	<b>R0720</b>
Contingent liabilities	<b>R0740</b>
Provisions other than technical provisions	<b>R0750</b>
Pension benefit obligations	<b>R0760</b>
Deposits from reinsurers	<b>R0770</b>
Deferred tax liabilities	<b>R0780</b>
Derivatives	<b>R0790</b>
Debts owed to credit institutions	<b>R0800</b>
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>
Insurance & intermediaries payables	<b>R0820</b> 283
Reinsurance payables	<b>R0830</b>
Payables (trade, not insurance)	<b>R0840</b>
Subordinated liabilities	<b>R0850</b>
Subordinated liabilities not in BOF	<b>R0860</b>
Subordinated liabilities in BOF	<b>R0870</b>
Any other liabilities, not elsewhere shown	<b>R0880</b> 3,192
<b>Total liabilities</b>	<b>R0900</b> 17,649
<b>Excess of assets over liabilities</b>	<b>R1000</b> 26,536



**Table 24 – EIL S.05.01.02 Premiums, claims and expenses by line of business as at 31.12.2022. Values in USD thousands.**

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0200
<b>Premiums written</b>																		
Gross - Direct Business	R0110					7				4,627								4,634
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140																	
Net	R0200					7				4,627								4,634
<b>Premiums earned</b>																		
Gross - Direct Business	R0210					7				2,527								2,534
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240																	
Net	R0300					7				2,527								2,534
<b>Claims incurred</b>																		
Gross - Direct Business	R0310			12		-361				615								266
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340																	
Net	R0400			12		-361				615								266
<b>Changes in other technical provisions</b>																		
Gross - Direct Business	R0410									5								5
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non-proportional reinsurance accepted	R0430																	
Reinsurers' share	R0440																	
Net	R0500									5								5
<b>Expenses incurred</b>	R0550					1,054				1,447								2,501
<b>Other expenses</b>	R1200																	
<b>Total expenses</b>	R1300																	2,501

**Table 25** – EIL S.05.02.01 Premiums, claims and expenses by country as at 31.12.2022. Values in USD thousands.

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
<b>R0010</b>							
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>R0110</b>	4,634						4,634
<b>R0120</b>							
<b>R0130</b>							
<b>R0140</b>							
<b>R0200</b>	4,634						4,634
<b>R0210</b>	2,534						2,534
<b>R0220</b>							
<b>R0230</b>							
<b>R0240</b>							
<b>R0300</b>	2,534						2,534
<b>R0310</b>	266						266
<b>R0320</b>							
<b>R0330</b>							
<b>R0340</b>							
<b>R0400</b>	266						266
<b>R0410</b>	5						5
<b>R0420</b>							
<b>R0430</b>							
<b>R0440</b>							
<b>R0500</b>	5						5
<b>R0550</b>	2,501						2,501
<b>R1200</b>							
<b>R1300</b>							2,501

**Table 26 – EIL S.17.01.02 Non-life technical provisions as at 31.12.2022. Values in USD thousands.**

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
<b>Technical provisions calculated as a whole</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>Technical provisions calculated as a sum of BE and RM</b>																	
<b>Best estimate</b>																	
Premium provisions																	
Gross										802							802
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Premium Provisions										802							802
<b>Claims provisions</b>																	
Gross				2,461	33	6,886				1,828							11,208
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				1,369		53											1,422
Net Best Estimate of Claims Provisions				1,092	33	6,833				1,828							9,767
<b>Total Best estimate - gross</b>				2,461	33	6,886				2,631							12,011
<b>Total Best estimate - net</b>				1,092	33	6,833				2,631							10,589
<b>Risk margin</b>				85	1	239				95							420
<b>Amount of the transitional on Technical Provisions</b>																	
Technical Provisions calculated as a whole																	
Best estimate																	
Risk margin																	
<b>Technical provisions - total</b>																	
Technical provisions - total				2,546	34	7,125				2,726							12,430
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total				1,369		53											1,422
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				1,177	34	7,072				2,726							11,009

**Table 27 – EIL S.19.01.21 Non-life Insurance Claims Information as at 31.12.2022. Values in USD thousands.**

Accident year /  
Underwriting year

<b>Z0020</b>	Underwriting year [UWY]
--------------	-------------------------

**Gross Claims Paid (non-cumulative)**  
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)			
	C0010	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180	
Prior	R0100												488	R0100	488	488
2012	R0160							10	-249					R0160		-239
2013	R0170													R0170		
2014	R0180													R0180		
2015	R0190													R0190		
2016	R0200						68							R0200	68	68
2017	R0210					1								R0210	1	1
2018	R0220				5									R0220	5	5
2019	R0230													R0230		
2020	R0240													R0240		
2021	R0250													R0250		
<b>Total</b>												R0260	562	323		

**Gross undiscounted Best Estimate Claims Provisions**  
(absolute amount)

Year	Development year											Year end (discounted data)			
	C0200	1	2	3	4	5	6	7	8	9	10 & +		C0360		
Prior	R0100												9,298	R0100	8,740
2012	R0160						136	15	5	5	3			R0160	3
2013	R0170													R0170	
2014	R0180								2,529					R0180	2,494
2015	R0190													R0190	
2016	R0200													R0200	
2017	R0210					144								R0210	144
2018	R0220				94									R0220	94
2019	R0230			84										R0230	84
2020	R0240													R0240	
2021	R0250													R0250	
<b>Total</b>												R0260	11,559		

