Collinson Holdings Europe Limited

Single Group Solvency and Financial Condition Report for the year ended 30 April 2023

Table of Contents

CIEL KEY ACHIEVEMENTS

- Gross Written Premium increased by 49% from €69m in FY22 to €103m in FY23.
- CIEL (the Company) Solvency Capital Requirement (SCR) Coverage Ratio increased by 37% from 169% in FY22 to 206% in FY23.
- Key distribution partner relationships extended, and material new affinity partnerships won.
- Significant underwriting and pricing experience resulting in sustainable performance and profitable growth across the insurance distribution partnership portfolio.
- Continued automation and enhancement for customer experience and data insight.

Our DNA

Value propositions

Design products that fulfil customers' needs and align with our strategic affinity distribution partners.

Optimal Balance Sheet

Our active risk management combined with our reinsurance partners support efficient balance sheet management and generate enhanced returns, underpinned by experienced Underwriting and Pricing capability.

Brilliant Customer Experience

Combining seamless digital journeys with human interaction at the most critical times.

Innovation

Continued Investment in high levels of automation to deliver enhanced customer outcomes.

Executive Summary

The Directors of Collinson Insurance Europe Limited ("CIEL" or "the Company" or "Insurance undertaking") present the Single Group Solvency and Financial Condition Report ("SFCR") for the year ended 30 April 2023. A Single Group SFCR has been prepared further to approval received from the Malta Financial Services Authority ("MFSA") on 23 September 2019.

Collinson Insurance Europe Limited is the entity responsible for fulfilling the governance requirements at Group level. The Companies falling within the Group are Collinson Holdings Europe Limited ("CHEL" or "the Parent") as an EEA Insurance Holding Company and CIEL as an Insurance Undertaking. Together, CIEL and CHEL are referred to as "The Group". The Group falls under Article 213(2)(b) of the Solvency II Directive.

CHEL holds an investment in Collinson Insurance Solutions Europe Limited ("CISEL" or "the insurance intermediary") as an Insurance Intermediary licenced under the Insurance Distribution Act. The Directors of CIEL have determined that CISEL should be classified as a strategic participation when considering the requirements of Article 335 of the Solvency II Delegated Regulation and EIOPA published Q&A ID 649.

CHEL, as the immediate parent of CIEL, undertakes the role of an intermediary between its subsidiaries and the ultimate beneficiary owner. The Parent does not undertake any additional role or commercial activities. The Parent was incorporated on the 17 December 2018.

CIEL's principal activity is that of underwriting general insurance business. The Company was incorporated on 20 December 2018 and was granted a licence in terms of Section 7 of the Insurance Business Act, 1998 (Cap. 403 of the Laws of Malta) to write business of insurance within Classes 1, 2, 7, 8, 9, 13, 16, 17 and 18 on 25 February 2019.

Accordingly, in producing information to meet the individual reporting requirements of the Company and the Group, separate disclosures are provided. However, as CIEL is responsible for fulfilling the governance requirements, all references to Operations, Compliance and Risk Management, and Internal Audit throughout this document refers to those in place at the insurance undertaking and therefore no distinction is drawn between the Company and the Group, when providing group information.

This SFCR has been prepared to allow the Parent to comply with the Pillar III reporting requirements under Directive 2009/138/EC and associated Regulations ('the Solvency II Directive').

All figures represented in this document are in Euro ("EUR", "€") unless otherwise noted.

Business and Performance

The current financial period of the Group covers the period from 1 May 2022 to 30 April 2023 (FY23). The comparative figures cover the period from 1 May 2021 to 30 April 2022 (FY22).

Business Objectives

CIEL is a specialist insurer focusing on Travel, International Private Medical Insurance (IPMI), Dental, as well as specialist and ancillary personal lines insurance products distributed via affinity brands. As a diversified, niche specialist personal lines insurer, CIEL's vision is to create an insurance offering which helps customers make smarter choices and their transactions simpler. This is supported by our purpose, which is "to provide protection and peace of mind in the best interests of customers so they enjoy their travel experiences whilst looking after their health and personal possessions".

During FY23, the business recorded a significant growth in premiums driven by its travel insurance portfolio; particularly from the recovery of the leisure travel sector in Italy but also via our affinity distribution partners; and the full year impact of the travel and dental schemes onboarded from the prior year.

The business expects to consolidate and build on this growth as well as to continue to renew key affinity partner contractual arrangements as well as introduce new clients and products within the Multi Lines specialist expertise that exists in the Group.

The business will continue to grow efficiently because of previous investments in digitalising and automating the travel insurance customer journey. This continues to offer our customers choice of channel throughout their claims journey and empowers our claims staff to reduce the end-to-end cycle time which lowers cost and increases customer satisfaction.

CIEL's insurance product offering is entirely consistent with The Collinson Group's wider travel ecosystem strategy. It focuses on developing relevant insurance and assistance products and services to meet the needs of customers whilst also on building long term relationships with distributor partner clients to maximise the brand experience of their customers.

Volume growth delivered along with a focus on containing costs and good underwriting disciplines has resulted in improved financial performance. The portfolio is projected to continue to grow as a result of increased new business from existing distribution partner relationships as well as newly originated business, as we:

- Continue to seek new affinity distributions partners for Travel Insurance.
- Continue to seek new clients that match our appetite across specialist and ancillary personal lines insurance products.

Overall Performance for Financial Year ended 30 April 2023

During the current financial year, CHEL generated a profit before tax of €1,529k (2022: loss €8k) arising from a net dividend income received from one of its subsidiaries, CISEL, during the financial year of €1m (2022: Nil).

During the year ended 30 April 2023, CIEL reported gross written premiums of €103,144k (2022: €69,046k), of which €82,432k (2022: €45,818k) was ceded out to reinsurers. CIEL has experienced strong recovery in leisure travel premiums since the ending of all Covid restrictions, as well as a full year benefit from the dental and travel schemes onboarded in the previous financial year. The existing and new business provides a strong balance of diversification to the Company. Total claims incurred net of reinsurance decreased to €6,587k (2022: €7,133k). This resulted in a net loss ratio of 29.97% (2022: 41.02%) for the financial year under review. Gross claims outstanding and gross claims incurred but not reported (IBNR) reserves as at 30 April 2023 amounted to €9,331k (2022: €7,739k).

After factoring in net operating expenses, including acquisition costs, of €14,008k (2022: €8,945k) and administrative expenses of €1,185k (2022: €925k), CIEL registered a profit before tax of €417k (2022: €387k).

The Group's financial position is satisfactory, and the Directors expect that the present level of activity will continue to grow in the foreseeable future. The shareholders' funds of the Group amounted to €13,005k (2022: €8,996k) and reflects the reflects the results of the Group entities generated during the financial year ended 30 April 2023.

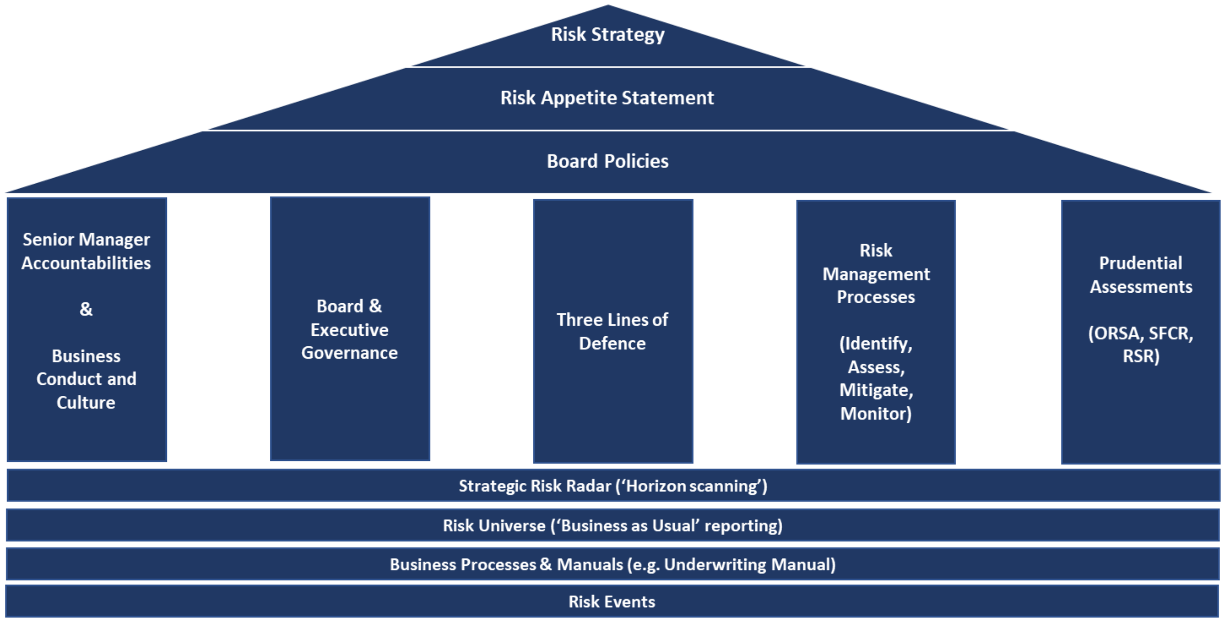
Systems of Governance

The Company maintains a robust system of governance which is commensurate to the nature, scale and complexity of the Company's activities and its risk profile.

The system of governance revolves around the Board, the Underwriting and Claims Committee and the Risk and Compliance Committee, with some key functions outsourced to external service providers, in line with the Company's Outsourcing Policy.

The mainstay of the system of governance is the risk management system, which is designed to ensure that all the material risks are identified, and that policies and procedures are in place to assess their potential impact and to adequately report them, so that they can be managed or mitigated. The Company recognises the importance of having an effective risk management system embedded throughout all its areas.

CIEL has established a risk management framework, supported by a Risk Strategy, Risk Appetite Framework and Board policies, to manage the risks faced by the business. All components of the risk management framework are shown in the illustration below highlighting how each component interacts with another.



There has been no significant change to the Systems of Governance of the Company during the year under review, other than the insourcing of the Actuarial Function Holder.

Risk Profile

The acceptance of risk is fundamental to CIEL and a core element of the overall strategic objectives as an insurance undertaking.

Each of the elements of the Risk Management Framework contribute to the identification, measurement, monitoring, management, and reporting of risks and is intended to work as an integrated system, and therefore each should be considered both in terms of the specific function of the respective element, and in terms of its function within the overall system. Each element of the system is embedded effectively within the Company and managed by the Risk Management Function with appropriate oversight from the Risk and Compliance Committee and the Board of Directors of CIEL.

The Company's main risk is in respect of the business of writing insurance as this is the principal activity. The risk under any one insurance contract is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual benefits paid. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

Other risks relate to counterparty default risk in relation to insurance and reinsurance receivables and short-term investments, market risk in relation to liquidity risk and asset-liability management ("ALM"), operational and compliance risks.

The Directors have considered that the Parent does not add any material operational risk to the Group since it carries out no activities and holds minimal cash at bank. However, the strategic participation which the Parent holds in CISEL adds material market risk exposure and increases the own funds of the Group significantly.

Valuation and Capital Management

The Group abides by the Solvency II Directive (2009/138/EC) which ascertains the level of the required regulatory capital on the basis of the risks they undertake, in terms of the Insurance Business Act, 1998 (Chapter 403, Laws of Malta) and the applicable Insurance Rules issued under the Insurance Business Act by the Malta Financial Services Authority. Solvency II outlines how the own funds shall be derived by converting the Statement of financial position from an International Financial Reporting Standards (IFRS) perspective to one where assets and liabilities are measured in line with their underlying economic value.

The Directors of CIEL are actively involved in the implementation of the Solvency II legislation and these are embedded in the Company's operations. Regular monitoring of the Solvency Capital Requirement ("SCR") and Minimum Capital Requirements ("MCR") is considered crucial, and a Capital Management Policy is in place to address the procedures and controls in this regard.

The Directors of CIEL monitor solvency through regular reviews and quarterly reporting of the net asset coverage over both the SCR and MCR.

Based on the SCR calculations as at 30 April 2023, the Company and the Group complied with the capital and solvency requirements as stipulated in the rules issued by the MFSA and within the Board approved risk appetite.

CIEL's solvency position as at 30 April 2023 was as follows:

	FY23 €'000	FY22 €'000
Company's Own Funds to cover the MCR	€9,683	€8,082
Minimum Capital Requirement	€4,000	€3,700
MCR Coverage Ratio	**242%**	**218%**

Solvency Capital Requirement	FY23 €'000	FY22 €'000	Movement €'000
Non-Life Underwriting	€2,041	€1,898	€143
Health Underwriting	€1,819	€2,092	(€273)
Market Risk	€781	€264	€517
Counterparty Default	€836	€1,225	(€389)
Undiversified BSCR	**€5,477**	**€5,479**	**(€2)**
Diversification	(€1,860)	(€1,758)	(€102)
Base SCR	**€3,617**	**€3,721**	**(€104)**
Operational Risk	€1,085	€1,116	(€31)
Solvency Capital Requirement	**€4,702**	**€4,837**	**(€135)**
Company's Own Funds to cover the SCR	€9,683	€8,190	€1,493
SCR Coverage Ratio	**206%**	**169%**	**37%**

CHEL's solvency position as at 30 April 2023 was as follows:

	FY23 €'000	FY22 €'000
Group's Own Funds to cover the Minimum Consolidated Group SCR	€13,025	€8,685
Minimum Consolidated Group SCR	€4,000	€3,700
Minimum Consolidated Group SCR Coverage Ratio	**326%**	**235%**

Solvency Capital Requirement	FY23 €'000	FY22 €'000	Movement €'000
Non-Life Underwriting	€2,041	€1,898	€143
Health Underwriting	€1,819	€2,092	(€273)
Market Risk	€1,235	€336	€899
Counterparty Default	€836	€1,227	(€391)
Undiversified BSCR	**€5,931**	**€5,553**	**€378**
Diversification	(€2,050)	(€1,800)	(€250)
Base SCR	**€3,881**	**€3,753**	**€128**
Operational Risk	€1,164	€1,126	€38
Group Solvency Capital Requirement	**€5,045**	**€4,879**	**€166**
Group's Own Funds to cover the SCR	€13,025	€8,794	€4,231
Group SCR Coverage Ratio	**258%**	**180%**	**78%**

The main movements in the SCR of the Company from 30 April 2022 is due to the following reasons:

- Non-Life UW risk has increased due to higher net premium volumes, offset slightly by lower net reserves.
- Health UW risk has reduced due to lower net reserves, offset slightly by higher net premiums.
- Market risk has increased due to the transfer of funds from cash at bank into a Money Market Fund. However, this increase was significantly lower than the corresponding reduction in counterparty default risk and therefore this change in investment approach resulted in a lower overall SCR.
- Counterparty default risk has reduced as a result of holding less funds directly at bank (following movement into MMF).

In addition, the own funds available to cover the SCR and MCR of the Company has been mainly impacted by the injection of share capital made during the year and the positive results for the year.

At the level of the Group, the movement can be explained by the following additional reasons:

- The market risk for the Group, has also increased due to the higher net asset value of CISEL, which has increased the equity risk from this strategic participation.
- In addition, the Group's Own Funds to cover the SCR, has increased from last year due to the higher net asset value of CISEL.

Based on management calculations, the Company and the Group expects to continue meeting the Solvency II capitalisation requirements and remain within the Board approved risk appetite going forward.

The Board of CIEL approved the latest Own Risk and Solvency Assessment ("ORSA") on 25 July 2023 and is confident that the Group shall remain solvent under normal business conditions during the planning period.

The Board of CIEL also carried out several stresses to the realistic assessment and is satisfied that the Group shall remain solvent during the planning period.

A. Business and Performance

A.1 Business and External Environment

Basic Information

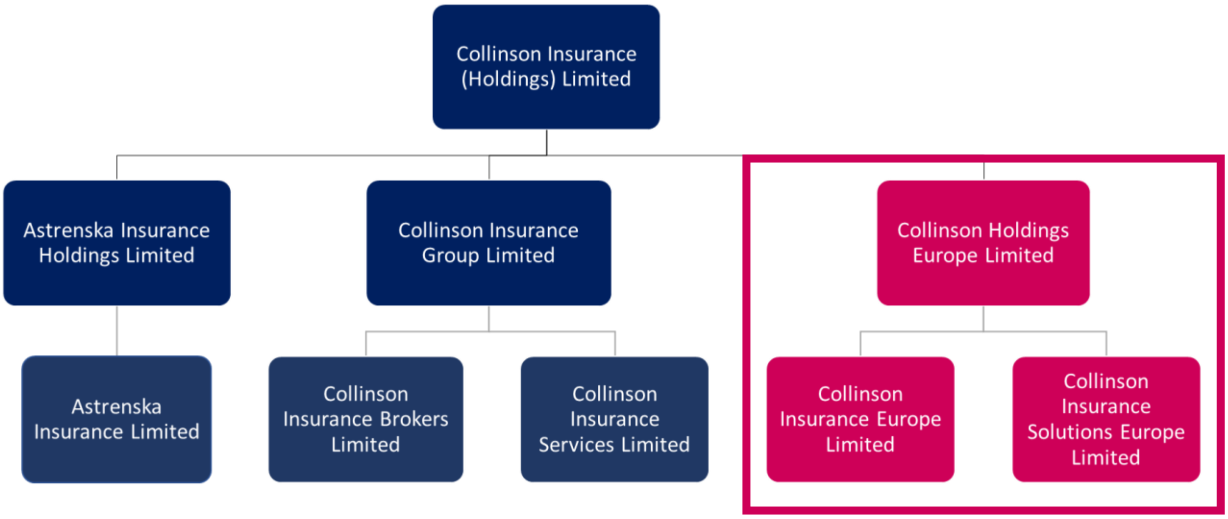
Name of undertaking:	Collinson Holdings Europe Limited
Company number:	C89896
Legal status:	CHEL acts as an investment company by holding shares in subsidiary companies. CIEL is a Company authorised by the MFSA to carry on the business of insurance and reinsurance in accordance with Insurance Business Act (Cap 403 of the laws of Malta).
Name of supervisory authority:	*Malta Financial Services Authority*
Contact details:	Ray Schembri Insurance and Pensions Supervision Unit Malta Financial Services Authority, Triq l-Imdina, Zone 1 Central Business District, Birkirkara, CBD 1010, Malta Tel: +356 2144 1155 www.mfsa.com.mt
Name of external auditors:	*Ernst & Young Malta Ltd*
Contact details:	Frank Cassar Ernst & Young Malta Ltd Regional Business Centre, Achille Ferris Street, Msida MSD1751, Malta Tel: +35621342134 http://www.ey.com/

Group structure and ownership

CIEL and CISEL are 100% owned by Collinson Holdings Europe Limited. CHEL sits within the Insurance Division of The Collinson Group Limited as a direct subsidiary of Collinson Insurance Holdings Limited (CIHL).

The ultimate holding company of CIHL is Parminder Limited, a company incorporated in the Isle of Man. The ultimate controlling parties identified by Parminder Limited are the Trustees of the Colin Evans 1987 Settlement, established under Laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

The Structure of the Group is shown below:



(Extract from the Collinson Group structure.)