**Table 28 – EIL S.23.01.22 Own funds as at 31.12.2022. Values in USD thousands.**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>					
Ordinary share capital (gross of own shares)	R0010	12,100	12,100		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	14,436	14,436		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
<b>Deductions</b>					
Deductions for participations in financial and credit institutions	R0230				
<b>Total basic own funds after deductions</b>	R0290	26,536	26,536		
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
<b>Total ancillary own funds</b>	R0400				
<b>Available and eligible own funds</b>					
Total available own funds to meet the SCR	R0500	26,536	26,536		
Total available own funds to meet the MCR	R0510	26,536	26,536		
Total eligible own funds to meet the SCR	R0540	26,536	26,536		
Total eligible own funds to meet the MCR	R0550	26,536	26,536		
<b>SCR</b>	R0580	6,446			
<b>MCR</b>	R0600	4,309			
<b>Ratio of Eligible own funds to SCR</b>	R0620	411.64%			
<b>Ratio of Eligible own funds to MCR</b>	R0640	615.87%			
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	R0700	26,536			
Own shares (held directly and indirectly)	R0710				
Foreseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	12,100			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
<b>Reconciliation reserve</b>	R0760	14,436			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790				

**Table 29 – EIL S.25.01.21 Solvency Capital Requirement as at 31.12.2022. Values in USD thousands.**

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 3,787		
Counterparty default risk	R0020 1,380		
Life underwriting risk	R0030 223		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050 2,852		
Diversification	R0060 -2,162		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	R0100 6,078		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 C0100 368		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 6,446		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	R0220 6,446		
<b>Other information on SCR</b>	R0400		
Capital requirement for duration-based equity risk sub-module	R0410		
Total amount of Notional Solvency Capital Requirement for remaining part	R0420		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0430		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0440		
Diversification effects due to RFF nSCR aggregation for article 304			
		Yes/No	
<b>Approach to tax rate</b>		C0109	
Approach based on average tax rate	R0590		
		LAC DT	
<b>Calculation of loss absorbing capacity of deferred taxes</b>		C0130	
LAC DT	R0640		
LAC DT justified by reversion of deferred tax liabilities	R0650		
LAC DT justified by reference to probable future taxable economic profit	R0660		
LAC DT justified by carry back, current year	R0670		
LAC DT justified by carry back, future years	R0680		
Maximum LAC DT	R0690		

**Table 30** – EIL S.28.01.22 Minimum Capital Requirement – Only life or non-life insurance or reinsurance activity as at 31.12.2022. Values in USD thousands.

MCR <sub>NL</sub> Result	C0010			
	R0010	1,403	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050		1,092	
Other motor insurance and proportional reinsurance	R0060		33	
Marine, aviation and transport insurance and proportional reinsurance	R0070		6,833	7
Fire and other damage to property insurance and proportional reinsurance	R0080			
General liability insurance and proportional reinsurance	R0090			
Credit and suretyship insurance and proportional reinsurance	R0100			
Legal expenses insurance and proportional reinsurance	R0110		2,631	4,627
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130			
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150			
Non-proportional marine, aviation and transport reinsurance	R0160			
Non-proportional property reinsurance	R0170			
<b>Linear formula component for life insurance and reinsurance obligations</b>				
MCR <sub>L</sub> Result	C0040			
	R0200		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
			C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210			
Obligations with profit participation - future discretionary benefits	R0220			
Index-linked and unit-linked insurance obligations	R0230			
Other life (re)insurance and health (re)insurance obligations	R0240			
Total capital at risk for all life (re)insurance obligations	R0250			
<b>Overall MCR calculation</b>				
	C0070			
Linear MCR	R0300	1,403		
SCR	R0310	6,446		
MCR cap	R0320	2,901		
MCR floor	R0330	1,612		
Combined MCR	R0340	1,612		
Absolute floor of the MCR	R0350	4,309		
		C0070		
<b>Minimum Capital Requirement</b>	<b>R0400</b>	<b>4,309</b>		

#### 4. EIFlow Insurance Limited Year End 2021

**Table 31** – EIL S.02.01.02 Balance Sheet as at 31.12.2021. Values in USD thousands.

	Solvency II value	
		C0010
<b>Assets</b>		
Intangible assets	<b>R0030</b>	
Deferred tax assets	<b>R0040</b>	
Pension benefit surplus	<b>R0050</b>	
Property, plant & equipment held for own use	<b>R0060</b>	
Investments (other than assets held for index-linked and unit-linked contracts)	<b>R0070</b>	34,428
Property (other than for own use)	<b>R0080</b>	
Holdings in related undertakings, including participations	<b>R0090</b>	
Equities	<b>R0100</b>	4,741
Equities - listed	<b>R0110</b>	
Equities - unlisted	<b>R0120</b>	4,741
Bonds	<b>R0130</b>	24,868
Government Bonds	<b>R0140</b>	2,828
Corporate Bonds	<b>R0150</b>	22,039
Structured notes	<b>R0160</b>	
Collateralised securities	<b>R0170</b>	
Collective Investments Undertakings	<b>R0180</b>	4,820
Derivatives	<b>R0190</b>	
Deposits other than cash equivalents	<b>R0200</b>	
Other investments	<b>R0210</b>	
Assets held for index-linked and unit-linked contracts	<b>R0220</b>	
Loans and mortgages	<b>R0230</b>	
Loans on policies	<b>R0240</b>	
Loans and mortgages to individuals	<b>R0250</b>	
Other loans and mortgages	<b>R0260</b>	
Reinsurance recoverables from:	<b>R0270</b>	2,786
Non-life and health similar to non-life	<b>R0280</b>	1,422
Non-life excluding health	<b>R0290</b>	1,422
Health similar to non-life	<b>R0300</b>	
Life and health similar to life, excluding health and index-linked and unit-linked	<b>R0310</b>	1,365
Health similar to life	<b>R0320</b>	
Life excluding health and index-linked and unit-linked	<b>R0330</b>	1,365
Life index-linked and unit-linked	<b>R0340</b>	
Deposits to cedants	<b>R0350</b>	
Insurance and intermediaries receivables	<b>R0360</b>	1,696
Reinsurance receivables	<b>R0370</b>	873
Receivables (trade, not insurance)	<b>R0380</b>	
Own shares (held directly)	<b>R0390</b>	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	<b>R0400</b>	
Cash and cash equivalents	<b>R0410</b>	4,402
Any other assets, not elsewhere shown	<b>R0420</b>	
<b>Total assets</b>	<b>R0500</b>	44,185



**Table 31 (continued)** – EIL S.02.01.02 Balance Sheet as at 31.12.2021. Values in USD thousands.

	<b>C0010</b>
<b>Liabilities</b>	
Technical provisions – non-life	<b>R0510</b> 12,430
Technical provisions – non-life (excluding health)	<b>R0520</b> 12,430
TP calculated as a whole	<b>R0530</b>
Best Estimate	<b>R0540</b> 12,011
Risk margin	<b>R0550</b> 420
Technical provisions - health (similar to non-life)	<b>R0560</b>
TP calculated as a whole	<b>R0570</b>
Best Estimate	<b>R0580</b>
Risk margin	<b>R0590</b>
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b> 1,744
Technical provisions - health (similar to life)	<b>R0610</b>
TP calculated as a whole	<b>R0620</b>
Best Estimate	<b>R0630</b>
Risk margin	<b>R0640</b>
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b> 1,744
TP calculated as a whole	<b>R0660</b>
Best Estimate	<b>R0670</b> 1,686
Risk margin	<b>R0680</b> 58
Technical provisions – index-linked and unit-linked	<b>R0690</b>
TP calculated as a whole	<b>R0700</b>
Best Estimate	<b>R0710</b>
Risk margin	<b>R0720</b>
Contingent liabilities	<b>R0740</b>
Provisions other than technical provisions	<b>R0750</b>
Pension benefit obligations	<b>R0760</b>
Deposits from reinsurers	<b>R0770</b>
Deferred tax liabilities	<b>R0780</b>
Derivatives	<b>R0790</b>
Debts owed to credit institutions	<b>R0800</b>
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>
Insurance & intermediaries payables	<b>R0820</b> 283
Reinsurance payables	<b>R0830</b>
Payables (trade, not insurance)	<b>R0840</b>
Subordinated liabilities	<b>R0850</b>
Subordinated liabilities not in BOF	<b>R0860</b>
Subordinated liabilities in BOF	<b>R0870</b>
Any other liabilities, not elsewhere shown	<b>R0880</b> 3,192
<b>Total liabilities</b>	<b>R0900</b> 17,649
<b>Excess of assets over liabilities</b>	<b>R1000</b> 26,536

**Table 32 – EIL S.05.01.02 Premiums, claims and expenses by line of business as at 31.12.2021. Values in USD thousands.**

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0200
<b>Premiums written</b>																		
Gross - Direct Business	R0110					7				4,627								4,634
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140																	
Net	R0200					7				4,627								4,634
<b>Premiums earned</b>																		
Gross - Direct Business	R0210					7				2,527								2,534
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240																	
Net	R0300					7				2,527								2,534
<b>Claims incurred</b>																		
Gross - Direct Business	R0310			12		-361				615								266
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340																	
Net	R0400			12		-361				615								266
<b>Changes in other technical provisions</b>																		
Gross - Direct Business	R0410									5								5
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non-proportional reinsurance accepted	R0430																	
Reinsurers' share	R0440																	
Net	R0500									5								5
<b>Expenses incurred</b>	R0550					1,054				1,447								2,501
<b>Other expenses</b>	R1200																	
<b>Total expenses</b>	R1300																	2,501

**Table 33** – EIL S.05.02.01 Premiums, claims and expenses by country as at 31.12.2021. Values in USD thousands.

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
<b>R0010</b>							
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>R0110</b>	4,634						4,634
<b>R0120</b>							
<b>R0130</b>							
<b>R0140</b>							
<b>R0200</b>	4,634						4,634
<b>R0210</b>	2,534						2,534
<b>R0220</b>							
<b>R0230</b>							
<b>R0240</b>							
<b>R0300</b>	2,534						2,534
<b>R0310</b>	266						266
<b>R0320</b>							
<b>R0330</b>							
<b>R0340</b>							
<b>R0400</b>	266						266
<b>R0410</b>	5						5
<b>R0420</b>							
<b>R0430</b>							
<b>R0440</b>							
<b>R0500</b>	5						5
<b>R0550</b>	2,501						2,501
<b>R1200</b>							
<b>R1300</b>							2,501

**Table 34 – EIL S.17.01.02 Non-life technical provisions as at 31.12.2021. Values in USD thousands.**

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
<b>Technical provisions calculated as a whole</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>Technical provisions calculated as a sum of BE and RM</b>																	
<b>Best estimate</b>																	
Premium provisions																	
Gross										802							802
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Premium Provisions										802							802
<b>Claims provisions</b>																	
Gross				2,461	33	6,886				1,828							11,208
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default				1,369		53											1,422
Net Best Estimate of Claims Provisions				1,092	33	6,833				1,828							9,767
<b>Total Best estimate - gross</b>				2,461	33	6,886				2,631							12,011
<b>Total Best estimate - net</b>				1,092	33	6,833				2,631							10,589
<b>Risk margin</b>				85	1	239				95							420
<b>Amount of the transitional on Technical Provisions</b>																	
Technical Provisions calculated as a whole																	
Best estimate																	
Risk margin																	
<b>Technical provisions - total</b>																	
Technical provisions - total				2,546	34	7,125				2,726							12,430
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total				1,369		53											1,422
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				1,177	34	7,072				2,726							11,009

**Table 35 – EIL S.19.01.21 Non-life Insurance Claims Information as at 31.12.2021. Values in USD thousands.**

Accident year /  
Underwriting year

<b>Z0020</b>	Underwriting year [UWY]
--------------	-------------------------

**Gross Claims Paid (non-cumulative)**  
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)		
	C0010	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180
Prior	R0100											488	R0100	488	488
2012	R0160							10	-249				R0160		-239
2013	R0170												R0170		
2014	R0180												R0180		
2015	R0190												R0190		
2016	R0200						68						R0200	68	68
2017	R0210					1							R0210	1	1
2018	R0220				5								R0220	5	5
2019	R0230												R0230		
2020	R0240												R0240		
2021	R0250												R0250		
<b>Total</b>												R0260	562	323	