Business Objectives

CIEL is a specialist insurer focusing on Travel, International Private Medical Insurance (IPMI), Dental, as well as specialist and ancillary personal lines insurance products distributed via affinity partner distributor brands. As a diversified, niche specialist personal lines insurer, CIEL's vision is to create an insurance offering which helps customers make smarter choices and their transactions simpler. This is supported by our purpose, which is "to provide protection and peace of mind in the best interests of customers so they enjoy their travel experiences whilst looking after their health and personal possessions".

During FY23, the business has recorded a significant growth in premiums driven by its travel insurance portfolio; particularly from the recovery of the leisure travel sector in Italy but also via our affinity distribution partners; and the full year impact of the travel and dental schemes onboarded from the prior year. The business expects to consolidate and build on this growth as well as to continue to renew key affinity partner contractual arrangements as well as introduce new clients and products within the Multi Lines specialist expertise that exists in the Group. The business will continue to grow efficiently because of previous investments in digitalising and automating the travel insurance customer journey. This continues to offer our customers choice of channel throughout their claims journey and empowers our claims staff to reduce the end-to-end cycle time which lowers cost and increases customer satisfaction.

CIEL's insurance product offering is entirely consistent with The Collinson Group's wider travel ecosystem strategy. It focuses on developing insurance and assistance products to meet the needs of customers whilst building long term relationships with distributor partner clients to maximise the brand experience of their customers.

Volume growth delivered along with a focus on containing costs and good underwriting disciplines has resulted in improved financial performance. The portfolio is projected to continue to grow as a result of increased new business with existing affinity distributor partners as well as newly originated business, as we;

- Continue to seek new affinity distribution partners for Travel Insurance.
- Continue to seek new clients that match our appetite across specialist and ancillary personal lines insurance products.

As part of the ongoing ORSA process, the Board agreed to have a 3-year planning period spanning FY24 to FY26 in the medium term. The Board is of the opinion that forecasting further than 3 years out is of limited value given macro-economic uncertainties.

There are no significant legal or regulatory issues that will affect the Group negatively in 2023-2024.

There were no significant events in the reporting period which would require disclosure or adjustment to the financial statements.

Business Written

The Solvency II Lines of Business written by CIEL are Medical Expense Insurance (International Health, Dental and medical elements of Travel), Assistance (non-medical elements of Travel and Motor Ancillary) and Damage to Property (Gadget).

CISEL acts as an insurance intermediary with CIEL on part of the above-mentioned portfolio of business and continues to run-off travel and dental insurance books for an insurer for which it acted as intermediary.

Material Transactions with Shareholders and Members of the Board of Directors

Trading transactions with related parties and year end balances arising from these transactions are disclosed in Note 24 to the Audited Financial Statements of CIEL and Note 23 of CISEL.

Any other matters

In June 2023, the MFSA approved the extension of authorisation of Collinson Insurance Europe Limited and Collinson Insurance Solutions Europe Limited to write business of insurance in general business Class 3 – Land Vehicles.

There is no other information to be submitted.

A.2 Underwriting Performance

Overall Performance for Financial Period ended 30 April 2023

During the current financial year, CHEL generated a profit before tax of €1,529k (2022: loss €8k) arising from a net dividend income received from one of its subsidiaries, CISEL, during the financial year of €1m (2022: Nil).

CIEL has experienced strong recovery in leisure travel premiums since the ending of all Covid restrictions, as well as a full year benefit from the dental and travel schemes onboarded in the previous financial year. The existing and new business provides a strong balance of diversification to the Company.

The table below shows the summarised Statement of comprehensive income for the Company including premiums, claims and expenses for the year ended 30 April 2023.

Summarised Statement of Comprehensive Income	FY23	FY22	Movement
	€'000	€'000	€'000
Gross premiums written	€103,144	€69,046	€34,098
Total technical income	**€22,108**	**€17,390**	**€4,718**
Claims incurred, net of reinsurance	€6,587	€7,133	(€546)
Underwriting result	**€15,521**	**€10,257**	**€5,264**
Underwriting loss ratio	29.97%	41.02%	(11.05%)
Net operating expenses	€14,008	€8,945	€5,063
Net operating expense ratio	63.73%	51.44%	12.29%
Balance on technical account for general business	**€1,513**	**€1,312**	**€201**
Profit for the financial year	**€271**	**€265**	**€6**

The Company's underwriting result for 2023 is €15,521k (2022: €10,257k) and the net operating expenses increased to €14,008k (2022: €8,945k). The above result reflects the increased quota share arrangements during FY22 in place with our re-insurance partners and an increase in the overall business generated. The Board and management are pleased to see another profitable year in 2023, with a profit of €271k (2022: €265k).

The Company and the Group's financial position is satisfactory, and the Directors expect that the present level of activity will continue to grow in the foreseeable future. The shareholders' funds of the Group amounted to €13,005k (2022: €8,996k) and reflects the results of the Group entities generated during the financial year ended 30 April 2023.

The Group maintains a system of governance which is commensurate to the nature, scale, and complexity of the Group's operation. The mainstay of the system of governance is the risk management system, which is designed to ensure that all the material risks are identified, managed, and mitigated.

The principal risks from the general insurance business arise from; fluctuations in the timing, frequency and severity of claims compared to our expectations; inadequate reinsurance protection; and inadequate reserving.

CIEL manages these risks through an underwriting and reserving policy that is approved by the Board of Directors after having considered the Underwriting Committee's advice.

Performance by Solvency II Line of Business

The underwriting performance by Solvency II LoB is shown in the table below for the year-ending 30 April 2023.

Analysis of its underlying product characteristics concluded the CIEL Travel line of business could be divided between Assistance and Medical Expenses rather than be mapped 100% to Assistance as was previously the case. The approach was agreed by both the outgoing (external) AFH and the new incumbent AFH.

Non-Life	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			
	Medical expense insurance €'000	Assistance €'000	Fire and other damage to property insurance €'000	Total €'000
Gross premiums written				
Premiums written				
Gross - Direct Business	€62,158	€40,841	€145	€103,144
Reinsurers' share	€50,080	€32,265	€87	€82,432
Net	**€12,078**	**€8,576**	**€58**	**€20,712**
Premiums earned				
Gross - Direct Business	€58,012	€37,123	€136	€95,271
Reinsurers' share	€45,261	€27,947	€82	€73,290
Net	**€12,751**	**€9,176**	**€54**	**€21,981**
Claims incurred				
Gross - Direct Business	€22,210	€9,282	€38	€31,530
Reinsurers' share	€17,524	€7,395	€23	€24,942
Net	**€4,686**	**€1,887**	**€15**	**€6,588**
Expenses incurred	**€4,009**	**€4,783**	**€37**	**€8,829**
Acquisition expenses				
Gross- Direct Business	€17,453	€19,626	€92	€37,171
Reinsurers' share	€13,444	€14,843	€55	€28,342
Net	**€4,009**	**€4,783**	**€37**	**€8,829**
Other expenses				€5,179
Total expenses				**€14,008**

Geographical Underwriting Locations

The following table shows an extract from the ARTs detailing the underwriting performance by top 5 geographical areas for the last 12 months:

	Home Country	Ireland	Norway	Germany	Italy	Spain	Total top 5 and home country
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Premiums written							
Gross - Direct Business	€63	€67,331	€4,438	€2,806	€15,100	€2,813	€92,551
Reinsurers' share	€50	€54,219	€3,589	€2,223	€11,653	€2,229	€73,963
Net	**€13**	**€13,112**	**€849**	**€583**	**€3,447**	**€584**	**€18,588**
Premiums earned							
Gross - Direct Business	€57	€62,385	€4,397	€2,520	€13,869	€2,528	€85,756
Reinsurers' share	€41	€49,070	€3,717	€1,841	€9,822	€1,847	€66,338
Net	**€16**	**€13,315**	**€680**	**€679**	**€4,047**	**€681**	**€19,418**
Claims incurred							
Gross - Direct Business	€10	€24,173	€1,364	€439	€3,309	€440	€29,735
Reinsurers' share	€9	€19,249	€1,069	€379	€2,425	€380	€23,511
Net	**€1**	**€4,924**	**€295**	**€60**	**€884**	**€60**	**€6,224**
Expenses incurred	**€5**	**€5,763**	**€380**	**€240**	**€1,292**	**€242**	**€7,922**
Other expenses							-
Total expenses							**€7,922**

Business written in other territories is immaterial and represent less than 10% of total Gross Premium Written.

Underwriting Expenses

Information on the underwriting expenses of the Company can be found in Note 7 to the Audited Financial Statements of CIEL.

Group Transactions

Trading transactions with related parties and year end balances arising from these transactions are disclosed in Note 24 to the Audited Financial Statements of CIEL.

A.3 Investment Performance

The investment choices are dictated by the investment policy. The policy ensures the Company maintains a high quality, diversified portfolio of short-dated deposits with capital preservation and positive investment returns helping to guide our investment decisions. As from FY 23, CIEL started to invest a portion of its assets in money market funds. This allows CIEL to gain a reasonable return on its available assets to support the operations, while also ensuring adherence to the prudent person principle and adequate liquidity since such investments are callable within 1 day notice. 95% of total investments are held in Euro, with the remaining portion held in GBP.

The Company regularly compares the returns and the duration of its investments with the average duration of the liabilities to policyholders under insurance contracts. Any gap between the duration of the assets and the estimated average duration of the liabilities is managed by maintaining short term deposits and cash at bank and cash equivalents.

The Company targets returns in accordance with its authorised investment policy. Investment income gross of expenses for 2023 was €216k (2022: Nil). All investment return/ charges are recognised in the profit and loss account. The Company did not hold any investments in securitisation. Details of the Company's investment performance can be found in Note 8 to the Audited Financial Statements of CIEL.

A.4 Performance of other activities

There are no material other activities to note in the reporting period.

A.5 Any Other information

The international economic recovery has benefitted from programmes of quantitative easing and government support packages, which led to an economic recovery in 2022 but has also contributed to higher-than-expected inflation. Inflationary pressures are also arising out of supply-side strain (on both labour and imported goods including fuel) in the EU which have been further exacerbated by the conflict between Russia and Ukraine. There are risks that could deteriorate for many reasons including if inflation continues to increase and interest rates rise quickly to counter it as seen during FY23.

In response, CIEL's technical provisions include an additional inflationary adjustment. We believe that the risks of inflation are relatively limited on the claims reserves due to the very short-tailed nature of the liabilities, and the general characteristics of the type of cover provided, but the inflationary risks are greater on the unearned business, as well as on any new business to be written, as these cashflows will be further into the future. The reserving techniques we use already account for an implicit inflationary impact, but we have also included a loading for explicit inflation within the calculation of technical provisions where we do not believe it has been adequately captured in the underlying analysis. It is worth noting that the inflationary risks to the premium provision are mitigated to a large degree through the profit commission arrangement with CISEL. The inflationary risks to new business will continue to be dealt with as part of the insurance pricing process.

There remains the risk that heightened inflationary expectations could lead to a wage-price spiral, resulting in a prolonged period of high inflation and low growth. This could dampen demand for insurance products offered by CIEL due to reduced disposable income leading to potential policyholders electing not to take out cover for certain lines of business.

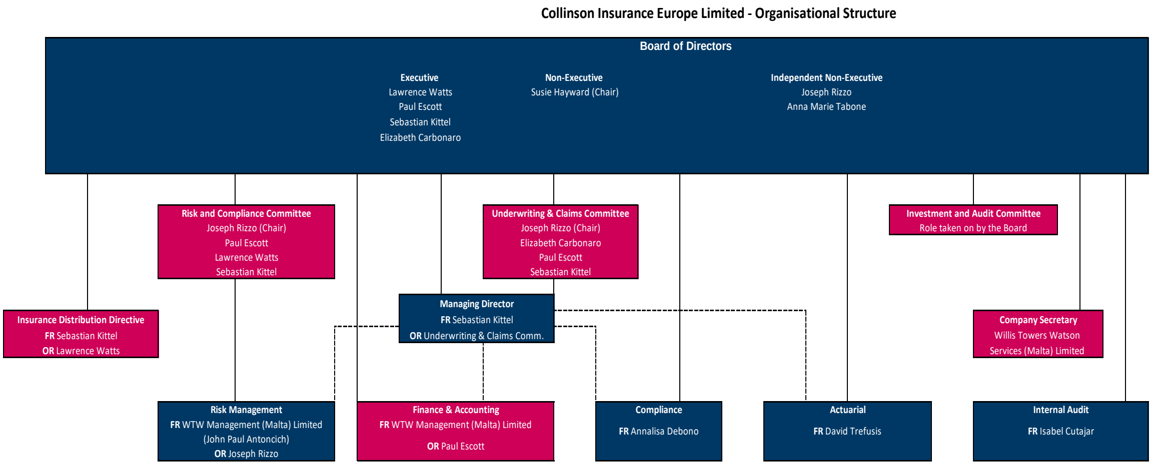
Central banks may further tighten monetary policy to counter inflation, which might further impact on economic growth.

Depending on how these risks unfold over time, this could impact CIEL via increased claims costs, possible reductions in new business and lapses to cover. CIEL expects to remain resilient to macro-economic shocks (including inflation and exchange rate shifts) as well as more extreme events.

B. System of Governance

B.1 General Information on the System of Governance

The system of governance structure of CIEL as at 30 April 2023 is depicted in the structure chart below.



Board of Directors ("BoD")

The following describes the Board of Directors of the Company. The Executive Directors make up the Management body.

The Board of Directors is the body of appointed members who will jointly oversee the activities of the Company.

The Board shall exercise its delegated authority as determined by the Memorandum and Articles of Association of CIEL and any other applicable legislation. The Board answers directly to the Shareholders of CIEL.

The Board of Directors of CIEL who held office during the period were:

Name	Position	Date of Appointment / Resignation
Susan Elizabeth Hayward	Non-Executive Chair	Appointed on 1 June 2022
Lawrence David Watts	Executive Director	Appointed on 29 April 2020
Paul Escott	Executive Director	Appointed on 20 December 2018
Elizabeth Carbonaro	Executive Director	Appointed on 20 December 2018
Sebastian Matthias Kittel	Executive Director	Appointed on 29 March 2021
Richard Clarke	Executive Director	Resigned on 23 September 2022
Joseph Mary Rizzo	Independent Non-Executive Director	Appointed on 20 December 2018
Anne Marie Tabone	Independent Non-Executive Director	Appointed on 20 December 2018

The BoD of CIEL shall be of sufficient size and possess the necessary experience and expertise to oversee the operations of CIEL. The composition of the BoD is designed to ensure that:

- It can adequately discharge its responsibilities and duties whilst managing any innate conflict of interest;
- It has a proper understanding of, and competencies to deal with, the current and emerging issues of the business; and
- It can effectively review and assess the performance of its outsourced arrangements.

There shall be a minimum of four Directors and a maximum of ten and CIEL by ordinary resolution may from time to time increase or reduce the maximum or increase the minimum.

The Board of Directors will be made up of a mix of individuals who have the necessary skills and expertise in market knowledge, business strategy and business model, systems of governance, financial and actuarial analysis and regulatory framework and requirements.

The Board of Directors is made up of a mix of Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors.

A key role of the BoD is to engender an ethical culture within its respective company and provide entrepreneurial leadership within the bounds of the overall strategy. This is achieved within a framework of prudent and effective controls designed to identify, assess, and monitor key risks.

The BoD have the following **duties and responsibilities**:

- Set strategy, objectives, policies, and direction of the Company, discuss strategic development initiatives, and ensure approved initiatives are implemented in an effective and controlled manner;
- Set the strategic business targets, return on capital/ investment expectations and Risk Appetite measures for the Company and monitor compliance by regular reporting of performance against those measures;
- Review any investments that may be required in the context of the Company's business plan;
- Receive, review, and approve The Collinson Group (TCG) decisions on cost allocations and other activities that could impact the Company for which the Company is reliant upon Collinson Group;
- Receive and review recommendations on corporate insurances;
- Ensure that the Company is compliant with applicable regulations by review of reports from the Compliance and Actuarial Function;
- Ensure that the internal control environment is effective by review of reports from the Risk & Compliance Committee and the Risk Management Function regarding key risks and controls;
- Ensure that the interests of clients and customers are considered in decision making ensuring customers are treated fairly and that conduct risk issues are appropriately addressed and embedded within the culture of the business;
- Monitor the performance of the Company including agreed key performance indicators relating to financial and non-financial measures including staffing issues;
- Review and monitor the Company's performance against business plan;
- Monitor and oversee the Delegated Authority / sub–Agency Framework;
- To consider the strategic alignment of key clients and partners including business development, relationship management, risks, and issues; and
- Ensure that there is a direct and regular interaction between the Directors and the external auditors and internal auditors. The Board shall ensure that the meeting is chaired by a Non-Executive Director when discussing audit matters.

The Board reviews its effectiveness annually. Each Director completes a Board Effectiveness Questionnaire and submits it to the Compliance Officer who collates the results and presents at the next Board Meeting. Furthermore, the Board of Directors is subject to the annual fit and proper analysis. The purpose of such analysis is to ensure that the Board Members remain fit and proper with respect to their roles. Each Director completes a questionnaire and submit to the Compliance Officer who collates the results and report them at the next Board meeting for discussion. This questionnaire is also applicable to the key functions. This analysis was last conducted in January 2023.

Information on Remuneration Policies and Practice

The following principles are applied to remuneration within the Company;

- Senior members of staff covered by this policy will be remunerated in a manner which supports the aims of Regulatory requirements.
- Targets and measures will be set which support customer-centric behaviours.
- Senior staff will be remunerated against a balanced set of criteria.
- No changes to remuneration will be made without oversight by members of the Board or a Committee with an appropriate level of independence.

The Independent Non-Executive Directors have no past or present employment with the ultimate shareholder. They have been selected for their knowledge and applicable regulations in Malta.

It is recognised that the INEDs may have other engagements with other companies. The contract between CIEL and its appointed INEDs states that any potential "conflict of interest" be declared. Conflicts are declared at every Board meeting.

INEDs are bound by confidentiality clauses in their personal contracts which continue beyond the end of the contract.

Following the re-appointment of the INEDs during 2023, there has been no change to the Remuneration Policies and Practice.

Remuneration of members of the management body

The Executive and Non-Executive Directors representing the shareholder are directly employed by the Collinson Group whilst the two Independent Non-Executive Directors are remunerated by the Company. The executive Director representing the Managers is remunerated by Willis Towers Watson Management (Malta) Limited. The Managing Director is remunerated by the Company. Details of the amounts remunerated to Directors and Management can be found in Notes 9 and 10 to the Audited Financial Statements of CIEL.

Audit Matters

The Board shall ensure that there is a direct and regular interaction between the Directors and

1. the external auditors. It shall be ensured that:

- as part of the internal audit plan, Key Audit Matters are discussed in the meeting of the Board held in the fourth quarter of the Company's financial year;
- an interim update is provided to the Directors;
- final audit results are presented and discussed together with the annual audited accounts at the respective meeting of the Board.