**Gross undiscounted Best Estimate Claims Provisions**  
(absolute amount)

Year	Development year											Year end (discounted data)		
	C0200	1	2	3	4	5	6	7	8	9	10 & +		C0360	
Prior	R0100											9,298	R0100	8,740
2012	R0160						136	15	5	5	3		R0160	3
2013	R0170												R0170	
2014	R0180								2,529				R0180	2,494
2015	R0190												R0190	
2016	R0200												R0200	
2017	R0210					144							R0210	144
2018	R0220				94								R0220	94
2019	R0230			84									R0230	84
2020	R0240												R0240	
2021	R0250												R0250	
<b>Total</b>												R0260	11,559	

**Table 36 – EIL S.23.01.22 Own funds as at 31.12.2021. Values in USD thousands.**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>					
Ordinary share capital (gross of own shares)	R0010	12,100	12,100		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	14,436	14,436		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
<b>Deductions</b>					
Deductions for participations in financial and credit institutions	R0230				
<b>Total basic own funds after deductions</b>	R0290	26,536	26,536		
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
<b>Total ancillary own funds</b>	R0400				
<b>Available and eligible own funds</b>					
Total available own funds to meet the SCR	R0500	26,536	26,536		
Total available own funds to meet the MCR	R0510	26,536	26,536		
Total eligible own funds to meet the SCR	R0540	26,536	26,536		
Total eligible own funds to meet the MCR	R0550	26,536	26,536		
<b>SCR</b>	R0580	6,446			
<b>MCR</b>	R0600	4,309			
<b>Ratio of Eligible own funds to SCR</b>	R0620	411.64%			
<b>Ratio of Eligible own funds to MCR</b>	R0640	615.87%			
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	R0700	26,536			
Own shares (held directly and indirectly)	R0710				
Foreseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	12,100			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
<b>Reconciliation reserve</b>	R0760	14,436			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790				

**Table 37 – EIL S.25.01.21 Solvency Capital Requirement as at 31.12.2021. Values in USD thousands.**

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 3,787		
Counterparty default risk	R0020 1,380		
Life underwriting risk	R0030 223		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050 2,852		
Diversification	R0060 -2,162		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	R0100 6,078		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 368		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 6,446		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	R0220 6,446		
<b>Other information on SCR</b>			
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		
		Yes/No	
<b>Approach to tax rate</b>		C0109	
Approach based on average tax rate	R0590		
		LAC DT	
<b>Calculation of loss absorbing capacity of deferred taxes</b>		C0130	
LAC DT	R0640		
LAC DT justified by reversion of deferred tax liabilities	R0650		
LAC DT justified by reference to probable future taxable economic profit	R0660		
LAC DT justified by carry back, current year	R0670		
LAC DT justified by carry back, future years	R0680		
Maximum LAC DT	R0690		

**Table 38** – EIL S.28.01.22 Minimum Capital Requirement – Only life or non-life insurance or reinsurance activity as at 31.12.2021. Values in USD thousands.

MCR <sub>NL</sub> Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	1,403		
			<b>C0020</b>	<b>C0030</b>
Medical expense insurance and proportional reinsurance	<b>R0020</b>			
Income protection insurance and proportional reinsurance	<b>R0030</b>			
Workers' compensation insurance and proportional reinsurance	<b>R0040</b>			
Motor vehicle liability insurance and proportional reinsurance	<b>R0050</b>		1,092	
Other motor insurance and proportional reinsurance	<b>R0060</b>		33	
Marine, aviation and transport insurance and proportional reinsurance	<b>R0070</b>		6,833	7
Fire and other damage to property insurance and proportional reinsurance	<b>R0080</b>			
General liability insurance and proportional reinsurance	<b>R0090</b>			
Credit and suretyship insurance and proportional reinsurance	<b>R0100</b>			
Legal expenses insurance and proportional reinsurance	<b>R0110</b>		2,631	4,627
Assistance and proportional reinsurance	<b>R0120</b>			
Miscellaneous financial loss insurance and proportional reinsurance	<b>R0130</b>			
Non-proportional health reinsurance	<b>R0140</b>			
Non-proportional casualty reinsurance	<b>R0150</b>			
Non-proportional marine, aviation and transport reinsurance	<b>R0160</b>			
Non-proportional property reinsurance	<b>R0170</b>			
<b>Linear formula component for life insurance and reinsurance obligations</b>				
MCR <sub>L</sub> Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200			
			<b>C0050</b>	<b>C0060</b>
Obligations with profit participation - guaranteed benefits	<b>R0210</b>			
Obligations with profit participation - future discretionary benefits	<b>R0220</b>			
Index-linked and unit-linked insurance obligations	<b>R0230</b>			
Other life (re)insurance and health (re)insurance obligations	<b>R0240</b>			
Total capital at risk for all life (re)insurance obligations	<b>R0250</b>			
<b>Overall MCR calculation</b>				
		C0070		
Linear MCR	<b>R0300</b>	1,403		
SCR	<b>R0310</b>	6,446		
MCR cap	<b>R0320</b>	2,901		
MCR floor	<b>R0330</b>	1,612		
Combined MCR	<b>R0340</b>	1,612		
Absolute floor of the MCR	<b>R0350</b>	4,309		
		C0070		
<b>Minimum Capital Requirement</b>	<b>R0400</b>	4,309		



## 5. Beacon Insurance Company Limited Year End 2022

**Table 39** – BICL S.02.01.02 Balance Sheet as at 31.12.2022. Values in USD thousands.

		Solvency II value
		C0010
<b>Assets</b>		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	4,952
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	4,609
Government Bonds	R0140	858
Corporate Bonds	R0150	3,751
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	343
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	1,165
Non-life and health similar to non-life	R0280	70
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	739
Any other assets, not elsewhere shown	R0420	
<b>Total assets</b>	<b>R0500</b>	<b>6,926</b>

**Table 39 (Continued)** – BICL S.02.01.02 Balance Sheet as at 31.12.2022. Values in USD thousands.

	<b>Solvency II value</b>
	<b>C0010</b>
<b>Liabilities</b>	
Technical provisions – non-life	<b>R0510</b>
Technical provisions – non-life (excluding health)	<b>R0520</b>
TP calculated as a whole	<b>R0530</b>
Best Estimate	<b>R0540</b>
Risk margin	<b>R0550</b>
Technical provisions - health (similar to non-life)	<b>R0560</b>
TP calculated as a whole	<b>R0570</b>
Best Estimate	<b>R0580</b>
Risk margin	<b>R0590</b>
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b>
Technical provisions - health (similar to life)	<b>R0610</b>
TP calculated as a whole	<b>R0620</b>
Best Estimate	<b>R0630</b>
Risk margin	<b>R0640</b>
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b>
TP calculated as a whole	<b>R0660</b>
Best Estimate	<b>R0670</b>
Risk margin	<b>R0680</b>
Technical provisions – index-linked and unit-linked	<b>R0690</b>
TP calculated as a whole	<b>R0700</b>
Best Estimate	<b>R0710</b>
Risk margin	<b>R0720</b>
Contingent liabilities	<b>R0740</b>
Provisions other than technical provisions	<b>R0750</b>
Pension benefit obligations	<b>R0760</b>
Deposits from reinsurers	<b>R0770</b>
Deferred tax liabilities	<b>R0780</b>
Derivatives	<b>R0790</b>
Debts owed to credit institutions	<b>R0800</b>
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>
Insurance & intermediaries payables	<b>R0820</b>
Reinsurance payables	<b>R0830</b>
Payables (trade, not insurance)	<b>R0840</b>
Subordinated liabilities	<b>R0850</b>
Subordinated liabilities not in BOF	<b>R0860</b>
Subordinated liabilities in BOF	<b>R0870</b>
Any other liabilities, not elsewhere shown	<b>R0880</b>
<b>Total liabilities</b>	<b>R0900</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>

**Table 40** – BICL S.05.01.02 Premiums, claims and expenses by line of business as at 31.12.2022. Values in USD thousands.

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	
<b>Premiums written</b>																	
Gross - Direct Business	R0110																
Gross - Proportional reinsurance accepted	R0120						7	-11									
Gross - Non-proportional reinsurance accepted	R0130																
Reinsurers' share	R0140																
Net	R0200						7	-11									-4
<b>Premiums earned</b>																	
Gross - Direct Business	R0210																
Gross - Proportional reinsurance accepted	R0220						5	-6									
Gross - Non-proportional reinsurance accepted	R0230																
Reinsurers' share	R0240																
Net	R0300						5	-6									-1
<b>Claims incurred</b>																	
Gross - Direct Business	R0310																
Gross - Proportional reinsurance accepted	R0320						158	-181									
Gross - Non-proportional reinsurance accepted	R0330																
Reinsurers' share	R0340																
Net	R0400						158	-181									-23
<b>Changes in other technical provisions</b>																	
Gross - Direct Business	R0410				-85												
Gross - Proportional reinsurance accepted	R0420																
Gross - Non-proportional reinsurance accepted	R0430																
Reinsurers' share	R0440																
Net	R0500				-85												-85
Expenses incurred	R0550				44		266	98									408
Other expenses	R1200																
<b>Total expenses</b>	R1300																408

**Table 41** – BICL S.05.02.01 Premiums, claims and expenses by country as at 31.12.2022. Values in USD thousands.

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country	
		C0010	C0020	C0030	C0040	C0050		C0060
	R0010		DE	CH				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>Premiums written</b>								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120		-2					-2
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140							
Net	R0200		-2					-2
<b>Premiums earned</b>								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220		-1					-1
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240							
Net	R0300		-1					-1
<b>Claims incurred</b>								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320		-23					-23
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340							
Net	R0400		-23					-23
<b>Changes in other technical provisions</b>								
Gross - Direct Business	R0410			-75				-91
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500			-75				-91
<b>Expenses incurred</b>	R0550	364	44					408
<b>Other expenses</b>	R1200							
<b>Total expenses</b>	R1300							408

**Table 42 – BICL S.17.01.02 Non-life technical provisions as at 31.12.2022. Values in USD thousands.**

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance C 0020	Income protection insurance C 0030	Workers' compensation insurance C 0040	Motor vehicle liability insurance C 0050	Other motor insurance C 0060	Marine, aviation and transport insurance C 0070	Fire and other damage to property insurance C 0080	General liability insurance C 0090	Credit and suretyship insurance C 0100	Legal expenses insurance C 0110	Assistance C 0120	Miscellaneous financial loss C 0130	Non-proportional health reinsurance C 0140	Non-proportional casualty reinsurance C 0150	Non-proportional marine, aviation and transport reinsurance C 0160		Non-proportional property reinsurance C 0170
<b>Technical provisions calculated as a whole</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>Technical provisions calculated as a sum of BE and RM</b>																	
<b>Best estimate</b>																	
Premium provisions																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Premium Provisions																	
<b>Claims provisions</b>																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Claims Provisions					134	875	385										1,394
<b>Total Best estimate - gross</b>					134	875	385										1,394
<b>Total Best estimate - net</b>					134	875	385										1,394
Risk margin					4	27	12										43
<b>Amount of the transitional on Technical Provisions</b>																	
Technical Provisions calculated as a whole																	
Best estimate																	
Risk margin																	
<b>Technical provisions - total</b>																	
Technical provisions - total					138	902	397										1,437
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total																	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total					138	902	397										1,437