2. the Internal Audit Function. This shall take place during meetings of the Board, and it shall be ensured that:

- Internal Audit shall inform the Board at every meeting in writing about all internal audit activities;
- Internal Audit shall also report internal audit topics arising from global internal audits performed at the level of the Group in case such internal audit topics are of relevance for the Company;
- Information on Remuneration Policies and Practices.

All Directors are expected at least to attend one Board meeting in Malta and to keep themselves current on Regulatory requirements (Solvency II, AML, CFT, Data Protection, etc.) and insurance issues.

Risk and Compliance Committee

The Risk and Compliance Committee Members of CIEL who held office during the period were:

Name	Position	Date of Appointment / Resignation
Joseph Mary Rizzo	Chair	Appointed December 2021
Paul Escott	Member	Appointed December 2021
Lawrence David Watts	Member	Appointed December 2021
Sebastian Matthias Kittel	Member	Appointed December 2021
Richard Clarke	Member	Resigned September 2022

The Risk and Compliance Committee ("the RCC") is a Committee of the Board of Directors ("the Board") and is answerable to the Board. During FY 23, the Board approved that the Risk Committee is converted to a Risk and Compliance Committee.

The RCC shall exercise its delegated authority as determined by the Board, subject to the Memorandum and Articles of Association of the Company and any other applicable legislation.

The RCC is responsible for assisting the Board in its oversight of risk and compliance, agreeing the Company's appetite for risk, and reviewing the effectiveness of the risk management framework and compliance with regulatory obligations. The RCC provides oversight and advice to the Board in relation to capital management ensuring sufficient capital is available to meet current and future requirements in an efficient manner consistent with Board approved Risk Appetite.

The RCC may adopt such policies, rules, recommendations, and actions as it deems advisable and are consistent with its responsibilities as set out in the relevant Company legislation and applicable Regulation.

The **duties and responsibilities** of the RCC include the following:

Risk Management Framework

- Review and recommend to the Board for approval the Risk Management Strategy and the Risk Management Framework;
- Review and monitor the effectiveness of the Risk Management Framework and Risk Management Function to ensure all material risks have been identified and assessed;
- Develop and maintain a clearly defined risk management strategy consistent with the overall business strategy that sets Risk Appetite and tolerance;
- Review and monitor key risks including effectiveness of controls and action plans;
- Receive "deep dives" relating to key areas of risk to monitor effectiveness of controls and recommendations and plans including additional resource requirements;
- Review and monitor emerging risks and horizon scanning; and
- Approve risk management related policies.

Risk Appetite and Limits

- To approve the Risk Appetite Framework and the Risk Appetite Statement including related limits and triggers that comprise their Board Risk Measures;
- To receive regular reports on the RAG status of risk metrics within the Risk Appetite Statement; and
- To oversee management's implementation of the Risk Management Framework and the embedding of risk appetite and culture within the Company, including management's response to breaches of risk appetite (as defined in the Risk Appetite Statement and Framework).

Prudential Risk Management

- Receive quarterly analysis of current and future capital requirements and funds available to cover these requirements in line with risk appetite metrics e.g., return on capital employed (ROCE) and capital intensity ratios;
- Consider the methodology and processes used to determine the economic and capital requirements including forward looking requirements, ensuring the correct assumptions and potential impact of risks have been taken into consideration in determining capital requirements;
- Review adherence with risk appetites for investments and concentration limits for counterparties; aged debt and underwriting risk to maximise regulatory capital efficiency;
- To receive reports to explain the rationale for stress and scenario testing undertaken, including the impact of crystallisation of identified risks and threats. To consider the level of risk mitigation in place;
- Review and approve the Company's Own Risk and Solvency Assessments including Own Funds requirements and stress and scenario tests; and
- To consider and recommend to the Board for approval material regulatory submissions and returns following Executive review.

Risk Operating Model

- Review the operating model, adequacy, and effectiveness of resource within the Risk Management function, its access to information and its independence from Executive management.

Models

- Review the processes that control and validate the use of models.

Performance Review

- Arrange periodic assessments of its own performance and review periodically its terms of reference and recommend any changes to the Board for approval.

Escalation

- The Committee will report to the Board, identifying any matters within its remit in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.

Regulatory Compliance

- To have oversight of the Compliance activity within the Company;

- To monitor the relationship with the Malta Financial Services Authority and other relevant regulatory bodies;
- To approve the compliance policy, compliance monitoring plan and review and monitor compliance assurance activity including reviews of internal processes and procedures and review of third-party agents;
- To monitor progress against the compliance plan;
- Monitor compliance with legal and regulatory requirements;
- To keep the Board abreast of new laws and changes to existing legislation;
- Review significant incidents and breaches including impact and remedial action and complaints report; and
- Consider referrals from management from time to time.

Underwriting and Claims Committee

The Underwriting and Claims Committee Members of CIEL who held office during the period were:

Name	Position	Date of Appointment
Joseph Mary Rizzo	Chair	Appointed December 2018
Paul Escott	Member	Appointed December 2018
Elizabeth Carbonaro	Member	Appointed December 2018
Sebastian Matthias Kittel	Member	Appointed March 2021

The Underwriting and Claims Committee ("the UWC Committee") is a Committee of the Board of Directors ("the Board") and is answerable to the Board.

The UWC Committee shall exercise its delegated authority as determined by the Board, subject to the Memorandum and Articles of Association of the Company and any other applicable legislation.

To assist the Board in discharging its responsibilities the UWC Committee shall attend to the following:

Underwriting

- Determine and implement on behalf of the Company suitable premium and contract terms in respect of the Risks underwritten by the Company brought to it by its intermediaries network and refer to the Board accordingly;
- Review the retained risk, capital adequacy and solvency of the Company;
- Review contract wordings;
- Identify and assess potential new underwriting opportunities;
- Determine and review on an annual basis the Reinsurance Strategy of the Company;
- Review Security Ratings of Reinsurers;
- Review of agreements with brokers, Reinsurers, and other Insurance Advisers;
- Provision of advice to the Board;
- Review the underwriting results of each portfolio on a quarterly basis;
- Review the POG process at Group level and UPGC decisions and product information in relation to CIEL products; and
- Determine and review, where required the claims policy and practices of the Undertaking and any such activities outsourced.

Claims

- Determine and annually review the claims reserving policy of the Company;
- Determine and annually review the Company's claims protocol/communications strategy; and
- Review of major claims incurred, and appropriateness of reserves held.

Delegation of Authority

- In exercising its delegated authority, the UWC Committee shall ensure that its decisions and recommendations support and promote the safeguarding of the Company's assets, the operation of adequate systems and control processes; and
- These terms of reference may from time to time be amended as required, subject to the approval of the Board.

The Chairman of the UWC Committee or his representative (a Board Member) shall report back to the Board on matters discussed and decisions taken, which fall within the ambit of the UWC Committee.

Key and Critical Functions

CIEL complies with the requirements under Solvency II and the Fitness & Probity Standards to ensure that Key Functions are held by persons with the appropriate knowledge, experience, and competence. The insurance undertaking has in place four Key Functions, being the Risk Management, Compliance, Actuarial and Internal Audit Functions. The Risk Management Function is outsourced by CIEL.

The Company has also classified its Underwriting and Claims function as a critical function.

Risk Management Function

The Risk Management Function is outsourced to Willis Towers Watson Management (Malta) Limited, with Mr Joseph Mary Rizzo acting as Board oversight.

Risk management lies at the heart of CIEL's business activities. The adopted risk appetite reflects the articulated risk profile set by the Board through its risk-return profiling of the identified key risks.

The Board is assisted by Willis Towers Watson Management (Malta) Limited being the outsourced service provider of this Function in setting risk management strategy, in developing a risk management framework of the Company's risk appetite, limits and tolerances, in establishing internal risk management structures, and in ensuring that the necessary resources are available and dedicated to achieving the risk management objectives.

Furthermore, Willis Towers Watson Management (Malta) Limited also assists the Board and other functions in assessing and defining the risks existing in specific risk areas and from those assessments developing written risk management policies and procedures to manage those risks. It also assists the Board in assessing the Company's capacity to absorb risk with due regard to the nature, probability, duration, correlation, and potential severity of risks, including looking at risks from different perspectives, such as by territory or by line of business. It also seeks to identify and assess emerging risks and advise the Board thereon.

The Risk Management function assists the Board in determining the acceptable risk limits for each risk type that are determined to facilitate control mechanisms to ensure that limits and procedures are adhered to, and that the Company is operating within the risk appetite parameters set by the Board.

As CIEL operates in a dynamic business environment, the Risk Management function provides a system to the Company to changes in the environment in which it operates and to modify the Risk Management system as necessary.

The Board is further assisted by Willis Towers Watson Management (Malta) Limited in performing the Own Risk and Solvency Assessment.

Compliance Function

The Compliance Function is an independent function giving guidance and coordinating the efforts and activities of CIEL as they relate to regulatory compliance. The Compliance function seeks to foster a culture of compliance; to facilitate compliance and to provide a quality assurance role to the Board as to the state of affairs of its businesses in relation to regulatory compliance.

The Compliance Function is carried out by Dr Annalisa Debono. Dr Annalisa Debono is the approved Compliance Officer, who is responsible for:

- Establishing a Compliance Policy and set out its planned activities, reviews, and monitoring in a Compliance Plan, which is submitted annually to the Board for review and approval;
- Facilitating reasonable access by the Company, its auditors and Regulator to information held by the Compliance Function in connection with the provision of the Services;
- Liaising with the Regulator in relation to changes in existing regulations and guidelines;
- Provide reasonable assurance that the business and its Tied Insurance Intermediaries are aware of and comply with the relevant law, rules, regulations, and standards;
- Assess the potential impact of changes in the legal environment for the Company;
- Submitting relevant regulatory returns to the Regulator and observe all reporting requirements imposed upon the Company by Regulator;
- Facilitates communication with the Malta Financial Services Authority on any other relevant topic;
- Providing to new Directors and officers, who are to undertake controlled functions requiring regulatory approval, appropriate documentation for submission to the Regulator, assisting with completion, submission, and response to follow-up enquiries in relation to the authorisation process, and submitting the appropriate filing upon the termination of a Director or officers' appointment.

Actuarial Function

The Board has ensured that an appropriately resourced Actuarial Function is established and maintained within CIEL. CIEL's Actuarial Function holder is Mr David Trefusis.

Further information on the Actuarial Function is provided in Section B.6.

Internal Audit Function

The Board has ensured that an appropriately resourced Internal Audit Function is established and maintained within CIEL. The Internal Audit function holder is Ms Isabel Cutajar. The Internal Audit mission is an independent, objective assurance and consulting activity which adds value to and improves CIEL's operations. It helps CIEL accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Audit activity evaluates the management and governance oversight covering key risks and the design and operating effectiveness of key controls. The output of each internal audit engagement is an audit report covering the overall audit opinion, key observations covering control failing or identified weaknesses and their potential impact, and the actions and timings which management have agreed to remediate.

The Internal Audit Function provides a formal report to the Board at every Board Meeting, typically quarterly. Further information on the Internal Audit Function is provided in Section B.5.

Underwriting and Claims Key Function

The Company has defined Underwriting and Claims as a key function. The person responsible for this is the Managing Director, Mr. Sebastian Kittel, with oversight by the Underwriting and Claims Committee.

The role will cover the following areas of activity.

Underwriting

The Underwriting key function is closely aligned to CIEL's Underwriting Strategy and Reinsurance Strategy.

Assist in collating information and presenting to the Board and Underwriting Committees including:

- Annual underwriting deal reviews;
- Quarterly results reviews;
- Review of Reinsurance, XOL and Quota Share arrangements where required; and
- Underwriting decisions, including review and analysis of Quality Assurance.

Claims

- Review and sign off on claims and assistance cases over an agreed limit;
- CIEL delegates authority for smaller claims to the insurance operations teams of the insurance intermediaries. These intermediaries have an authority structure as standard practice where agents have to refer larger claims to QA managers and the QA managers refer their larger cases to CIEL Managing Director;
- CIEL also has schemes where claims handling is outsourced to a TPA up to certain limits. Claims above these limits will also refer to the CIEL Managing Director;
- Given the diversity of average claim sizes of our products, these limits may need to differ by product; and
- The thresholds are reviewed annually to ensure they remain proportional for the risk and claims activity of CIEL schemes.

Review / Adequacy of Systems of Governance

The Board of Directors of CIEL are satisfied that the systems of governance in place are appropriate given the Company's risk profile and commensurate with the nature, scale, and complexity of its operations.

There has been no material change to the underlying System of Governance of the Company since incorporation, other than the insourcing of the Actuarial Function Holder.

B.2 Fit and Proper Requirements

It is the Company's policy to conduct all of its business in an honest and ethical manner that is compliant with law and regulation. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to ensure the law and regulation surrounding fitness and propriety are respected.

Solvency II requires that senior management meet appropriate fitness and propriety requirements. In addition, it identifies those heading up Internal Audit, Risk Management, Compliance and Actuarial as being specific roles that need to meet appropriate fitness and propriety requirements. Article 273 of the Solvency II Directive sets out:

- Insurance undertakings shall establish, implement, and maintain documented policies and adequate procedures to ensure that all persons who effectively run the undertaking or have other key functions are at all times fit and proper within the meaning of Article 42 of Directive 2009/138/EC.
- The assessment of whether a person is fit shall include an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and shall take into account the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of the person.
- The assessment of whether members of the administrative, management or supervisory body are fit shall take account of the respective duties allocated to individual members to ensure appropriate diversity of qualifications, knowledge, and relevant experience to ensure that the undertaking is managed and overseen in a professional manner.
- The assessment of whether a person is proper shall include an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and supervisory aspects relevant for the purposes of the assessment.
- This includes people such as Directors, Auditors and Actuaries appointed. Employees performing their duties within the insurance sector are subject to scrutiny by regulators and are expected to exercise high standards of conduct and to undertake their respective roles in a fit and proper manner.
- Prior to recruitment, directors, senior managers, and individuals performing controlled and/or certified functions are subject to general checks using the following sources of information to ensure that they are fit and proper:
    - Curriculum Vitae ("CV") and employment application forms.
    - Interviews with the candidate.
    - The applicant's input to the Malta Regulator's relevant application form.
    - References and other information provided by current and previous employers.
    - Professional and technical associations and other public bodies.
    - Internal records of Collinson (in relation to existing staff).
    - Credit reference checks, as applicable; and
    - Police conduct checks.

Individuals are also required to declare any information which may impact their ability to perform their role, conflicts of interest or any criminal or civil proceedings. The checks are repeated on an at least annual basis or when relevant circumstances or requirements change. All Directors, Executive Committee members and other persons holding a position subject to regulatory approval are required to complete a Conflicts of Interest checklist annually. Any Conflicts of Interest are required to be declared to Compliance, in accordance with the Conflicts of Interest Policy.

B.3 Risk management system including the Own Risk & Solvency Assessment

CIEL has established and embedded a consistent risk management framework, supported by appropriate Board policies and procedures to manage the key risks to the business. Where relevant, policies and procedures have been aligned to the current regulatory requirements under the Solvency II ("SII") regime. A key part of CIEL Risk Management Framework is the way the business collectively manages, controls and reports risk at every stage throughout its governance structure. The governance framework is based upon the "three lines of defence" model and seeks to provide a formal and robust structure to enable risks to be identified, assessed, controlled, and mitigated; reported and monitored.

Risk Management Function

The Risk Management Function of CIEL is responsible for the operational coordination and application of all Risk Management activities throughout CIEL on an ongoing basis.

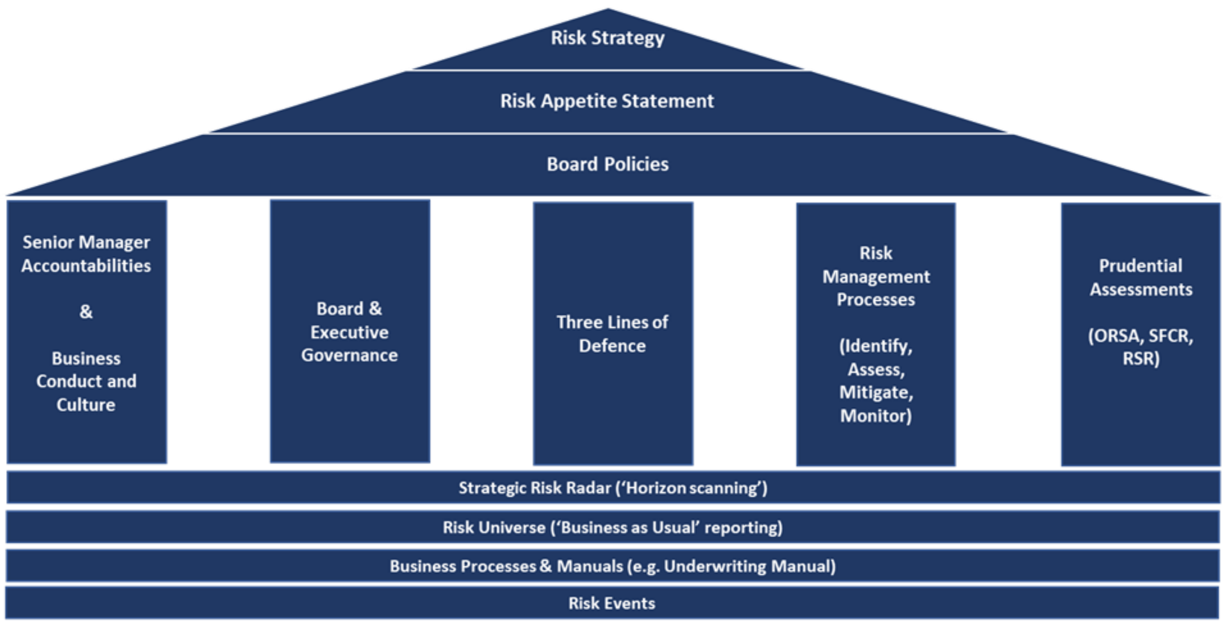
The Risk Management Function reports directly to the Board on a quarterly basis or upon occurrence of an event which could materially impact CIEL's risk profile.

The Function is responsible for coordination of all risk management activities throughout CIEL. The Function is also responsible for providing the Board with assistance and support in development and implementation of the various risk management arrangements within CIEL.

The Board has outsourced the activities of the Risk Function to Willis Towers Watson Management (Malta) Limited in accordance with the CIEL's Outsourcing Policy.

Risk Management Framework

CIEL has established a risk management framework, supported by a Risk Strategy, Risk Appetite Framework and Board policies, to manage the risks faced by the business. All components of the risk management framework are shown in the illustration below highlighting how each component interacts with another.



Risk Strategy

The Risk Strategy defines the guiding principles with which CIEL operates to deliver effective risk management in support of its commercial performance and intended customer outcomes. Twenty-one principles have been defined, centred on five themes which provide a coherent structure to articulate the strategic approach to risk management:

(1) People & Culture, (2) Customers, (3) Data & Systems, (4) Processes & Delivery, and (5) Prudential

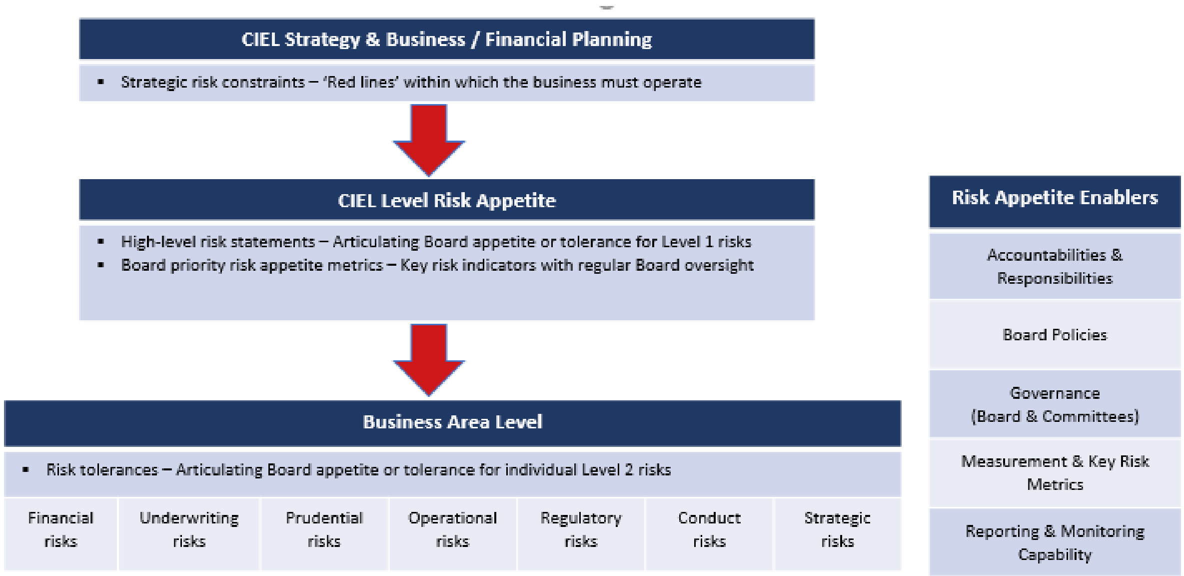
People & Culture	▪ ***Accountabilities led*** approach (with the approved person regime embedded from inception) ▪ ***Three Lines of Defence*** operating model (with clearly defined roles & responsibilities) ▪ Strong emphasis on ***professional conduct*** (i.e. 'Do the right thing') ▪ ***Culture of effective risk management*** (i.e. risk identification, escalation, mitigation, awareness & learning from events)
Customers	▪ ***Responsible Insurer*** & relationship led business partner ▪ ***Safe & secure*** guardian of customer data & assets ▪ ***Fair treatment*** of new & existing customers (with a strong outcomes focused ethos) ▪ ***Sensitive & flexible*** treatment of vulnerable customers
Data & Systems	▪ ***Data led strategy*** for decision-making & customer relationship management ▪ ***Automate*** rather than rely on manual intervention (with preventative controls where practical) ▪ ***Buy before Build*** – prioritise the use of 'tried and tested' technologies from well-established providers ▪ ***"Robust" operational resilience*** for systems, business processes & controls
Processes & Delivery	▪ ***Integrated*** risk & control framework ▪ Robust selection & ***oversight of Outsource Service Providers & suppliers*** ▪ ***Robust change management*** processes ▪ ***Timely remediation*** (i.e. 'We'll put things right if things have gone wrong')
Prudential	▪ ***Own funds***: become self-sufficient with internal growth of own funds rather than shareholder capital injections ▪ ***Resilient balance sheet*** (i.e. capital & liquidity requirements are met under 'extreme but plausible' stresses) ▪ ***Stable earnings*** (i.e. profitability isn't volatile / unpredictable) ▪ ***Robust stress testing*** & scenario analysis ▪ ***Prudent*** approach to strategic planning & financial accounting / reporting

Risk Appetite Framework

The Risk Appetite Framework (RAF) defines CIEL's overall approach through which risk appetite is established, communicated, and monitored. It also defines the roles and responsibilities of those overseeing the implementation and monitoring of the RAF (including policies, processes, controls, and systems). The RAF is complemented by the Risk Appetite Statement (RAS), which defines the risk appetite across CIEL seven primary risk classes and the associated qualitative and quantitative risk limits, applying a two-level hierarchy (i.e., Board and Executive) to the risk limits and reporting.

B. System of Governance

The diagram summarises the interplay of risk appetite with strategy and business planning, alongside the processes for managing risk appetite and associated key enablers.



The appetite for risk is aligned to the Business Strategy to ensure that key risks are identified, and suitable mitigating controls are implemented and monitored. The risk appetite statement is agreed and reviewed at least annually by the Board and earlier in case of material change in risk profile or strategy. A monitoring programme of risk appetite metrics supporting management in ensuring that CIEL remains within its risk appetite.

CIEL follows a 'three lines of defence' operating model for risk management. This approach is predicated on 'the business' (Line 1) having effective risk management processes in place, coupled with the effective design, implementation, and operation of effective controls.

The Risk function (Line 2) provides strategic oversight and challenge, whilst also enabling robust risk management by providing advice, Policies, guidance, and tools to aid Line 1's risk activities. Internal Audit ('Line 3') provide independent oversight and assurance on the effectiveness of Line 1 and Line 2 risk management.

The table below highlights the different roles and responsibilities for key risk management processes:

'The business' (Line 1)	Risk (Line 2)	Internal Audit (Line 3)
(1) Risk Identification ▪ ***Proactively escalate risks & issues to relevant line managers*** ▪ Proactively escalate potential breaches to line managers & Risk ▪ Maintain business team's Risk & Control Self-Assessments	**(1) Risk Identification** ▪ Maintain the Risk Universe (a shared vocabulary for 'show on the road' risk categories & definitions) ▪ Maintain the Strategic Risk Radar (a 'top-down' tool for key risks) ▪ ***Challenge*** Executive team re. incoming / 'horizon' risks	**(1) Risk Identification** ▪ Provide independent oversight & assurance on effectiveness of Line 1 & 2 risk identification activities
(2) Risk Assessment ▪ Apply the 5x5 Risk Matrix when performing Self-Assessments ▪ Assess materiality of risks & issues when determining next steps ▪ ***Ensure the business stays within the Board's Risk Appetite***	**(2) Risk Assessment** ▪ Responsible for the Board's Risk Appetite Statement ▪ Maintain the 5x5 Risk Matrix for assessing business areas risks ▪ Maintain the Risk & Control Self-Assessment ***methodology & tools***	**(2) Risk Assessment** ▪ Provide independent oversight & assurance on effectiveness of Line 1 & 2 risk assessment activities

'The business' (Line 1)	Risk (Line 2)	Internal Audit (Line 3)
(3) Risk Management ▪ ***Implement effective risk mitigation processes (ideally using a mix of preventative & detective controls)*** ▪ Implement effective actions if a risk is outside of risk appetite ▪ Maintain robust regulatory & Policy gap analyses ▪ ***Proactively confirm the effective execution of key controls***	**(3) Risk Management** ▪ Provide ***advice & guidance*** on risk management solutions / approaches ▪ Provide ***independent oversight*** of Line 1 risk management (e.g., via Compliance Monitoring work, Scenario analysis, etc.) ▪ Deliver a rolling programme of Compliance Monitoring ▪ Support the Underwriting Control Framework	**(3) Risk Management** ▪ Provide independent oversight & assurance on effectiveness of Line 1 & 2 risk management activities
(4) Risk Reporting ▪ Support regular reporting of business area risk profile ▪ Proactively monitor key risk exposures (in line with Risk Appetite)	**(4) Risk Reporting** ▪ Provide ***Committee & Board reporting*** on Risk Universe & Strategic Risks ▪ Provide independent oversight reports to Board Risk Co (e.g., Risk and Compliance Committee)	**(4) Risk Reporting** ▪ Provide independent oversight & assurance on effectiveness of Line 1 & 2 risk reporting activities
(5) Board Policies ▪ Adhere to the Board's Policy Statements & Minimum Standards ▪ Proactively request waivers / exceptions if non-compliance exists	**(5) Board Policies** ▪ Define the Board ***Policy framework*** & document set ▪ Create Policy Statements & Minimum Standards for Insurers ▪ Maintain a register of policy waivers & exceptions	**(5) Board Policies** ▪ Provide independent oversight & assurance on effectiveness of compliance with Board Policies
(6) Risk Culture ▪ Lead by example ▪ Recruit for cultural fit & support new joiners in induction activities ▪ ***Apply 'common sense' & professional judgement in personal conduct & treatment of customers*** ▪ Embed appropriate behaviours in teams, reinforced by responsible objective setting & performance management	**(6) Risk Culture** ▪ Lead by example ▪ Provide ***new joiner training*** on risk management ▪ Provide a rolling programme of ***risk awareness*** 'deep dives' ▪ Periodically assess business team culture (e.g., via Compliance Monitoring work or in aftermath of operational incidents)	**(6) Risk Culture** ▪ Provide independent oversight & assurance on effectiveness of risk culture activities

Own Risk and Solvency Assessment Process

The requirements of Article 45 – Own Risk and Solvency Assessment ('ORSA') of the Solvency II Directive 2009/138/EC of the European Parliament and of the Council require companies to have processes in place as is proportionate to the nature, scale, and complexity of the risks inherent in its business. Within their risk identification process, the Insurers seek to properly identify and assess the risks they face, in the short and long term, and to which it is or could become exposed to, whilst having processes in place which led to effective capital management.

CIEL aims to ensure that it is appropriately and prudently capitalized to accept the risk to which CIEL is exposed. In order to ensure this, CIEL will perform an ORSA at least annually and upon the occurrence of an event which may materially impact its risk profile. CIEL maintains separate policies on ORSA and Capital Management which are considered in the performance of the ORSA.

ORSA Objectives

The ORSA process supports the BoD in achieving their strategic objectives by taking a structured and combined approach of business strategy, risk management and capital management. Thus, within this context, the prime purposes of the ORSA processes are to:

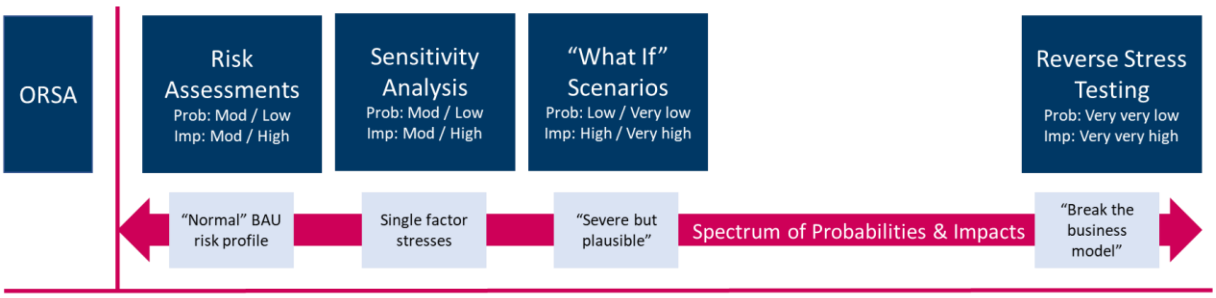
- Provide the BoD and individuals involved in the decision-making processes and management with an assessment of whether risk management and solvency position are currently and prospectively adequate;
- Serve as an essential insight for any strategic decision to be made; and
- Serve as a supervisory tool by providing a detailed understanding of the evolving risk exposure, solvency position and capital planning of the CIEL to the Malta Financial Services Authority.

ORSA Timing and Frequency

CIEL undertake an ORSA process, at least annually, to demonstrate the adequacy of the available capital, the Risk Appetite and the appropriateness of the risk limits which are assessed for the business planning period, considering the evolving risk profile. It will be re-performed on an additional 'ad hoc' basis in the event of significant change in the risk profile or business plans. Depending on the trigger and initial impact assessment, either a full or a partial ORSA (focused on the triggering event whilst keeping other variables constant) will be conducted.

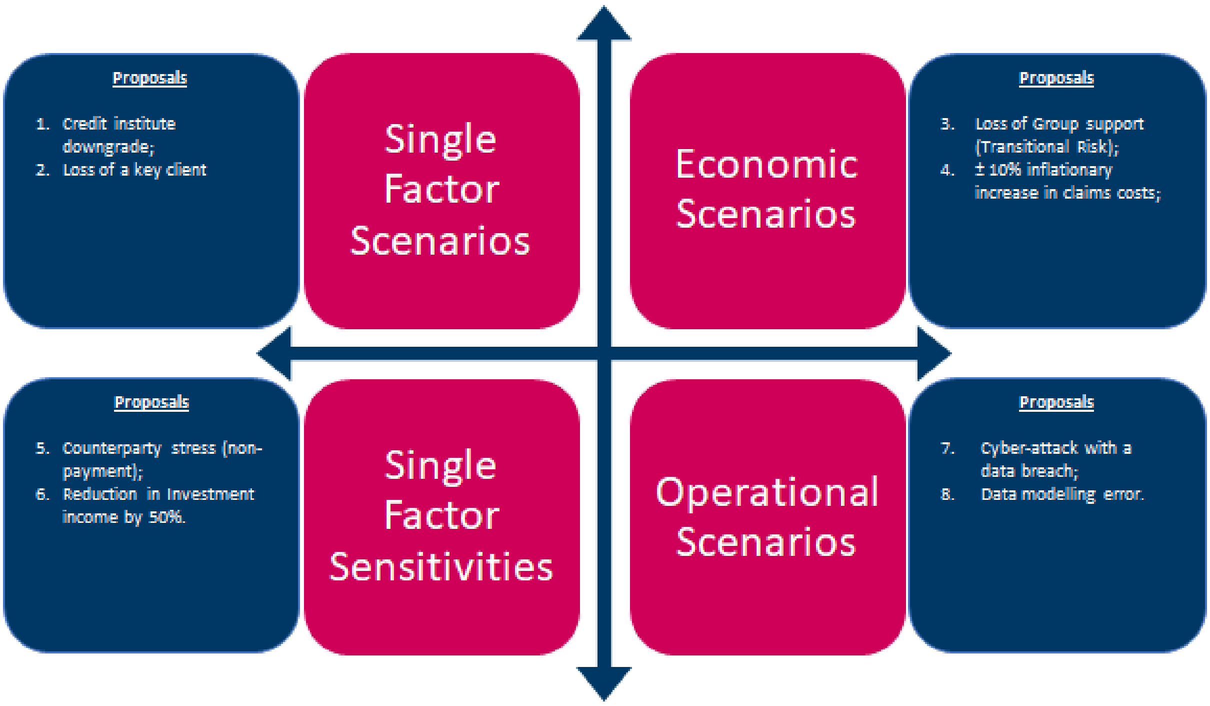
The diagram below depicts the ORSA process that the Group has embedded within the Insurers:

An integral element of CIEL's risk management framework (included with the ORSA) is the stress and scenario testing of the business model and its key assumptions through sensitivity analysis and 'extreme but plausible' scenarios.



- **ORSA**: Identifies the Company's capital requirements in delivering the business strategy and includes in 'extreme but plausible' stress scenarios and forecasts the adequacy of its capital holdings against these requirements.
- **Stress tests**: These generally assess the impact of a change in a single risk factor. Tests were performed that included both negative and positive results on the 3-year forecast view of SCR.
- **Scenario tests**: These assess the impact of a change in the overall operating environment resulting from a range of factors or a 'shock'. The tests are considered relevant to CIEL's underwriting portfolio and operating model.
- **Reverse Stress tests**: These assess the scenarios and circumstances that would render CIEL's business model unviable and encourages management to identify pre-emptive measures that would be applied in such scenarios.

A range of stress and scenario testing, which is "severe but plausible", was applied to CIEL's Base Case Capital model to understand the impact of these sensitivities. The visual below depicts the types of scenario analysis that have been assessed as part of the ORSA process.



Own Solvency Needs Assessment

CIEL primarily considers whether the risks of the Company are adequately captured by the Standard Formula. The use of the standard formula is embedded within the decision-making processes as a capital calculator is used to assess the impact of planned decisions to support the approval process. This is used within the product governance process to ensure that CIEL has the required capital to support the new product. It is used to evaluate the impact of pricing decisions including the expected outcomes of these decisions.

The Board, with assistance from the Actuarial, Finance and Risk functions, has assessed the projected SCR for the planning period against the risks that CIEL face to determine the Own Solvency Needs. The assessment has concluded that the Own Solvency Needs for CIEL are aligned to the SCR calculations and does not require any additional capital charges.

B.4 Internal Control System

Internal control is defined as a process determined by an organisation's structure, work and authority flows, risk profile, people, and management information systems, designed to help the organisation accomplish specific goals or objectives. The purpose of an internal control system is to have in place a coherent, comprehensive, and continuous set of mechanisms which are designed to secure the following:

- Effectiveness and efficiency of the undertaking's operations, leading to improved performance and error reduction;
- Alignment of the Company's activities with its business objectives by ensuring resources are correctly and prudently allocated;
- Safeguarding of the Company's physical and monetary assets against error, fraud, theft and unauthorised use, acquisition, or disposal, by quick identification and systemic prevention of, and formal responses to, these activities;
- Availability, reliability, and accuracy of financial and non-financial information, ensuring proper financial reporting, by maintaining accurate and complete records required by legislation, regulation, the Board, and the Company;
- Provision of timely and accurate management information critical to sound management practices and decision making;
- Compliance with applicable laws, regulations, and administrative provisions; and
- Reduction of exposure to risks by minimising the chance of unexpected events.

To support a robust internal control system a suite of governance policies has been implemented to ensure the strategy and objectives of the Company are achieved. All relevant personnel and service providers are made aware of these policies where applicable to support the internal control environment.

The Internal Control System within CIEL is depicted within the other sections of section B – System of Governance with key function holders appointed to Actuarial (B6), Compliance, Internal Audit (B5) and Risk Management (B3) and are detailed in the relevant sections. Compliance is detailed below.

Compliance Function

The Compliance Function is an independent function giving guidance and coordinating the efforts and activities of the Company as they relate to regulatory compliance. The Compliance function seeks to foster a culture of compliance; to facilitate compliance and to provide a quality assurance role to the Board as to the state of affairs of its businesses in relation to regulatory compliance. The Compliance team aims to provide assurance to the RCC and the Board that the Company conducts business in accordance with all relevant laws and regulations; internal compliance policies and ethical standards. The key responsibilities of the Compliance role are to:

- Ensure relevant and appropriate compliance training is provided for employees and the Board;
- Provide reasonable assurance that the business and its Appointed Representatives (AR's) are aware of and comply with the relevant laws, rules, regulations, and standards in Malta;
- Ensure appropriate and proportionate risk-based systems and controls are in place to support compliance with relevant laws, rules, regulations, and standards in Malta;
- Assist in the design, formulation and amendment of new and existing policies and procedures, products, services and the approval of marketing and advertising material;
- Provide a level of co-ordination and interaction with the relevant external bodies, including regulators, external auditors and external compliance consultants on all relevant issues and matters;
- Ensure that the business keeps pace with regulatory change by performing frequent horizon scanning, engaging with stakeholders to assess impact, communicating incoming change to relevant parts of the business, supporting with reg change projects and tracking and reporting on the status of project deliverables;
- Provide regulatory advice to help support and enable new and existing business arrangements;
- Ensure regulatory reporting is accurate and submitted on time; and
- Coordinating and managing all communications with regulators.