**Table 43 – BICL S.19.01.21 Non-life Insurance Claims Information as at 31.12.2022. Values in USD thousands.**

**Total Non-Life Business**

Accident year /  
Underwriting year

<b>Z0020</b>	Underwriting year [UWY]
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**Gross Claims Paid (non-cumulative)**  
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		
Prior													
2011													
2012		71	158	47	11								
2013		77	173	250	84								
2014		133	250	164	99								
2015		240	475	210	87								
2016		175	707	220	32								
2017		104	448	234	32								
2018				180									
2019													
2020													
<b>Total</b>												212	4,662

**Gross undiscounted Best Estimate Claims Provisions**  
(absolute amount)

Year	Development year											Year end (discounted data)
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior												
2011												
2012				197	5	5	6	6				
2013			470	208								
2014		755	451	226								
2015	1,217	896	474	193								
2016	1,461	1,140	451	322								
2017	1,179	1,239	893	244								
2018			737									
2019												
2020												
<b>Total</b>												981

**Table 44 – BICL S.23.01.01 Own funds as at 31.12.2022. Values in USD thousands.**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>					
Ordinary share capital (gross of own shares)	R0010	11,214	11,214		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	-5,758	-5,758		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
<b>Deductions</b>					
Deductions for participations in financial and credit institutions	R0230				
<b>Total basic own funds after deductions</b>	R0290	5,456	5,456		
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
<b>Total ancillary own funds</b>	R0400				
<b>Available and eligible own funds</b>					
Total available own funds to meet the SCR	R0500	5,456	5,456		
Total available own funds to meet the MCR	R0510	5,456	5,456		
Total eligible own funds to meet the SCR	R0540	5,456	5,456		
Total eligible own funds to meet the MCR	R0550	5,456	5,456		
<b>SCR</b>	R0580	617			
<b>MCR</b>	R0600	3,971			
<b>Ratio of Eligible own funds to SCR</b>	R0620	884,28%			
<b>Ratio of Eligible own funds to MCR</b>	R0640	137,40%			
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	R0700	5,456			
Own shares (held directly and indirectly)	R0710				
Foreseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	11,214			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
<b>Reconciliation reserve</b>	R0760	-5,758			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790				

**Table 45 – BICL S.25.01.21 Solvency Capital Requirement as at 31.12.2022. Values in USD thousands.**

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 326		
Counterparty default risk	R0020 80		
Life underwriting risk	R0030		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050 348		
Diversification	R0060 -178		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	R0100 576		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 42		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 617		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	R0220 617		
<b>Other information on SCR</b>			
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		
<b>Approach to tax rate</b>			
Approach based on average tax rate	R0590	Yes/No C0109	
<b>Calculation of loss absorbing capacity of deferred taxes</b>			
LAC DT	R0640	LAC DT C0130	
LAC DT justified by reversion of deferred tax liabilities	R0650		
LAC DT justified by reference to probable future taxable economic profit	R0660		
LAC DT justified by carry back, current year	R0670		
LAC DT justified by carry back, future years	R0680		
Maximum LAC DT	R0690		



**Table 46 – BICL S.28.01.22 Minimum Capital Requirement – Only life or non-life insurance or reinsurance activity as at 31.12.2022. Values in USD thousands.**

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

MCR <sub>NL</sub> Result	C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	R0010	137		
			C0020	C0030
Medical expense insurance and proportional reinsurance	R0020			
Income protection insurance and proportional reinsurance	R0030			
Workers' compensation insurance and proportional reinsurance	R0040			
Motor vehicle liability insurance and proportional reinsurance	R0050			
Other motor insurance and proportional reinsurance	R0060		134	
Marine, aviation and transport insurance and proportional reinsurance	R0070		875	
Fire and other damage to property insurance and proportional reinsurance	R0080		385	
General liability insurance and proportional reinsurance	R0090			
Credit and suretyship insurance and proportional reinsurance	R0100			
Legal expenses insurance and proportional reinsurance	R0110			
Assistance and proportional reinsurance	R0120			
Miscellaneous financial loss insurance and proportional reinsurance	R0130			
Non-proportional health reinsurance	R0140			
Non-proportional casualty reinsurance	R0150			
Non-proportional marine, aviation and transport reinsurance	R0160			
Non-proportional property reinsurance	R0170			

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

MCR <sub>L</sub> Result	C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	R0200			
			C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210			
Obligations with profit participation - future discretionary benefits	R0220			
Index-linked and unit-linked insurance obligations	R0230			
Other life (re)insurance and health (re)insurance obligations	R0240			
Total capital at risk for all life (re)insurance obligations	R0250			

**Overall MCR calculation**

	C0070	
Linear MCR	R0300	137
SCR	R0310	617
MCR cap	R0320	278
MCR floor	R0330	154
Combined MCR	R0340	154
Absolute floor of the MCR	R0350	3,971
		C0070
<b>Minimum Capital Requirement</b>	<b>R0400</b>	<b>3,971</b>

## 6. Beacon Insurance Company Limited Year End 2021

**Table 47** – BICL S.02.01.02 Balance Sheet as at 31.12.2021. Values in USD thousands.

	Solvency II value	
	C0010	
<b>Assets</b>		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5,304
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	4,808
Government Bonds	R0140	960
Corporate Bonds	R0150	3,848
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	497
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	1,988
Non-life and health similar to non-life	R0280	1,988
Non-life excluding health	R0290	1,988
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	402
Any other assets, not elsewhere shown	R0420	309
<b>Total assets</b>	<b>R0500</b>	<b>8,003</b>