The activities of the Compliance team are detailed in the Compliance Plan, which is supplemented by a Compliance Audit plan, both of which are approved annually by the RCC. The purpose of the Compliance Plan is to identify and communicate the areas of focus for the current financial year in accordance with business objectives, key risks, and areas of regulatory development. The Compliance Audit Plan identifies the risk-based reviews and assessments of clients and third parties and internal reviews of systems and controls. The Compliance team monitors incidents and breaches notifying to the appropriate regulator where required. The Compliance team also helps the business understand and prepare for future changes to relevant regulatory requirements. This includes assessing the potential risk / impact to the business, whether existing business processes operate in a compliant manner and communicating the impact of the regulations and associated actions to the relevant parts of the business.

Responsibilities of all employees / service providers:

- Being conscientious in seeking to comply with relevant obligations in the course of their duties;
- Completing mandatory compliance training as per the approved timescales;
- Ensuring compliance with any changes to regulatory policies and procedures;
- Involving the Compliance Function in new business initiatives and new products;
- Following the current policy and procedures with regard to complaints and potential rule breaches;
- Ensuring employees act within the fit and proper person requirements;
- Coordinating any discussions or meetings with regulators via the Compliance Function; and
- Asking for guidance on any Compliance queries or concerns.

B.5 Internal Audit Function

The Internal Audit function is an independent assurance function, which examines and evaluates the functioning of internal controls and governance within the control environment. It objectively examines, evaluates, and reports on the adequacy of the control environment in relation to compliance with documented policies and procedures.

An appropriate control environment is fundamental to ensuring that staff behaviour is consistent with governance and regulatory requirements, and it relies on senior management promoting the appropriate top-down culture.

Internal Audit is governed by an Internal Audit Charter that defines the role, level of professionalism, authority, structure, independence and objectivity and responsibility of the function. The charter is reviewed and approved by the Audit Committee (AC) on an at least annual basis.

The function forms the Company's third line of defence. It operates in accordance with The Institute of Internal Auditors' mandatory guidance including The Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The Function reports into the Board, which is chaired by a Non-Executive Director. This reporting structure delivers independence to Internal Audit in line with the provisions of the Insurance Business Rules.

The Internal Audit Function creates an Internal Audit Plan on a bi-annual basis following a risk assessment process which includes:

- A review of the risk register;
- Consideration of functions/operations impacted by recent or upcoming changes; and
- Interviews with key senior management across the different functions.

The Internal Audit Plan is frequently evaluated to determine that it is relevant and appropriate, in particular to changes that significantly impact on the business environment such as changes in management strategies, external conditions, major risk areas, or revised expectations in respect of achieving the business objectives. The Board of Directors reviews and approves the Internal Audit Plan. Internal Audit activity evaluates the management and governance oversight covering key risks and the design and operating effectiveness of key controls. The output of each internal audit engagement is an audit report covering the overall audit opinion, key observations covering control failing or identified weaknesses and their potential impact, and the actions and timings which management have agreed to remediate.

B.6 Actuarial Function

The Actuarial Function is responsible for providing insightful actuarial analysis to contribute to the business's success, whilst fulfilling regulatory responsibilities and ensuring policyholders' interests are protected.

The Actuarial Function is a critical function of the Company, having a significant impact on pricing, reserving and capital. It is a key contributor to the effective control management of insurance risks relating to the failure of pricing, risks relating to the failure of product or strategy and risks relating to adverse reserve development.

The Company has an in-house Actuarial Function Holder (AFH), whilst the Actuarial team which completes the IFRS Reserving, Solvency II Technical Provisions ("TP's") and Solvency Capital Requirement calculations is outsourced via CISEL.

The Actuarial Function produces an annual Actuarial Function Report ("AFR") to set out:

- the assessment of the reliability and adequacy of technical provisions;
- the opinion on the underwriting policy; and
- the opinion on the overall reinsurance arrangements.

The AFR and the recommendations of the Actuarial Function Holder are presented to the Board, and the progress of actions is tracked and reported to the relevant Committee(s).

B.7 Outsourcing

The Company only enters into outsourcing arrangements with service providers who have adequate financial, human, capital, and systems resources to take on the activities outsourced to them. The Company will assess that the provider is financially sound and has the relevant knowledge and experience of the service it is contracted to supply. The outsourcing of critical and/or important operational functions or activities has not been undertaken in a way that has led to any of the following:

- Materially impair the quality of the system of governance of the Group;
- Unduly increasing the exposure to Operational Risk;
- Impairing the ability of the supervising authorities to monitor the compliance of the Company with its obligations; and
- Undermining continuous and satisfactory service to policyholders.

The Company remain fully responsible for all outsourced functions and activities it needs to include in its risk management systems and controls for monitoring and reviewing the quality of the service provided. It is not sufficient for the service provider itself to have internal controls and a risk management system that covers the services performed. In order to ensure effective control of outsourced activities and manage the risks associated with the outsourcing, the Company maintains the competence and ability to assess whether the outsourcing provider delivers according to contract.

The Company has an intra-group agreement with Collinson Insurance Solutions Europe Limited ("CISEL") for arranging claims handling, IT, Finance, Underwriting, HR services and other administration support.

The following critical or important operational functions have been outsourced by the Company:

- Claims Handling for some products.
- Supplier Hosted Data Storage and Application Services (e.g., Cloud Computing).
- Medical Assistance case management.
- Back-office services such as IT, HR, Facilities.
- Distribution, sales, and complaint handling for some products.

A summary of the key outsourced arrangements currently in place are as follows:

- Claims handling activities for Dental Insurance which are performed by Norsk (located in Norway)
- Claims handling activities for CDW and Travel Insurance which are performed by Cover Genius (located in Netherlands)
- A service agreement for insurance administration services with CISEL (located in Malta)
- An Insurance Management Agreement with Willis Towers Watson Management (Malta) Limited (located in Malta)

The arrangements detailed above are reviewed regularly to ensure outsourcing risks are mitigated and that quality of service is maintained.

B.8 Any other information

The BoD do not consider that there is any further information which should be disclosed.

C. Risk Profile

CIEL operates a business model that is supported by a robust risk management framework that ensures risks are well understood and controlled. This is facilitated by systematic quantification of all risks and a culture that promotes the importance of risk management.

Integral to this is a thorough understanding and articulation of CIEL's risk exposures. Determining the prevailing risk landscape within CIEL allows Management, the Risk Function, and the Board to assess the appetite for each emerging risk and to ensure that all are quantifiable and managed consistently with our appetite to risk.

The Directors have considered that the Parent does not add any material operational risk to the Group since it carries out no activities and hold minimal cash at bank. However, the strategic participation which the Parent holds in CISEL adds material market risk exposure and increases the own funds of the Group significantly. This section provides the necessary information related to the risk profile of CIEL, with any additional risks related to the Group shown as a comparison.

The table below provides a breakdown of the components of CIEL Solvency Capital Requirement (SCR) as at 30 April 2023:

Solvency Capital Requirement	FY23 €'000	FY22 €'000	Movement €'000
Non-Life Underwriting	€2,041	€1,898	€143
Health Underwriting	€1,819	€2,092	(€273)
Market Risk	€781	€264	€517
Counterparty Default	€836	€1,225	(€389)
Undiversified BSCR	**€5,477**	**€5,479**	**(€2)**
Diversification	(€1,860)	(€1,758)	(€102)
Base SCR	**€3,617**	**€3,721**	**(€104)**
Operational Risk	€1,085	€1,116	(€31)
Solvency Capital Requirement	**€4,702**	**€4,837**	**(€135)**
Company's Own Funds to cover the SCR	€9,683	€8,190	€1,493
SCR Coverage Ratio	**206%**	**169%**	**37%**

The table below provides a breakdown of the components of CHEL Solvency Capital Requirement (SCR) as at 30 April 2023:

Solvency Capital Requirement	FY23 €'000	FY22 €'000	Movement €'000
Non-Life Underwriting	€2,041	€1,898	€143
Health Underwriting	€1,819	€2,092	(€273)
Market Risk	€1,235	€336	€899
Counterparty Default	€836	€1,227	(€391)
Undiversified BSCR	**€5,931**	**€5,553**	**€378**
Diversification	(€2,050)	(€1,800)	(€250)
Base SCR	**€3,881**	**€3,753**	**€128**
Operational Risk	€1,164	€1,126	€38
Group Solvency Capital Requirement	**€5,045**	**€4,879**	**€166**
Group's Own Funds to cover the SCR	€13,025	€8,794	€4,231
Group SCR Coverage Ratio	**258%**	**180%**	**78%**

The main movements in the SCR of CIEL from 30 April 2022 is due to the following reasons:

- Non-Life UW risk has increased due to higher net premium volumes, offset slightly by lower net reserves.
- Health UW risk has reduced due to lower net reserves, offset slightly by higher net premiums.
- Market risk has increased due to the transfer of funds from cash at bank into a Money Market Fund. However, this increase was significantly lower than the corresponding reduction in counterparty default risk and therefore this change in investment approach resulted in a lower overall SCR.
- Counterparty default risk has reduced as a result of holding less funds directly at bank (following movement into MMF).

In addition, the own funds available to cover the SCR and MCR of the Company has been mainly impacted by the injection of share capital made during the year and the positive results for the year.

At the level of the Group, the movement can be explained by the following additional reasons:

- The market risk for the Group, has also increased due to the higher net asset value of CISEL, which has increased the equity risk from this strategic participation.
- In addition, the Group's Own Funds to cover the SCR, has increased from last year due to the higher net asset value of CISEL.

An overview of the key risks associated with the business including an outline of how they are managed is provided below.

C.1 Underwriting Risk

Underwriting risk arises from the volume of business we underwrite, inadequacies in pricing, compared to the product benefits, or worse than expected claims experience. The majority of underwriting risk to which CIEL is exposed is of a short-term nature in view of the lines of business which it writes. CIEL's book comprises of medical products and assistance products. CIEL has a diverse portfolio of business across different product lines ensuring that it is not reliant on one line of business.

The table below shows the Underwriting Risk charge for year ending 30 April 2023 and percentage of the undiversified base SCR with a comparison with the previous financial year. The standard formula was considered an appropriate proxy for Underwriting risk as it applies a risk charge based on the different lines of business allowing for catastrophes and lapses.

Underwriting Risk – CHEL	FY23		FY22		Movement	
	€'000	BSCR %	€'000	BSCR %	€'000	BSCR %
Non-life Underwriting risk	€2,041	34%	€1,898	34%	€143	-
Health Underwriting Risk	€1,819	31%	€2,092	38%	(€273)	-7%
Total Underwriting Risk	**€3,860**	**65%**	**€3,990**	**72%**	**(€130)**	**-7%**

Underwriting risk is mitigated by:

- Single source performance information produced on a regular basis, feeding into the underwriting and management processes, and informing decision making. CIEL has also invested in improvements to the analytical processes – including new reserving processes and underwriting management information and pricing models.
- CIEL underwrites, as a primary insurer, general insurance risks for Travel, International Health, Dental, Personal Accident, Motor Ancillary, Gadget and Ticket Cancellation throughout Europe via Freedom of Services. The portfolio consists of individual policies spread across the whole geographical area, minimising concentration risk. As well as pricing, CIEL has additional controls to segment the market and target those risks it wishes to underwrite.
- The nature of CIEL's product portfolio which contains products such as International Health and Travel insurance, for which claims emerge from accidents or events across the globe wherever our policyholders may travel to. This brings an inherent geographical diversification to our risk of claims.
- Reinsurance contracts, both quota share and excess of loss, reduce exposure to large individual claims or aggregated losses from a single event and dampen the volatility in the underwriting result.
- A quarterly review of reserving loss ratios is undertaken, which sets the IFRS reserves. This is done by projecting claims to an ultimate position using underwriting year triangles. Prior to each analysis, the accuracy of these models is tested. Back testing of recent experience against the expected premiums and claims emergence is performed between Reserving Committees where the analysis is challenged prior to sign off and booking. As the Solvency II Best Estimate TP's consist of Premium Provisions, Claims Provisions and Risk Margin, the booked IFRS reserves form an input into the Company's Solvency II Best Estimate TP's Model.
- Underwriting Governance processes including the 'deal rooms' pay particular attention to how much Underwriting risk capital is being consumed by the product or scheme under review and includes comparison of the scheme risk capital to the available capital headroom. Return on equity calculations drive underwriting focus towards opportunities which deliver acceptable returns versus those which may yield revenue but not a surplus.

Underwriting risk is monitored by:

CIEL has a Board approved Risk Appetite Statement that includes the monitoring of the Underwriting metrics below, which are monitored within appropriate governance fora. This monitoring provides assurance that CIEL is ultimately operating within the Board approved risk appetite and remains within the budgeted capital plan.

C.2 Market Risk

Market risk arises from fluctuations in the market value of, or income from, CHEL assets. Since the production of the last SFCR report, CIEL continues to employ a relatively simple investment strategy, however, has started to invest a portion of its assets in Money Market Funds. This allows CIEL to gain a reasonable return on its available assets to support the operations, while also ensuring adherence to the prudent person principle and adequate liquidity since such investments are callable within 1 day notice.

CIEL has exposure to the following types of market risk:

- Currency risk – CIEL is exposed to currency risk in respect of liabilities under policies of insurance and reinsurance contracts denominated in currencies other than Euro. CIEL manages its foreign exchange risk against its functional currency. Foreign exchange exposure arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not CIEL's functional currency.

CIEL's market risk charge is driven by a 25% capital charge on asset liability mismatches in currencies other than Euro. Predominantly this relates to claims exposures made in different currencies.

The standard formula is deemed to be an adequate proxy given the size and complexity of CIEL's market risk exposure. Cash exposures are considered within the Counterparty Risk module.

The table below shows the Market Risk charge for year ending 30 April 2023 and percentage of the undiversified base SCR with a comparison to the previous financial year.

	FY23		FY22		Movement	
	€'000	BSCR %	€'000	BSCR %	€'000	BSCR %
CIEL Market risk	€781	14%	€264	5%	€517	9%
CHEL Market risk	€1,235	21%	€336	6%	€899	15%

CIEL does not use derivative instruments to manage exposure to foreign currencies, instead its ongoing monitoring of non-Euro asset and liability exposure and rebalancing any surplus / deficit positions allows CIEL to control currency exposure.

The Group is further exposed to market risk in the form of its investment in Collinson Insurance Solutions Europe Limited. CISEL is classified as a strategic participation of the Group and attracts market risk under the Solvency II standard formula. The Group manages this risk as explained in Section C.6 under "Group risk".

Prudent person principle

CIEL is required, and strictly follow, the prudent person principle to invest the assets used to cover their respective MCRs and SCRs. The prudent person principle defines that the assets must be invested in a manner that a 'prudent person' would – that is that the decisions are generally accepted as being sound for the average person.

Market Risk is mitigated by:

- The Investment Strategy defines the currencies in which underlying investment assets may be held.
- Surplus currency bank and cash positions are monitored and rebalanced by the treasury function when any surplus or deficit positions arise.
- The Insurance Division Finance and Investment Committee (FIC), as well as the CIEL RCC, also monitors the level of CIEL's exposure to foreign currency against risk appetite and the approved business plan.
- The overall level of current and forecast exposure to foreign currencies across the CIEL balance sheet and the impact this has, or may have, on the regulatory capital of CIEL is monitored by the Executive Directors and reported to the RCC and Board of Directors.
- CIEL does not currently use derivatives to manage currency exposure.
- The banks used by CIEL currently have a credit rating of A or higher, with the exception of HSBC Malta which is CRD IV compliant and part of the HSBC Group which is A rated.
- Cash holdings are held across a number of banks.
- CIEL limits its investment with each investment counterparty in accordance with its risk appetite and benefits from significant diversification through the Money Market Funds, where counterparties are rated as A or AA.

Market risk is monitored by:

Regular monitoring of cash balances and concentration limits is managed by the Operational Cash Management team reporting to the Finance leadership team. This assists with remaining within risk appetite and acts as an early warning to potential stress events. CIEL has a Board approved Risk Appetite Statement that includes the monitoring of the Market, Investment and Liquidity risk metrics, which are reviewed within appropriate governance forums. This monitoring provides assurance that CIEL is ultimately operating within the Board approved risk appetite and remaining within the budgeted capital plan.

C.3 Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where CIEL is exposed to credit risk are:

- Reinsurer's share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from policyholders;
- Amounts due from insurance intermediaries; and
- Cash held with banks.

CIEL's exposure to Counterparty risk arises from exposure to reinsurers in respect of reinsurance assets representing recovery reserves, and banks in respect of both policyholder's cash balances and interest-bearing term deposits. These are Type 1 exposures, which are expected to represent the majority of the exposure over the forecast period. Exposure to type 2 counterparties is, primarily in respect of insurance premiums due from intermediaries and insurance brokers.

CIEL's current and forward-looking policy over the period of its three-year plan is to place business with reinsurers with an external credit rating of "A" or above, and to bank with and place deposits with institutions with an external credit rating of "A" or above, with the exception of HSBC Malta which is CRD IV compliant and part of the HSBC Group which is A rated.

The table below shows the Counterparty Risk charge for year ending 30 April 2023 and percentage of the undiversified base SCR with a comparison with the previous financial year.

	FY23		FY22		Movement	
	€'000	BSCR %	€'000	BSCR %	€'000	BSCR %
CIEL Counterparty risk	€836	15%	€1,225	22%	(€389)	(7%)
CHEL Counterparty risk	€836	14%	€1,227	22%	(€391)	(8%)

CHEL counterparty risk includes additional cash at bank which are not included in CIEL. The amount of cash at bank held by CHEL was immaterial in FY 23.

Counterparty Risk is mitigated by:

CIEL manages the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to regular review.

- The banks used by CIEL currently have a minimum required credit rating of A or higher, with the exception of HSBC Malta which is CRD IV compliant and part of the HSBC Group which is A rated;
- Cash holdings are held across a number of banks;
- CIEL limits its investment with each bank in accordance with its risk appetite;
- Regular monitoring of cash balances and concentration limits is managed by the Operational Cash Management team reporting to the Finance Leadership Team;
- CIEL has a minimum reinsurer credit agency rating (A.M. Best) of A with its principal Quota Share reinsurer having a rating of A+.

- The Excess of Loss reinsurance panel comprises of reinsurers with a minimum credit rating of A. The panel is composed primarily of Lloyd's reinsurers;
- The Board Policy is to maintain intercompany debt with other Collinson entities at a minimum reducing CIEL's counterparty credit exposure;
- Exposure to credit risk in respect of amounts due from policyholders is mitigated by the CIEL's large customer base and the low average level of balances outstanding. The Company is not exposed to concentrations of credit risk in respect of policyholders; and
- The Risk and Compliance Committee meets on a quarterly basis and is responsible for monitoring these risks remain within risk appetite.

Credit exposure

Information on CIEL's credit risk exposures can be found in Note 6.2.4 in the Audited Financial Statements of CIEL.

Impaired financial assets

For assets to be classified as 'past-due and impaired' contractual payments must be in arrears for more than 90 days. During the year ended 30 April 2023, an amount of €109k (2022: €56k) due from an insurance intermediary has been provided for as bad debt.

Counterparty risk is monitored by:

Regular monitoring of cash balances and concentration limits are managed by the Operational Cash Management team reporting to the Finance leadership team to assist with remaining within risk appetite and acts as an early warning to potential stress events. CIEL has a Board approved risk appetite statement that includes the monitoring of the Credit risk (including Counterparty) risk metrics, which are monitored within appropriate governance forums. This monitoring provides assurance that CIEL is ultimately operating within the Board approved risk appetite and remains within the budgeted capital plan.

C.4 Liquidity Risk

Liquidity risk is the risk that CIEL although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost.

Liquidity risk is not explicitly included within the standard formula SCR calculation and is not considered a material risk to the Company as the assets to support its risks and capital requirements are held in Money Market Funds or cash deposits with banks with a current credit rating of A or higher. The Company considers the composition of its assets in terms of their nature and liquidity to be appropriate and sufficient to meet its obligations as they fall due.

The Company manages the level of liquidity risk:

- Liquidity and Asset Liability Management Policies in place.
- Monthly cash forecast.
- Monthly report of cash and liquid balances presented to the Board.
- ALM (currency) forecast on quarterly basis;
- Set guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance contract obligations; and
- During the period ended 30 April 2023, CIEL was not exposed to significant liquidity risk.

C.5 Operational Risk

CIEL is exposed to operational risk through its operational outsourcing relationships, regulatory or legal environments and external events that affect the operation of CIEL. To operate efficiently CIEL recognises that it needs to have a robust framework in place to manage operational risk. The framework is underpinned by an Operational Risk Policy.

The following are the Board Policy Statements that have been implemented to manage Operational Risk:

Risk Culture: The Board and Executive Management will seek to lead CIEL in delivering a strong risk management culture.
Risk Framework: The Risk function will seek to develop, implement, and maintain a risk framework and standards that align to regulatory requirements.
Risk Identification: CIEL will seek to use appropriate risk management tools to identify actual, potential, or emerging risks in all material products, activities, processes, and systems.
Risk Assessment: CIEL will seek to use appropriate risk management tools to assess risks in all material products, activities, processes, and systems to ensure that risks are properly understood.
Risk Control: CIEL will seek to use appropriate internal controls e.g., policies, processes and systems and appropriate risk mitigation and transfer strategies to manage its operational risks.
Risk Events: CIEL will seek to ensure that incidents are identified, escalated, and effectively managed within agreed parameters.
New Product Approval: CIEL will seek to ensure that new products, material changes to existing products and associated operational implications are assessed for risk.
Risk Reporting: CIEL will seek to regularly monitor its risk profile and material exposure to losses.
Operational Resilience: CIEL will seek to maintain robust operational, cyber, and technological resilience for both its in-house processes and activities and those undertaken by its partners.

As a standard formula company, the Operational Risk SCR charge is primarily driven by premium volumes especially premium volume growth. Operational risk charge accounts for 30% of the Basic SCR in FY23, in line with the prior year. The table below shows the Operational Risk charge for year ending 30 April 2023 and percentage of the SCR with a comparison with the previous financial year.

	FY23		FY22		Movement	
	€'000	BSCR %	€'000	BSCR %	€'000	BSCR %
CIEL Operational risk	€1,085	30%	€1,116	30%	(€31)	-
CHEL Operational risk	€1,164	30%	€1,126	30%	€38	-

CIEL seeks to mitigate the risk with the implementation of a robust operational risk framework which is consistent, effective, economic, and proportionate to the nature, scale, and structure of the business. The framework is supported by an Operational Risk Policy and procedures detailing clear roles and responsibilities to support staff in undertaking their "business as usual" activities whilst managing the "day to day" operational risks.

As underwriting premium growth continues to be a key driver of Operational Risk SCR, CIEL has implemented a 3-Year Capital Planning cycle embedded in its business planning procedures. This enables identification of the level of premium growth and the level of Operational Risk SCR within risk appetite. The process has been implemented within the scheme underwriting processes and constitutes a key part of Solvency II embedding in general business activity. This monitoring provides assurance that CIEL is ultimately operating within the Board approved risk appetite and remaining within the budgeted capital plan.

C.6 Other Material Risks

Other risks that could impact the Company's ability to meet its business plan are:

Financial risk from climate change

Financial risk from Climate Change (FRCC) is not a new risk but has received heightened regulatory focus within financial services and increased expectations for external reporting during the past few years. A Key aspect is financial risks caused due to climate change, not solely the impact of climate change.

The conclusion of the assessment is that CIEL has minimal exposure to FRCC. The Board has considered that the capital charge within the Standard Formula adequately captures all the risks of the Company and do not believe an additional capital charge is required for FRCC following this assessment. The Board are confident that the robust control framework and monitoring in place reduces the probability of risks crystalising in this area and that no additional management action is considered necessary to reduce the risks further.

Group Risk

The Company is dependent upon on the wider Collinson Group for the provision of the following services directly associated with the sale of insurance and servicing of policy obligations.

- Underwriting and pricing
- Claims handling
- Finance, actuarial reserving, and taxation
- Policy administration
- Investment management and treasury.

The current outsourcing arrangement in respect of operating costs (non-technical in nature) is with CISEL, the legal entity via which the Collinson Group performs managing agency business in Europe. CISEL also acts as service company to CIEL along with other divisional legal entities, which perform a range of services such as insurance brokerage, claims management and policy administration.

There is a profit commission agreement between CIEL and CISEL covering the respective arrangements in place for the provision of insurance administration services to CIEL. The basis of this profit commission is that CIEL retain a 4.5% fronting fee on retained net earned business written, with the balance of any underwriting profits being paid as profit commission to CISEL. (Note: there is a guaranteed profit commission of 10% to CISEL and in effect a "corridor", of 85.5% to 61%, where the profit commission paid is restricted. Typically, CIEL operates comfortably within this profit commission corridor.

This model means, that subject to the upper corridor limit (85.5%) not being breached, CIEL will make a profit before FX and interest. This is reflected in the plan period forecast which projects consistent increase in Own Funds, within well capitalised SII funds. For CISEL, the profit commission received is variable depending on the underwriting performance of the overall portfolio.

CIEL therefore has a significant inter-dependence with CISEL to enable the Company to provide the full range of services to its customers. CIEL works closely with CISEL to satisfy itself it always has the economic and operational resources to meet its obligations to the Company.

In addition, The Collinson Group provides services which indirectly support the sale of insurance and servicing of policy obligations.

- Property and infrastructure
- Information systems
- Data management

The Collinson Group remains committed to funding the working capital and business growth of CIEL, with the Insurance Division and CIEL containing key components of the Collinson Group's strategy.

Emerging risks

CIEL's approach is to ensure such risks are identified at an early stage by using a Strategic Risk Radar to assess, record and monitor emerging risks to ensure controls are in place where required to mitigate the risk. This is regularly reviewed at the Risk and Compliance Committee.

Once an emerging risk can be assessed and more is discovered about its potential impact / likelihood, the relevant committee chairperson is responsible for escalating this to the Risk Function for further discussion and potential inclusion within the risk register. In this way, an appropriate mitigation plan to address any loss can be developed.

C.7 Any other information

Group Consolidation

CIEL forms part of an insurance group which potentially adds risks outside of the normal spectrum of an insurance company. The Directors have considered that the Parent does not add any material operational risk to the Group since it carries out no activities and hold minimal cash at bank. However, the strategic participation which the Parent holds in CISEL adds material market risk exposure and increases the own funds of the Group significantly. CISEL is an insurance intermediary which carries out insurance policy administration and claims handling for the operations of the Company and also services third party underwriters and accordingly is being treated as a strategic participation when considering the requirements of Article 335 of the Solvency II Delegated Regulation and EIOPA published Q&A ID 649.

The Board do not consider that there is any further information which should be disclosed.

D. Valuation for Solvency Purposes

Assets and liabilities under Solvency II are valued in accordance to the Solvency II Directive. "The primary objective of valuation as set out in Article 75 of Directive 2009/138/EC requires an economic, market-consistent approach to the valuation of assets and liabilities. According to the risk-based approach of Solvency II, when valuing Balance Sheet items on an economic basis, undertakings need to consider the risks that arise from a particular Balance Sheet item, using assumptions that market participants would use in valuing the asset or the liability."

The values of the assets and liabilities prepared using International Financial Reporting Standards as adopted by the EU ("IFRS"), have been used with some adjustments as outlined in the following sections. These adjustments are in line with the recommendations in the EIOPA Technical Specifications.

References to "the Regulation" in this Section are in respect of the Commission Delegated Regulations (EU) 2015/35.

D.1 Assets

The following table shows a comparison of asset figures under both Solvency II and IFRS for the Group.

Assets	Solvency II	IFRS	Movement
	€'000	€'000	€'000
Deferred acquisition costs	-	€17,631	(€17,631)
Financial investments	€20,952	€20,952	-
Holdings in participations	€3,339	€3,339	-
Reinsurance recoverables from:	(€5,190)	€45,434	(€50,624)
Non-life excluding health	€4,593	€19,667	(€15,074)
Health similar to non-life	(€9,783)	€25,767	(€35,550)
Insurance and intermediaries receivables	€4,833	€46,480	(€41,647)
Reinsurance receivables	€209	€8,195	(€7,986)
Receivables (trade, not insurance)	€122	€122	-
Cash and cash equivalents	€3,676	€3,676	-
Total assets	**€27,941**	**€145,829**	**(€117,888)**

A description on the valuation techniques utilised are described below:

Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from entering into insurance contracts. Acquisition costs are accrued over an equivalent period to that over which the underlying business is written and charged to the accounting periods in which the related premiums are earned. Deferred acquisition costs represent those acquisition costs incurred in respect of unearned premiums existing at the end of each reporting period.

There is no concept of Deferred Acquisition Costs in Solvency II. The premium provision only allows for future expense cash flows for those policies already in-force. Initial expenses such as up-front commission occurred in the past and so are not allowed in the premium provision.

Deferred tax asset

Deferred tax assets are valued as the difference between the assets and liabilities recognised in accordance with Solvency II and under IFRS. Deferred tax assets are only recognised on the basis that future taxable profit will be available against which the deferred tax asset can be utilised.

Financial investments

CIEL classifies its investments at fair value through profit or loss. The classification is dependent on the purpose for which the assets were acquired. The Directors determine the appropriate classification of investments at the time of purchase and re-evaluate such designation at every reporting date.

Financial assets at fair value through profit or loss are part of a group of investments that is managed on a portfolio basis and whose performance is evaluated and reported internally on a fair value basis to the Company's Board in accordance with a documented investment strategy.

All purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the assets. All investments are initially recognised at fair value.

Financial assets at fair value through profit or loss are subsequently re-measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is included in the Statement of comprehensive income in the period in which they arise. The fair value of quoted shares and securities is based on quoted market prices at the end of each reporting period.

Financial assets at fair value through profit or loss as at 30 April 2023 amounted to €20,952k (2022: Nil). The Solvency II valuation of these financial assets are the same as the valuations required by the International Financial Reporting Standards (IFRS).

Holdings in participations

Holdings in participations were valued on the basis of the net asset value of the participation. The net asset value approximates the market value of the holdings in participations in accordance with Article 8 of the Regulation. This has been classified as a strategic participation in the SCR calculation and stressed under the equity risk module.

Reinsurance recoverables

Reinsurance recoverables are calculated using a Best Estimate concept in line with Solvency II valuation techniques as compared to IFRS which considers a case-by-case estimate at a point in time. Information on the valuation principles of the reinsurance recoverables is provided in Section D.2.

Insurance and intermediaries' receivable

Insurance and intermediaries' receivable for premiums not yet due are recorded in the IFRS Balance Sheet as insurance receivables. Under Solvency II, these amounts are reclassified into the technical provisions, as part of the Premium Provisions, as they constitute a future cashflow. Information on the valuation principles utilised to calculate the Premium Provision are disclosed in Section D.2.

Reinsurance receivables

Reinsurance receivables have been valued using the cost approach as this approximates the fair value of the asset. This is in accordance with Article 8 of the Regulation and is consistent with the value approach taken under IFRS. Where these are not yet due, they are included within the future cash flows that from part of the calculation of the Technical Provisions.

Receivables (trade, not insurance)

Receivables are calculated using IFRS valuation principles and approximate the fair value of the asset. This is in accordance with Article 8 of the Regulation. The Receivables have been stressed under the Counterparty Default Risk module.

Cash and cash equivalents

Cash and cash equivalents were valued using the market price of the asset in accordance with Article 8 of the Regulation and is consistent with the valuation approach under IFRS. These have been stressed under the counterparty default risk module. Cash at bank also includes exposures in foreign currencies which are stressed under the currency risk module within market risk.

Loss absorbing capacity of deferred tax assets under Solvency II

The value of the SCR may be reduced to allow for the loss absorbing capacity of deferred tax assets (“LACDT”). This adjustment is calculated in accordance with Article 207 of the Regulation and is equal to the change in the value of deferred taxes that would result from an instantaneous loss of an amount that is equal to the Basic SCR plus operational risk. The valuation method is in line with the “Deferred Tax Asset” under IFRS where these can only be recognised on the basis that it is probable that the Company has future tax profits which will be available against the deferred tax asset. In view of the model whereby CIEL retains a small percentage of profits, it has been considered that the LACDT impact would be immaterial and a prudent position to take no LACDT has been adopted.

D.2 Technical Provisions

Technical provisions within the IFRS financial statements consist of a provision for claims outstanding and provision for unearned premium:

- The provision for claims outstanding is an estimate of the ultimate cost of settling all claims which have occurred up to the Statement of financial position date. Claims incurred but not yet paid are included based on a best estimate value plus any general provisions for adverse development (prudent margin) if applicable; and
- The provision for unearned premium represents the proportion of premiums written but not yet earned for the unexpired elements of the underlying risks.

The calculation of Technical Provisions under Solvency II is a major change from IFRS and includes changes to the calculation of and provisions for claims outstanding and provisions for premiums. It also introduces the calculation of a Risk Margin which is not considered under IFRS.

Provisions are calculated as 'best estimate' meaning that they are neither under nor over-estimated and are also calculated on a discounted cash flow basis, which takes account of the time value of money. It is also required to incorporate a provision for the expenses that would be incurred in running off the business.

Valuation results

The valuation was carried out together for each line of business. Under Solvency II, the Balance Sheet is required to be valued on a "best estimate" discounted cash flow basis. This leads to differences in claims provision between IFRS and Solvency II.

The table below sets out the results of the gross technical provisions under both IFRS and Solvency II basis.

Gross Technical Provisions	SII €'000	IFRS €'000	Movement €'000
Technical Provisions- non-life (excluding health)	€7,282	-	€7,282
Best Estimate	€7,141	-	€7,141
Risk Margin	€141	-	€141
Technical provisions – health (similar to non-life)	(€3,813)	-	(€3,813)
Best Estimate	(€3,949)	-	(€3,949)
Risk Margin	€136	-	€136
Total Gross Technical Provisions	**€3,469**	**€56,356**	**(€52,887)**

The table below shows the composition of Best Estimate and Risk Margin by Solvency II Line of Business:

	Direct business and accepted proportional reinsurance			Total Non-Life obligation €'000
	Medical expense insurance €'000	Assistance €'000	Fire and other damage to property €'000	
Premium provisions				
Gross - Total Direct Business	(€9,684)	€3,510	(€19)	(€6,193)
Total recoverable from reinsurance	(€14,627)	€1,894	(€21)	(€12,754)
Net Best Estimate of Premium Provisions	**€4,943**	**€1,616**	**€2**	**€6,561**
Claims provisions				
Gross - Total Direct Business	€5,735	€3,638	€12	€9,385
Total recoverable from reinsurance	€4,843	€2,714	€7	€7,564
Net Best Estimate of Claims Provisions	**€892**	**€924**	**€5**	**€1,821**
Total best estimate - gross	**(€3,949)**	**€7,148**	**(€7)**	**€3,192**
Total best estimate - net	**€5,835**	**€2,540**	**€7**	**€8,382**
Risk margin	**€136**	**€140**	**1**	**€277**

The value of TPs corresponds to the current amount an insurer would have to pay if it were to transfer its obligations immediately to another Solvency II undertaking. TPs are the sum of the best estimate liabilities (BEL) and the risk margin. Best estimate corresponds to the probability-weighted average of future cash flows, taking into account the time-value of money using the relevant risk-free rate term structure. The bases, methods and assumptions used for the valuation of TPs are as follows:

Calculation Basis

- Calculations are carried out on a going-concern basis;
- Insurance exposure is split into three lines of business; Medical Expenses, Assistance and Damage to Property;
- TPs are calculated as best estimate cash flow projections of all inflows and outflows required to settle liabilities. The time horizon for the calculations is the full lifetime of liabilities that exist on the valuation date;
- Cash flows are discounted using the EIOPA basic risk-free rates (without the matching adjustment and volatility adjustment). It is assumed that, on average, cash flows occur at the end of each year; and
- Best estimate calculations are at homogenous risk group level by scheme and scheme year and are based on up-to-date credible information and realistic assumptions. The quality and sufficiency of data underlying the calculation is compliant with SII standards.
- The Solvency II Directive regulation requires the inclusion of "run-off" expenses to be incorporated into the Solvency II calculation. This has been added to the net technical provisions for the Company.

Best Estimate

- The TPs, so far as concerns this element, are on a best estimate basis, and
- The best estimate consists of a claims provision and premium provision for business on risk at the valuation date.

Claim Provisions

- The claims provisions are calculated as the discounted best estimate of all future cash flows relating to existing claims that occurred on or prior to the valuation date (i.e., claims on earned business);
- The provision for claims outstanding is the underlying best estimate, as calculated within the IFRS reserves using a combination of actuarial and statistical techniques, including Chain Ladder and Bornhuetter-Ferguson techniques;
- The following adjustments are made in the best estimate claims provisions:
- Remove any management margin within held reserves;
- Allow for low probability high severity events, referred to as Events Not in Data ("ENIDs"). This is added in to reflect that the technical provisions must account for "all possible outcomes", including both latent claims and extreme events. The best estimate for ENIDs covering both the claims and premium provision is €1,192k (2022: €1,005k) on a gross basis and €241k (2022: €321k) after reinsurance for CIEL. The actuaries monitor the appropriateness of the ENIDs assumption as part of their review.
- Allow for the probability of reinsurer defaulting;
- Include SII expenses required for the run-off of reserves, and
- Discount cash flows.