**Table 47 (Continued)** – BICL S.02.01.02 Balance Sheet as at 31.12.2021. Values in USD thousands.

	<b>Solvency II value</b>
	<b>C0010</b>
<b>Liabilities</b>	
Technical provisions – non-life	<b>R0510</b> 2,045
Technical provisions – non-life (excluding health)	<b>R0520</b> 2,045
TP calculated as a whole	<b>R0530</b>
Best Estimate	<b>R0540</b> 1,997
Risk margin	<b>R0550</b> 48
Technical provisions - health (similar to non-life)	<b>R0560</b>
TP calculated as a whole	<b>R0570</b>
Best Estimate	<b>R0580</b>
Risk margin	<b>R0590</b>
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b>
Technical provisions - health (similar to life)	<b>R0610</b>
TP calculated as a whole	<b>R0620</b>
Best Estimate	<b>R0630</b>
Risk margin	<b>R0640</b>
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b>
TP calculated as a whole	<b>R0660</b>
Best Estimate	<b>R0670</b>
Risk margin	<b>R0680</b>
Technical provisions – index-linked and unit-linked	<b>R0690</b>
TP calculated as a whole	<b>R0700</b>
Best Estimate	<b>R0710</b>
Risk margin	<b>R0720</b>
Contingent liabilities	<b>R0740</b>
Provisions other than technical provisions	<b>R0750</b>
Pension benefit obligations	<b>R0760</b>
Deposits from reinsurers	<b>R0770</b>
Deferred tax liabilities	<b>R0780</b>
Derivatives	<b>R0790</b>
Debts owed to credit institutions	<b>R0800</b>
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>
Insurance & intermediaries payables	<b>R0820</b>
Reinsurance payables	<b>R0830</b>
Payables (trade, not insurance)	<b>R0840</b> 36
Subordinated liabilities	<b>R0850</b>
Subordinated liabilities not in BOF	<b>R0860</b>
Subordinated liabilities in BOF	<b>R0870</b>
Any other liabilities, not elsewhere shown	<b>R0880</b> 1
<b>Total liabilities</b>	<b>R0900</b> 2,082
<b>Excess of assets over liabilities</b>	<b>R1000</b> 5,920

**Table 48** – BICL S.05.01.02 Premiums, claims and expenses by line of business as at 31.12.2021. Values in USD thousands.

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for:				Total	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0200
<b>Premiums written</b>																		
Gross - Direct Business	R0110																	
Gross - Proportional reinsurance accepted	R0120						23	-25										-2
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140																	
Net	R0200						23	-25										-2
<b>Premiums earned</b>																		
Gross - Direct Business	R0210																	
Gross - Proportional reinsurance accepted	R0220						22	-24										-2
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240																	
Net	R0300						22	-24										-2
<b>Claims incurred</b>																		
Gross - Direct Business	R0310																	
Gross - Proportional reinsurance accepted	R0320						-110	-377										-487
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340																	
Net	R0400						-110	-377										-487
<b>Changes in other technical provisions</b>																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420						-85											-85
Gross - Non-proportional reinsurance accepted	R0430																	
Reinsurers' share	R0440																	
Net	R0500						-85											-85
<b>Expenses incurred</b>	R0550						196	205										402
<b>Other expenses</b>	R1200																	
<b>Total expenses</b>	R1300																	402

**Table 49** – BICL S.05.02.01 Premiums, claims and expenses by country as at 31.12.2021. Values in USD thousands.

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	<b>R0010</b>		DE	CH				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>Premiums written</b>								
Gross - Direct Business	<b>R0110</b>							
Gross - Proportional reinsurance accepted	<b>R0120</b>		-2					-2
Gross - Non-proportional reinsurance accepted	<b>R0130</b>							
Reinsurers' share	<b>R0140</b>							
Net	<b>R0200</b>		-2					-2
<b>Premiums earned</b>								
Gross - Direct Business	<b>R0210</b>							
Gross - Proportional reinsurance accepted	<b>R0220</b>		-2					-2
Gross - Non-proportional reinsurance accepted	<b>R0230</b>							
Reinsurers' share	<b>R0240</b>							
Net	<b>R0300</b>		-2					-2
<b>Claims incurred</b>								
Gross - Direct Business	<b>R0310</b>							
Gross - Proportional reinsurance accepted	<b>R0320</b>		-487					-487
Gross - Non-proportional reinsurance accepted	<b>R0330</b>							
Reinsurers' share	<b>R0340</b>							
Net	<b>R0400</b>		-487					-487
<b>Changes in other technical provisions</b>								
Gross - Direct Business	<b>R0410</b>							
Gross - Proportional reinsurance accepted	<b>R0420</b>			-85				-85
Gross - Non- proportional reinsurance accepted	<b>R0430</b>							
Reinsurers' share	<b>R0440</b>							
Net	<b>R0500</b>			-85				-85
<b>Expenses incurred</b>	<b>R0550</b>		402					402
<b>Other expenses</b>	<b>R1200</b>							
<b>Total expenses</b>	<b>R1300</b>							402

**Table 50 – BICL S.17.01.02 Non-life technical provisions as at 31.12.2021. Values in USD thousands.**

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
<b>Technical provisions calculated as a whole</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>Technical provisions calculated as a sum of BE and RM</b>																	
<b>Best estimate</b>																	
Premium provisions																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Premium Provisions																	
<b>Claims provisions</b>																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
Net Best Estimate of Claims Provisions																	
<b>Total Best estimate - gross</b>																	
<b>Total Best estimate - net</b>																	
<b>Risk margin</b>																	
<b>Amount of the transitional on Technical Provisions</b>																	
Technical Provisions calculated as a whole																	
Best estimate																	
Risk margin																	
<b>Technical provisions - total</b>																	
Technical provisions - total																	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total																	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total																	

**Table 51 – BICL S.19.01.21 Non-life Insurance Claims Information as at 31.12.2021. Values in USD thousands.**

Accident year / Underwriting year 

<b>Z0020</b>	Underwriting year [UWY]
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**Gross Claims Paid (non-cumulative)**  
(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)	
	1	2	3	4	5	6	7	8	9	10 & +	C0170			C0180
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			
Prior	R0100												R0100	
2012	R0160												R0160	
2013	R0170												R0170	
2014	R0180	71	158	47	11								R0180	287
2015	R0190	77	173	250	84								R0190	584
2016	R0200	133	250	164	99								R0200	646
2017	R0210	240	475	210	87								R0210	1,012
2018	R0220	175	707	220	32								R0220	1,135
2019	R0230	104	448	234									R0230	786
2020	R0240												R0240	
2021	R0250												R0250	
	<b>Total</b>												R0260	4,451