The following table shows the changes between the IFRS and Solvency II Claims Provisions:

	IFRS	SII
	€'000	€'000
Net Claims Provision per IFRS	€1,828	
Solvency II Adjustments		
Removal of PAD		(137)
Allowance for ENIDs		87
Reinsurance Bad debts		5
Discounting		(40)
Other		78
Net claims provision under Solvency II		€1,821

The difference between IFRS and SII valuation is primarily due to the allowance for low probability high severity events, referred to as Events Not in Data (ENIDs).

The amount of recoverables from reinsurance contracts on the claims provision are shown as "Reinsurance Recoverables" in Section D.1. The valuation principles of reinsurance recoverables follow the same valuation principles utilised to arriving to the gross claims provision.

Premium Provisions

- The premium provisions are calculated as the discounted best estimate of all future cash flows relating to claims for projected future events on existing business (i.e., claims on the unearned business);
- The premium provisions also include the discounted best estimate of all future cashflows on bound but not incepted ("BBNI") business;
- Cash flows are projected in line with all insurance obligations related to future exposure until contract boundaries, and lapses and mid-term cancellations are allowed for as per business expectations; and
- The following adjustments are made in the best estimate premium provision:
  - Allow for ENIDs;
  - Include SII expenses required for the run-off of reserves;
  - Include unpaid premium not overdue, net of provision for bad debts, and
  - Discount cash flows.

The following table shows the changes between the IFRS and Solvency II Premium Provisions:

	IFRS	SII
	€'000	€'000
Net Unearned Premium Reserve	€9,095	
Net Deferred Acquisition Costs	(€3,515)	
Solvency II Adjustments		
Profit on unearned premium		(2,296)
Unpaid net premium		1,009
Run-off expenses allocated		2,312
Events not in data		135
Profit on bound but not incepted business		(39)
Discount		(140)
Premium provision under Solvency II		€6,561

The profit on the unearned premiums arises due to the assumed loss ratio being less than 100%.

The above approach to calculate expected claims is consistent with the Actuarial Function Report, which is provided by the Head of Actuarial Function, and which follows the roles and responsibilities laid out in Section B.7.

Risk Margin

- The Risk Margin is included as a component of the technical provisions in order to ensure that the value of total technical provisions is equivalent to the amount that another insurance or reinsurance undertaking would be expected to require in order to take over and meet the insurance and reinsurance obligations.
- The Risk Margin has been calculated in accordance with simplification 3 within the EIOPA guidance, which assumes the SCR will proportionally decrease based on the run-off pattern of net claims payments.
- A 6% Cost of Capital rate is assumed to determine the cost of providing the funds as defined in SII.
- The Risk Margin is calculated to be €277k (2022: €332k).

Reinsurance Recoverables

- TPs are calculated gross, and the reinsurance recoverable asset is calculated using a similar corresponding approach, consistent with the boundaries of the inwards contracts to which those relate. Additionally, future reinsurance costs are adjusted where necessary to allow for contractual obligations of non-proportional reinsurance contracts.
- The reinsurance recoverable asset has been adjusted to allow for the best estimate probability of reinsurer default. Reinsurance recoverables relate to insurance liabilities ceded to A rated reinsurers for quota share, and a panel of A-rated reinsurers for excess of loss reinsurance.

Level of uncertainty associated with the amount of TP's

The key assumptions that may impact the Technical Provisions are detailed below along with the comments regarding the materiality of these assumptions.

- **Assumed loss ratio**: Loss ratios are calculated by scheme and reviewed and approved by the Underwriting and Claims Committee.
- **Settlement period**: Claims settlement patterns are calculated by scheme and based on historical data. The settlement patterns feed into the Technical Provisions to split out the future cashflows by period.
- **Discount rate**: Yields have been historically low but have increased and are continuing to do so. However, the short-tailed nature of the liabilities underwritten by the Company means that discounting benefit applied to the Technical Provisions is relatively low.
- **Expenses**: The total expense involved in the operation of the Company is small compared with other elements in the calculation of the technical provisions.
- **Reinsurance**: It is assumed that the reinsurance will perform as expected, although the technical provisions include an allowance for bad debt.
- **ENIDs**: Events not in Data ("ENIDs") are calculated based on benchmarking for each line of business underwritten by CIEL. The amount calculated is small compared with other elements in the calculation of the technical provisions.

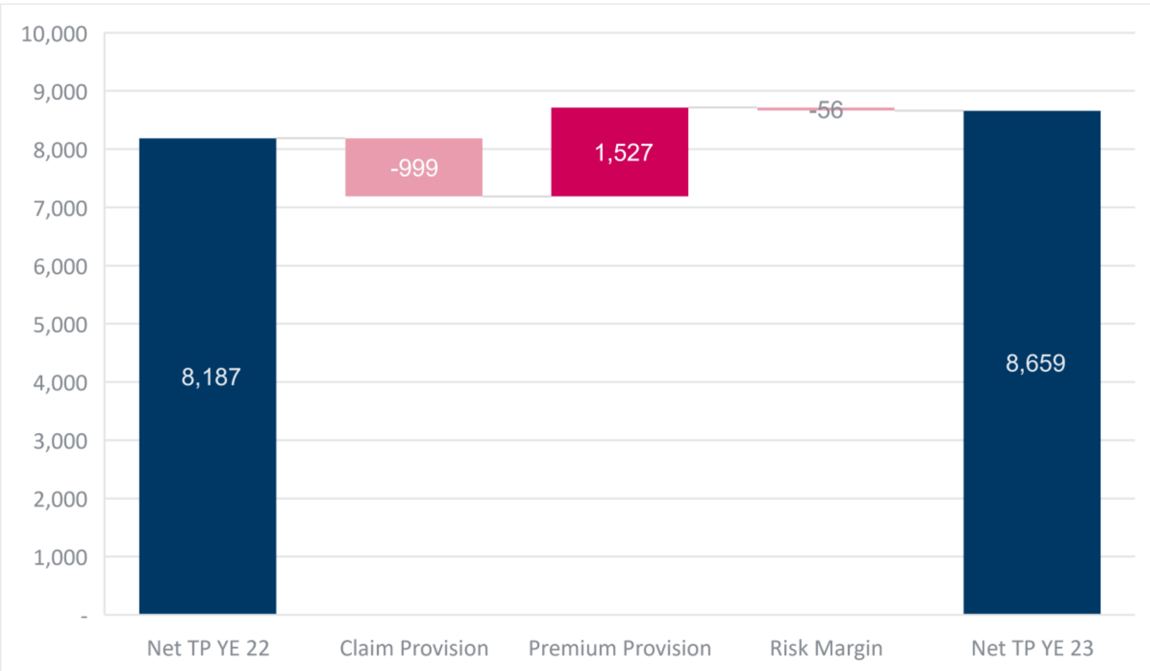
Matching adjustment, volatility adjustment and transitional provisions

The Company has no matching adjustments, volatility adjustments or transitional measures as at the reporting period.

Changes to technical provisions from previous reporting period

The following graph shows the walk from year end 2022 Solvency II TPs to year end 2023 Solvency II TPs.

SII Technical Provisions FY22 to FY23 – Net of Reinsurance



Key for waterfalls: decrease in TP's | increase in TP's

Reinsurance

The Company's reinsurance program comprises of two components – Risk Excess of Loss (XOL) and Quota Share (QS) reinsurance. The Company has two XOL treaties, one covering International Private Medical and another for Travel Insurance as ordinarily these are the only products exposed to large losses. The treaties are placed predominantly into the Lloyd's and London reinsurance market. For the QS programme we strictly adhere to our appetite in terms of security of reinsurers with all our reinsurers being A-rated or better.

Claims Management Procedures

Claims management procedures utilised by CIEL are broadly similar year on year and incorporate both direct and indirect costs associated with the management and settlement of claims.

D.3 Other Liabilities – Solvency II balance sheet

Financial liabilities are recognised when CIEL become a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangement entered into.

All financial liabilities are initially measured at transaction price.

The following table shows a comparison of other liabilities figures under both Solvency II and IFRS for the Group.

Other Liabilities	Solvency II	IFRS	Movement
	€'000	€'000	€'000
Deferred tax liabilities	€10	-	€10
Insurance & intermediaries payables	€6,774	€24,685	(€17,911)
Reinsurance payables	€1,686	€48,806	(€47,120)
Payables (trade, not insurance)	€2,977	€2,977	-
Total other liabilities	€11,447	€76,468	(€65,021)

Approximately €17.9m (2022: €14.6m) of liabilities classed as "Insurance & intermediaries payable" under IFRS are reclassified as Technical Provisions under Solvency II as they relate to future cash flows in respect of commissions and profit shares not yet due.

Similarly, under Solvency II, €47.1m (2022: €29.1m) of liabilities not yet due recognised as "Reinsurance payables" under IFRS are presented as part of the Reinsurance Technical provisions under Solvency II. In addition, Deferred acquisition costs are not recognised under Solvency II and so consequently the reinsurers share of the same for €47.1m (2022: €29.1m) are removed from the Balance Sheet.

All other liabilities have been valued using the cost approach as this approximates the fair value of the liabilities. This is in accordance with Article 8 of the Regulation and is consistent with the value approach taken under IFRS.

D.4 Alternative methods for valuation

No alternative valuation methods have been utilised by CIEL.

D.5 Any other information / disclosures

Data Quality

Given that CIEL utilises the Solvency II Standard Formula, the integrity of the model is validated by the Actuarial Function. All data pertaining to the calculations is managed, monitored, and controlled by the Finance Function in conjunction with the Actuarial Function. There are no data deficiencies noted in the calculation and valuation of technical provisions for Solvency II purposes.

Company Information

The following table shows a comparison of asset figures under both Solvency II and IFRS for CIEL.

Assets	Solvency II	IFRS	Movement
	€'000	€'000	€'000
Deferred acquisition costs	-	€17,631	(€17,631)
Financial investments	€20,952	€20,952	-
Reinsurance recoverables from:	(€5,190)	€45,434	(€50,624)
Non-life excluding health	€4,593	€19,667	(€15,074)
Health similar to non-life	(€9,783)	€25,767	(€35,550)
Insurance and intermediaries receivables	€4,833	€46,480	(€41,647)
Reinsurance receivables	€209	€8,195	(€7,986)
Receivables (trade, not insurance)	€122	€122	-
Cash and cash equivalents	€3,659	€3,659	-
Total assets	**€24,585**	**€142,473**	**(€117,888)**

There are no differences in the calculation of assets between the Group and the Company.

There is no additional information to be provided on the valuation and calculation of technical provisions in relation to the Company that have been provided in Section D.2.

The following table shows a comparison of other liabilities figures under both Solvency II and IFRS for CIEL.

Other Liabilities	Solvency II	IFRS	Movement
	€'000	€'000	€'000
Deferred tax liabilities	€10	-	€10
Insurance & intermediaries payables	€6,774	€24,685	(€17,911)
Reinsurance payables	€1,686	€48,805	(€47,120)
Payables (trade, not insurance)	€2,963	€2,963	-
Total other liabilities	€11,443	€76,454	(€65,021)

There are no differences in the calculation of other liabilities between the Group and the Company.

There are no other material information relating to valuation of assets or other liabilities, and there have been no material changes in the valuation of assets or liabilities during the year.

E. Capital Management

E.1 Own Funds

The Group aims to ensure that its 'own funds' consists of the appropriate mix of 'tier 1', 'tier 2' and 'tier 3' (including ancillary own funds) capital as defined by Chapter 5 MFSA insurance rules issued under the Insurance Business Act. However as far as possible the Group will aim to have tier 1 capital. The Group's own funds shall take the form of:

- Ordinary Share Capital
- Retained Earnings
- Shareholders' contribution
- Unpaid and uncalled Share Capital
- Any other capital admissible under the above insurance rules

The following table analysis the movement of capital between tiers as at 30 April 2023 and 2022:

CHEL Own funds	Own Funds Quality	FY23	FY22	Movement
		€'000	€'000	€'000
Ordinary share capital	Tier 1	€7,400	€7,400	-
Capital contribution	Tier 1	€700	€700	-
Reconciliation reserve	Tier 1	€4,925	€585	€4,340
Net deferred tax assets	Tier 3	-	€109	(€109)
Total Own Funds		**€13,025**	**€8,794**	**€4,231**

Total own funds are utilised to cover the SCR for the Group. Only Tier 1 Capital is utilised to cover the MCR for CIEL.

The Group's components of own funds are detailed below:

Tier 1 Capital

Tier 1 Capital is made up of paid-in ordinary share capital, shareholder capital contribution and the reconciliation reserve. This is of the highest quality and permanent. The paid-in ordinary share capital amounted to €7,400,000 (2022: €7,400,000). The Group has further a paid in capital contribution of €700,000, which has remained unchanged since incorporation.

The reconciliation reserve is made up of the following:

Group	FY23	FY22
	€'000	€'000
Solvency II Excess of Assets over Liabilities	€13,025	€8,794
Other Basic Own Funds Items	€8,100	€8,209
Reconciliation reserve	**€4,925**	**€585**

The movement in the reconciliation reserve was brought about by the change in valuation of technical provisions between IFRS and Solvency II. These are highlighted in the above and below tables.

The following table provides a reconciliation between the Group Solvency II Own Funds and the Total Group Equity as per IFRS:

	FY23	FY22
	€'000	€'000
Solvency II Excess of Assets over Liabilities	€13,025	€8,794
Items not recognised under IFRS:		
Risk margin	€276	€332
Deferred tax liability/ (asset)	€10	(€109)
Changes in valuation due to net best estimate	(€306)	(€22)
Total Group Equity as per IFRS	**€13,005**	**€8,996**

The difference between the Group's equity as shown and the excess of assets over liabilities as calculated for solvency purposes is:

- the difference between the technical provisions calculated in accordance with the Solvency II requirements and IFRS, which also impacts the presentation of insurance and intermediaries' receivables, reinsurance receivables and insurance payables.

Tier 3 Capital

Tier 3 capital is made up of the Net Deferred Tax Asset.

None of the Group's own funds are subject to transitional arrangement. No additional ratios to the ones calculated and disclosed in template S.23.01 are included in this document. None of the Group's own funds are transferable or fungible.

Capital Management

The Company's capital is managed to ensure that all regulatory requirements in relation to capital levels maintained are satisfied. To achieve this objective the following capital requirements are adhered to;

- The Solvency Capital Requirement (SCR) calculation
- The Minimum Capital Requirements (MCR) calculation

The Board ensures that the higher of these two capital requirement assessments shall be maintained. Secondary to fulfilling the Group's regulatory requirements as described above, the Board aims to maximize the employment of capital, subject to the conditions imposed by the Group's investment policy.

The Board formally reviews the utilization of the Group's capital and the overall effectiveness of its capital management policy at least annually.

There are no additional solvency ratios to the ones included in template S.23.01 (i.e., SCR and MCR) to be disclosed by the Group.

Calculation of Group Own Funds and Calculation of Solvency

Group own funds and solvency capital calculations have been carried out in accordance with Method 1 – Accounting consolidation-based method in accordance with Article 230 of the Directive.

The Directors of CIEL have determined that CISEL should be classified as a strategic participation when considering the requirements of Article 335 of the Solvency II Directive and EIOPA published Q&A ID 649.

Capital Shortfalls

The Board is confident that in the event of a capital shortfall that the Collinson Group, in response to a justified request for a capital injection, will take the necessary action to ensure that the Group's regulatory capital requirements are met.

In the unforeseen event that the Group faces insufficient levels of Capital to meet its regulatory requirements, the Board shall investigate alternative measures to realign the business plan with its capital base. These measures shall include de risking, amendments to underwriting and risk retention strategy, amendment to pricing strategy and, if necessary, to request additional capital from the parent.

The Group has the following components of own funds as at 30 April 2023 and 2022: Tier 1 basic own funds; ordinary share capital, capital contribution and reconciliation reserve.

The Group's ordinary shares have full voting, dividend, and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

No own funds items are subject to transitional arrangements.

No deductions are applied to own funds and there are no significant restrictions affecting their availability and transferability.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement Coverage

Group Solvency Position	**2023** €'000	**2022** **€'000**
Group's Own Funds to cover the SCR	€13,025	€8,794
Solvency Capital Requirement	€5,045	€4,879
SCR Coverage Ratio	**258%**	**180%**
Group's Own Funds to cover the Minimum Consolidated Group SCR	€13,025	€8,685
Minimum Consolidated Group SCR	€4,000	€3,700
Minimum Consolidated Group SCR Coverage Ratio	**326%**	**235%**

The Group uses EIOPA's Solvency II standard formula as the basis for calculating the SCR.

The minimum consolidated Group SCR was calculated in accordance with the Commission Delegated Regulation. With effect from October 2022, the absolute floor for the calculation of the MCR increased from €3,700,000 to €4,000,000. The MCR remained at the level of the absolute MCR (AMCR) of €4,000,000 (2022: €3,700,000).

The SCR and MCR are calculated on the basis of the eligible own funds.

The Own Funds available to cover the SCR and MCR has been positively impacted by the higher net asset value of CISEL and by the financial results registered during the year under review.

The calculation below shows the net best estimates and net written premiums for the year 2023 per line of business utilised in the calculation of the Linear minimum consolidated Group SCR.

Linear formula component for non-life insurance obligations	€'000	Net best estimate and TP calculated as a whole €'000	Net written premium in the last 12 months €'000
Medical expense insurance		€5,835	€12,079
Fire and other damage to property		€7	€58
Assistance		€2,540	€8,575
Overall MCR calculation			
Linear MCR	€2,048		
SCR	€5,045		
MCR cap	€2,270		
MCR floor	€1,261		
Combined MCR	€2,048		
Absolute floor of the MCR	**€4,000**		
Minimum Capital Requirement	**€4,000**		

Solvency Capital Position

During the year, the Group continued to keep under review the assumptions underpinning the standard formula and assessment that the continued use of the standard formula to calculate the SCR remains appropriate.

As set out in the EIOPA Directive the Group's solvency position is calculated using method 1 ("accounting consolidation-based method"). The Group held €13,025k of eligible unrestricted own funds to cover the SCR as at 30 April 2023 (2022: €8,794k). The Group held sufficient capital to cover the SCR throughout the reporting period.

The table below provides a breakdown of the components of CHEL Solvency Capital Requirement (SCR) as at 30 April 2023:

CHEL Solvency Capital Requirement	FY23 €'000	FY22 €'000	Movement €'000
Non-Life Underwriting	€2,041	€1,898	€143
Health Underwriting	€1,819	€2,092	(€273)
Market Risk	€1,235	€336	€899
Counterparty Default	€836	€1,227	(€391)
Undiversified BSCR	**€5,931**	**€5,553**	**€378**
Diversification	(€2,050)	(€1,800)	(€250)
Base SCR	**€3,881**	**€3,753**	**€128**
Operational Risk	€1,164	€1,126	€38
Group Solvency Capital Requirement	**€5,045**	**€4,879**	**€166**
Group's Own Funds to cover the SCR	€13,025	€8,794	€4,231
Group SCR Coverage Ratio	**258%**	**180%**	**78%**

The main movements in the SCR of the Group from 30 April 2022 is due to the following reasons:

- Non-Life UW risk has increased due to higher net premium volumes, offset slightly by lower net reserves.

- Health UW risk has reduced due to lower net reserves, offset slightly by higher net premiums.

- Market risk has increased due to the transfer of funds from cash at bank into a Money Market Fund. However, this increase was significantly lower than the corresponding reduction in counterparty default risk and therefore this change in investment approach resulted in a lower overall SCR. The market risk for the Group, has also increased due to the higher net asset value of CISEL, which has increased the equity risk from this strategic participation.

- Counterparty default risk has reduced as a result of holding less funds directly at bank (following movement into MMF).

The own funds available to cover the SCR and MCR of the Group has been impacted by the higher net asset value of CISEL and the financial results of the year as explained in the Business and Performance section.

Changes to the methodology of the underlying SCR calculation

During the year ended 30 April 2023, the Company carried out an analysis of its underlying product characteristics and concluded that the CIEL Travel line of business could be divided between Assistance and Medical Expenses rather than be mapped 100% to Assistance as previously. The approach was agreed by both the outgoing (external) AFH and the new incumbent AFH.

Underwriting Specific Parameters (USPs)

The Group does not use any Company underwriting specific parameters in the standard formula calculation. Simplified calculations are used in computing spread risk within the Market Risk Module in accordance with Article 104 of the regulations.

Capital add-on

The Group does not make use of any capital add-ons, as the risk profile does not deviate significantly from the assumptions underpinning the calibration of the standard formula.

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

The duration-based method of calculating the equity risk sub-module has not been used in the Company's SCR calculation.

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

The Group uses solely the standard formula for its solvency capital requirement calculation.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement during the period.

During the financial year ended 30 April 2023 there were no instances during which the Group was not compliant with both the MCR and SCR. Furthermore, the Board of CIEL approved an ORSA report during 2023 which showed that the Company expects to meet its capital requirements over its planning period.

E.6 Any other information

Loss absorbing capacity of deferred tax

No allowance has been made for the loss absorbing capacity of deferred tax within the SCR calculations.

Company information

The section provides information of the Capital Management in respect of the Company. There are no material differences with respect to the capital management processes between the Group and the Company except as explained below.

The following table analysis the movement of capital between tiers of CIEL as at 30 April 2023 and 2022:

CIEL Own funds	Own Funds Quality	FY23	FY22	Movement
		€'000	€'000	€'000
Ordinary share capital	Tier 1	€8,300	€7,300	€1,000
Capital contribution	Tier 1	€700	€700	-
Reconciliation reserve	Tier 1	€683	€82	€601
Net deferred tax assets	Tier 3	-	€109	(€109)
Total Own Funds		**€9,683**	**€8,191**	**€1,492**

During the year under review, the paid-in ordinary share capital of CIEL increased by €1,000k following a share capital injection.

The reconciliation reserve is made up of the following:

CIEL	FY23	FY22
	€'000	€'000
Solvency II Excess of Assets over Liabilities	€9,683	€8,191
Other Basic Own Funds Items	€9,000	€8,109
Reconciliation reserve	**€683**	**€82**

The following table provides a reconciliation between CIEL Solvency II Own Funds and the Total Equity as per IFRS:

	FY23	FY22
	€'000	€'000
Solvency II Excess of Assets over Liabilities	€9,683	€8,191
Items not recognised under IFRS:		
Risk margin	€276	€332
Deferred tax liability/ (asset)	€10	(€109)
Changes in valuation due to net best estimate	(€306)	(€22)
Total Equity as per IFRS	**€9,663**	**€8,392**

CIEL's solvency position as at 30 April 2023 was as follows:

Solvency Position	FY23 €'000	FY22 €'000
Company's Own Funds to cover the SCR	€9,683	€8,190
Solvency Capital Requirement	€4,702	€4,837
SCR Coverage Ratio	**206%**	**169%**
Company's Own Funds to cover the MCR	€9,683	€8,082
Minimum Capital Requirement	€4,000	€3,700
MCR Coverage Ratio	**242%**	**218%**

The calculation below shows the net best estimates and net written premiums for the year 2023 per line of business utilised in the calculation of the Linear minimum SCR.

Linear formula component for non-life insurance obligations	€'000	Net best estimate and TP calculated as a whole €'000	Net written premium in the last 12 months €'000
Medical expense insurance		€5,835	€12,079
Fire and other damage to property		€7	€58
Assistance		€2,540	€8,575
Overall MCR calculation			
Linear MCR	€2,048		
SCR	€4,702		
MCR cap	€2,116		
MCR floor	€1,175		
Combined MCR	€2,048		
Absolute floor of the MCR	**€4,000**		
Minimum Capital Requirement	**€4,000**		

E. Capital Management

The table below provides a breakdown of the components of CIEL Solvency Capital Requirement (SCR) as at 30 April 2023:

Solvency Capital Requirement	FY23 €'000	FY22 €'000	Movement €'000
Non-Life Underwriting	€2,041	€1,898	€143
Health Underwriting	€1,819	€2,092	(€273)
Market Risk	€781	€264	€517
Counterparty Default	€836	€1,225	(€389)
Undiversified BSCR	**€5,477**	**€5,479**	**(€2)**
Diversification	(€1,860)	(€1,758)	(€102)
Base SCR	**€3,617**	**€3,721**	**(€104)**
Operational Risk	€1,085	€1,116	(€31)
Solvency Capital Requirement	**€4,702**	**€4,837**	**(€135)**
Company's Own Funds to cover the SCR	€9,683	€8,190	€1,493
SCR Coverage Ratio	**206%**	**169%**	**37%**

The main movements in the SCR of the Company from 30 April 2022 is due to the following reasons:

- Non-Life UW risk has increased due to higher net premium volumes, offset slightly by lower net reserves.
- Health UW risk has reduced due to lower net reserves, offset slightly by higher net premiums.
- Market risk has increased due to the transfer of funds from cash at bank into a Money Market Fund. However, this increase was significantly lower than the corresponding reduction in Counterparty Default Risk and therefore this change in investment approach resulted in a lower overall SCR.
- Counterparty default risk has reduced as a result of holding less funds directly at bank (following movement into MMF).

The own funds available to cover the SCR and MCR of the Company has been mainly impacted by the injection of share capital made during the year and by the financial results of the year as explained in the Business and Performance section.

There is no other information to report on.

Appendix 1 – CHEL Quantitative Reporting Templates (QRTs)

Collinson Holdings Europe Limited

Solvency and Financial Condition Report

Disclosures

30 April

2023

(Monetary amounts in EUR thousands)

General information

Participating undertaking name	Collinson Holdings Europe Limited
Group identification code	213800VYZJWV85MVON54
Type of code of group	LEI
Country of the group supervisor	MT
Language of reporting	en
Reporting reference date	30 April 2023
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.23.01.22 - Own Funds
S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
S.32.01.22 - Undertakings in the scope of the group

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	24,291
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	3,339
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	20,952
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	-5,190
R0280	*Non-life and health similar to non-life*	-5,190
R0290	*Non-life excluding health*	4,593
R0300	*Health similar to non-life*	-9,784
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	4,833
R0370	Reinsurance receivables	209
R0380	Receivables (trade, not insurance)	122
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	3,676
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	27,941

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	3,469
R0520	*Technical provisions - non-life (excluding health)*	7,282
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	7,141
R0550	*Risk margin*	141
R0560	*Technical provisions - health (similar to non-life)*	-3,813
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	-3,948
R0590	*Risk margin*	136
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	10
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	6,774
R0830	Reinsurance payables	1,686
R0840	Payables (trade, not insurance)	2,977
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	14,916
R1000	**Excess of assets over liabilities**	13,025

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	62,158						145				40,841						103,144
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share	50,080						87				32,265						82,432
R0200	Net	12,079						58				8,575						20,712
	Premiums earned																	
R0210	Gross - Direct Business	58,011						136				37,123						95,271
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share	45,261						82				27,947						73,289
R0300	Net	12,750						55				9,176						21,981
	Claims incurred																	
R0310	Gross - Direct Business	22,210						38				9,282						31,530
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share	17,524						23				7,395						24,942
R0400	Net	4,686						15				1,887						6,587
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net	0						0				0						0
R0550	**Expenses incurred**	4,009						37				4,783						8,829
R1200	**Other expenses**																	5,179
R1300	**Total expenses**																	14,008

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			NO	IE	IT	ES	DE	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	63	4,438	67,331	15,100	2,814	2,806	92,551
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	50	3,589	54,219	11,653	2,229	2,223	73,963
R0200	Net	13	849	13,112	3,447	585	583	18,588
	Premiums earned							
R0210	Gross - Direct Business	57	4,397	62,385	13,869	2,528	2,520	85,756
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	41	3,717	49,070	9,822	1,847	1,841	66,338
R0300	Net	15	679	13,315	4,048	681	679	19,418
	Claims incurred							
R0310	Gross - Direct Business	10	1,364	24,173	3,309	440	439	29,735
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	9	1,069	19,249	2,425	380	379	23,511
R0400	Net	1	294	4,923	885	60	60	6,224
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	5	380	5,763	1,292	241	240	7,922
R1200	**Other expenses**							
R1300	**Total expenses**							7,922

S.23.01.22

Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	7,400	7,400		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds at group level*	0	0			
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	4,925	4,925			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	700	700	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	0				
R0210	*Non-available minority interests at group level*	0				
R0220	**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**					
R0230	**Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities**	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	0				
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	13,025	13,025	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0

S.23.01.22
Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	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)	13,025	13,025	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	13,025	13,025	0	0	
R0560	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)	13,025	13,025	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	13,025	13,025	0	0	
R0610	**Minimum consolidated Group SCR**	4,000				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	325.63%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	13,025	13,025	0	0	0
R0680	**Group SCR**	5,045				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	258.17%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	13,025
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0730	Other basic own fund items	8,100
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	4,925
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,630
R0790	**Total Expected profits included in future premiums (EPIFP)**	1,630

S.25.01.22

Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	1,235		
R0020	Counterparty default risk	836		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	1,819		
R0050	Non-life underwriting risk	2,041		
R0060	Diversification	-2,049		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	3,881		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,164
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	5,045
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement for undertakings under consolidated method**	5,045
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	4,000
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	0
R0520	*Institutions for occupational retirement provisions*	0
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D&A	0
R0570	**Solvency capital requirement**	5,045

S.32.01.22

Undertakings in the scope of the group

Row	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
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	MT	213800QMQ8NUT2HQS269	LEI	Collinson Insurance Europe Limited	Non life insurance undertaking	Non life insurance undertaking	Non-mutual	Malta Financial Services Authority

S.32.01.22

Undertakings in the scope of the group

					Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	% 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
Row	C0010	C0020	C0030	C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	MT	213800QMQ8NUT2HQS269	LEI	Collinson Insurance Europe Limited	100.00%	100.00%	100.00%		Significant	100.00%	Included in the scope		Method 1: Full consolidation

Appendix 2 – CIEL Quantitative Reporting Templates (QRTs)

Collinson Insurance Europe Limited

Solvency and Financial Condition Report

Disclosures

30 April

2023

(Monetary amounts in EUR thousands)

General information

Undertaking name	Collinson Insurance Europe Limited
Undertaking identification code	213800QMQ8NUT2HQS269
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	MT
Language of reporting	en
Reporting reference date	30 April 2023
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	20,952
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	20,952
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	-5,190
R0280	*Non-life and health similar to non-life*	-5,190
R0290	*Non-life excluding health*	4,593
R0300	*Health similar to non-life*	-9,784
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	4,833
R0370	Reinsurance receivables	209
R0380	Receivables (trade, not insurance)	122
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	3,660
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	24,585

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	3,469
R0520	*Technical provisions - non-life (excluding health)*	7,282
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	7,141
R0550	*Risk margin*	141
R0560	*Technical provisions - health (similar to non-life)*	-3,813
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	-3,948
R0590	*Risk margin*	136
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	10
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	6,774
R0830	Reinsurance payables	1,686
R0840	Payables (trade, not insurance)	2,963
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	14,903
R1000	**Excess of assets over liabilities**	9,683

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	62,158						145				40,841	0					103,144
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share	50,080						87				32,265	0					82,432
R0200	Net	12,079						58				8,575	0					20,712
	Premiums earned																	
R0210	Gross - Direct Business	58,011						136				37,123	0					95,271
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share	45,261						82				27,947	0					73,289
R0300	Net	12,750						55				9,176	0					21,981
	Claims incurred																	
R0310	Gross - Direct Business	22,210						38				9,282	0					31,530
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share	17,524						23				7,395	0					24,942
R0400	Net	4,686						15				1,887	0					6,587
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net	0						0				0	0					0
R0550	**Expenses incurred**	4,009						37				4,783	0					8,829
R1200	**Other expenses**																	5,179
R1300	**Total expenses**																	14,008

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			NO	IE	IT	ES	DE	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	63	4,438	67,331	15,100	2,814	2,806	92,551
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	50	3,589	54,219	11,653	2,229	2,223	73,963
R0200	Net	13	849	13,112	3,447	585	583	18,588
	Premiums earned							
R0210	Gross - Direct Business	57	4,397	62,385	13,869	2,528	2,520	85,756
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	41	3,717	49,070	9,822	1,847	1,841	66,338
R0300	Net	15	679	13,315	4,048	681	679	19,418
	Claims incurred							
R0310	Gross - Direct Business	10	1,364	24,173	3,309	440	439	29,735
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	9	1,069	19,249	2,425	380	379	23,511
R0400	Net	1	294	4,923	885	60	60	6,224
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	5	380	5,763	1,292	241	240	7,922
R1200	**Other expenses**							
R1300	**Total expenses**							7,922

S.17.01.02

Non-Life Technical Provisions

		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
R0010	**Technical provisions calculated as a whole**	0						0				0	0					0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross	-9,684						-19				3,510	0					-6,192
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-14,627						-21				1,894	0					-12,754
R0150	**Net Best Estimate of Premium Provisions**	4,943						2				1,617	0					6,562
	Claims provisions																	
R0160	Gross	5,735						12				3,638	0					9,385
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	4,843						7				2,714	0					7,564
R0250	**Net Best Estimate of Claims Provisions**	892						5				924	0					1,821
R0260	**Total best estimate - gross**	-3,948						-7				7,148	0					3,192
R0270	**Total best estimate - net**	5,835						7				2,540	0					8,383
R0280	**Risk margin**	136						1				140	0					277
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole	0						0				0	0					0
R0300	Best estimate	0						0				0	0					0
R0310	Risk margin	0						0				0	0					0
R0320	**Technical provisions - total**	-3,813						-6				7,288	0					3,469
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	-9,784						-14				4,607	0					-5,190
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	5,971						8				2,681	0					8,659

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Underwriting Year

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

	Year	C0010 0	C0020 1	C0030 2	C0040 3	C0050 4	C0060 5	C0070 6	C0080 7	C0090 8	C0100 9	C0110 10 & +	C0170 In Current year	C0180 Sum of years (cumulative)
		Development year												
R0100	Prior											0	0	0
R0160	2014	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2015	0	0	0	0	0	0	0	0	0			0	0
R0180	2016	0	0	0	0	0	0	0	0				0	0
R0190	2017	0	0	0	0	0	0	0					0	0
R0200	2018	0	0	0	0	0	0						0	0
R0210	2019	0	4,662	3,132	137	-99							-99	7,833
R0220	2020	345	6,411	2,899	525								525	10,181
R0230	2021	531	9,338	10,236									10,236	20,105
R0240	2022	1,282	17,992										17,992	19,274
R0250	2023	1,283											1,283	1,283
R0260												**Total**	29,937	58,676

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200 0	C0210 1	C0220 2	C0230 3	C0240 4	C0250 5	C0260 6	C0270 7	C0280 8	C0290 9	C0300 10 & +	C0360 Year end (discounted data)
		Development year											
R0100	Prior											0	0
R0160	2014	0	0	0	0	0	0	0	0	0	0		0
R0170	2015	0	0	0	0	0	0	0	0	0			0
R0180	2016	0	0	0	0	0	0	0	0				0
R0190	2017	0	0	0	0	0	0	0					0
R0200	2018	0	0	0	4	3	0						0
R0210	2019	0	0	513	34	-13							-7
R0220	2020	0	2,273	1,106	115								137
R0230	2021	686	5,020	1,465									1,783
R0240	2022	1,904	5,820										6,169
R0250	2023	1,340											1,302
R0260												**Total**	9,385

S.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	8,300	8,300		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	683	683			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	700	700	0	0	0
R0220	**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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	9,683	9,683	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	9,683	9,683	0	0	0
R0510	Total available own funds to meet the MCR	9,683	9,683	0	0	
R0540	Total eligible own funds to meet the SCR	9,683	9,683	0	0	0
R0550	Total eligible own funds to meet the MCR	9,683	9,683	0	0	
R0580	**SCR**	4,702				
R0600	**MCR**	4,000				
R0620	**Ratio of Eligible own funds to SCR**	205.93%				
R0640	**Ratio of Eligible own funds to MCR**	242.07%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	9,683
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	9,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	683
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,630
R0790	**Total Expected profits included in future premiums (EPIFP)**	1,630

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	781		
R0020	Counterparty default risk	836		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	1,819		
R0050	Non-life underwriting risk	2,041		
R0060	Diversification	-1,860		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	3,617		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,085
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	4,702
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	4,702
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	Not applicable

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	2,048

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	5,835	12,079
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	7	58
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	2,540	8,575
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	2,048
R0310	SCR	4,702
R0320	MCR cap	2,116
R0330	MCR floor	1,175
R0340	Combined MCR	2,048
R0350	Absolute floor of the MCR	4,000
R0400	**Minimum Capital Requirement**	4,000

COLLINSON

Collinson

Collinson is a global leader in customer benefits and loyalty. We help other businesses to acquire, retain and monetise customers across four specialisms of Loyalty, Travel Experiences, Insurance and Assistance. We provide exceptional travel, assistance and insurance products that differentiate value propositions, and deliver loyalty solutions resulting in deeper, more valuable customer relationships. Our solutions drive more profitable customer relationships, enrich their travel experiences, and protect what matters and assist in times of need. Our customer benefits products include the original and market-leading airport experiences programme, provided by Priority Pass, as well as travel insurance, international health, dental, home and motor ancillary insurance products and travel risk management solutions. Our loyalty expertise uniquely combines strategy, award-winning technology, and programme management to create greater engagement and experiences for our clients' customers.

For over 30 years, we've been chosen by the world's leading payment networks, 1,400+ banks, 90+ airlines and 20+ hotel groups to craft customer experiences that win competitive edge. This enables them to acquire, engage and retain the most profitable, but most demanding customers. Our clients include Air France KLM, American Express, Cathay Pacific, Chase, Hackett, Mastercard, Post Office, Radisson Hotel Group, EasyJet, Saga, Sephora, UnionPay and Visa. In particular, our unique expertise and insights into high earning, frequent travellers allow us to create products and solutions for our clients that inspire greater customer engagement in this lucrative customer segment.

Collinson is a privately-owned entrepreneurial business with 1,700+ passionate people working in 17 locations worldwide.

Contact Us

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