**Gross undiscounted Best Estimate Claims Provisions**  
(absolute amount)

Year	Development year											Year end (discounted data)	
	1	2	3	4	5	6	7	8	9	10 & +	C0360		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		
Prior	R0100												R0100
2012	R0160												R0160
2013	R0170												R0170
2014	R0180			197	5	5	6						R0180
2015	R0190		470	208									R0190
2016	R0200	755	451	226									R0200
2017	R0210	1,217	896	474	193								R0210
2018	R0220	1,461	1,140	729	322								R0220
2019	R0230	1,179	1,239	893									R0230
2020	R0240												R0240
2021	R0250												R0250
	<b>Total</b>												R0260

**Table 52 – BICL S.23.01.01 Own funds as at 31.12.2021. Values in USD thousands.**

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>					
Ordinary share capital (gross of own shares)	R0010	11,214	11,214		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	-5,294	-5,294		
Subordinated liabilities	R0140				
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
<b>Deductions</b>					
Deductions for participations in financial and credit institutions	R0230				
<b>Total basic own funds after deductions</b>	R0290	5,920	5,920		
<b>Ancillary own funds</b>					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
<b>Total ancillary own funds</b>	R0400				
<b>Available and eligible own funds</b>					
Total available own funds to meet the SCR	R0500	5,920	5,920		
Total available own funds to meet the MCR	R0510	5,920	5,920		
Total eligible own funds to meet the SCR	R0540	5,920	5,920		
Total eligible own funds to meet the MCR	R0550	5,920	5,920		
<b>SCR</b>	R0580	763			
<b>MCR</b>	R0600	4,309			
<b>Ratio of Eligible own funds to SCR</b>	R0620	776.26%			
<b>Ratio of Eligible own funds to MCR</b>	R0640	137.40%			
<b>Reconciliation reserve</b>					
Excess of assets over liabilities	R0700	5,920			
Own shares (held directly and indirectly)	R0710				
Foreseeable dividends, distributions and charges	R0720				
Other basic own fund items	R0730	11,214			
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740				
<b>Reconciliation reserve</b>	R0760	-5,294			
<b>Expected profits</b>					
Expected profits included in future premiums (EPIFP) - Life business	R0770				
Expected profits included in future premiums (EPIFP) - Non- life business	R0780				
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790				



**Table 53** – BICL S.25.01.21 Solvency Capital Requirement as at 31.12.2021. Values in USD thousands.

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
Market risk	R0010 354		
Counterparty default risk	R0020 89		
Life underwriting risk	R0030		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050 469		
Diversification	R0060 -209		
Intangible asset risk	R0070		
<b>Basic Solvency Capital Requirement</b>	R0100 703		
<b>Calculation of Solvency Capital Requirement</b>			
Operational risk	R0130 60		
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
<b>Solvency capital requirement excluding capital add-on</b>	R0200 763		
Capital add-on already set	R0210		
<b>Solvency capital requirement</b>	R0220 763		
<b>Other information on SCR</b>			
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420		
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		

**Table 54 – BICL S.28.01.22 Minimum Capital Requirement – Only life or non-life insurance or reinsurance activity as at 31.12.2021. Values in USD thousands.**

MCR <sub>NL</sub> Result		C0010		Net (of reinsurance/SPV) best estimate and TP calculated as a whole		Net (of reinsurance) written premiums in the last 12 months	
		R0010	19				
				<b>C0020</b>		<b>C0030</b>	
Medical expense insurance and proportional reinsurance		<b>R0020</b>					
Income protection insurance and proportional reinsurance		<b>R0030</b>					
Workers' compensation insurance and proportional reinsurance		<b>R0040</b>					
Motor vehicle liability insurance and proportional reinsurance		<b>R0050</b>					
Other motor insurance and proportional reinsurance		<b>R0060</b>	210				
Marine, aviation and transport insurance and proportional reinsurance		<b>R0070</b>				23	
Fire and other damage to property insurance and proportional reinsurance		<b>R0080</b>					
General liability insurance and proportional reinsurance		<b>R0090</b>					
Credit and suretyship insurance and proportional reinsurance		<b>R0100</b>					
Legal expenses insurance and proportional reinsurance		<b>R0110</b>					
Assistance and proportional reinsurance		<b>R0120</b>					
Miscellaneous financial loss insurance and proportional reinsurance		<b>R0130</b>					
Non-proportional health reinsurance		<b>R0140</b>					
Non-proportional casualty reinsurance		<b>R0150</b>					
Non-proportional marine, aviation and transport reinsurance		<b>R0160</b>					
Non-proportional property reinsurance		<b>R0170</b>					
<b>Linear formula component for life insurance and reinsurance obligations</b>							
MCR <sub>L</sub> Result		C0040		Net (of reinsurance/SPV) best estimate and TP calculated as a whole		Net (of reinsurance/SPV) total capital at risk	
		R0200					
				<b>C0050</b>		<b>C0060</b>	
Obligations with profit participation - guaranteed benefits		<b>R0210</b>					
Obligations with profit participation - future discretionary benefits		<b>R0220</b>					
Index-linked and unit-linked insurance obligations		<b>R0230</b>					
Other life (re)insurance and health (re)insurance obligations		<b>R0240</b>					
Total capital at risk for all life (re)insurance obligations		<b>R0250</b>					
<b>Overall MCR calculation</b>							
Linear MCR		C0070					
		R0300	19				
SCR		<b>R0310</b>	763				
MCR cap		<b>R0320</b>	343				
MCR floor		<b>R0330</b>	191				
Combined MCR		<b>R0340</b>	191				
Absolute floor of the MCR		<b>R0350</b>	4,309				
			<b>C0070</b>				
<b>Minimum Capital Requirement</b>		<b>R0400</b>	4,309				