



Solvency and Financial Condition Report

UK P&I Club N.V.

Year ended 20 February 2020

UK P&I CLUB
IS MANAGED
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Contents

Summary	5
A. Business Model and Strategy	6
A.1. Business and Performance	6
A.2. Underwriting Performance	7
A.3. Investment Performance	9
A.4. Performance from Other Activities	9
A.5. Any Other Information	9
B. System of Governance	10
B.1. General Information on the System of Governance	10
B.2. Fit and Proper Requirements	11
B.3. Risk Management System	11
B.4. Internal Control System	12
B.5. Internal Audit Function	13
B.6. Actuarial Function	13
B.7. Outsourcing	13
B.8. Adequacy of System of Governance	13
B.9. Any Other Information	13
C. Risk Profile	14
C.1. Underwriting Risk	14
C.2. Market Risk	14
C.3. Credit Risk	15
C.4. Liquidity Risk	16
C.5. Operational Risk	16
C.6. Other Material Risks	16
C.7. Any Other Information	16
D. Valuation for Solvency Purposes	17
D.1. Assets	17
D.2. Technical Provisions	18
D.3. Other Liabilities	19
D.4. Alternative Methods of Valuation	20
D.5. Any Other Information	20
E. Capital Management	20
E.1 Own Funds	20
E.2 Solvency Capital Requirement and Minimum Capital Requirement	21
E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement	21
E.4 Differences between the standard formula and any internal model used	21
E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement	21
E.6 Any Other Information	21

Appendices	22
1. Balance Sheet	22
2. Premiums, Claims and Expenses by Line of Business	24
3. Premiums, Claims and Expenses by Country	25
4. Non-life Technical Provisions	26
5. Non-life Insurance Claims	27
6. Own Funds	29
7. Solvency Capital Requirement	31
8. Minimum Capital requirement	32
9. List of Assets	33

Summary

This document is the first Solvency and Financial Condition Report (“SFCR”) of UK P&I Club N.V. (UKNV). It explains the company performance over the extended book year of 28 November 2018 until 20 February 2020. This document covers UKNV’s business and performance, its system of governance, risk profile, valuation for solvency purposes and capital management.

The ultimate Administrative Body that has the responsibility for all of these matters is the UKNV’s Management Board, under close supervision of the Supervisory Board. The Management Board has installed various governance and control functions to monitor and manage the business.

The first financial year has been completed without incurring unexpected risks. With eligible own funds of US\$ 38m, the company’s SCR ratio is 258%. This is well above the Solvency II requirements as well as UKNV’s internal risk appetite thresholds. However, this level of capital is required to support UKNV’s business plan going forward as indicated by the ORSA. The MCR ratio is 932%.

UKNV has a low risk appetite and manages its business in a prudent manner. Risks caused by the Covid-19 pandemic are unlikely to have a severe impact on UKNV’s business model as well as solvency levels in the foreseen future.

Management Board’s Statement

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the DNB Rules and the Solvency II Regulations.

We are satisfied that:

- a) throughout the financial year in question, UKNV has complied in all material respects with the requirements of the DNB Rules and the Solvency II Regulations as applicable to the insurer; and
- b) it is reasonable to believe that UKNV has continued so to comply subsequently and will continue so to comply in future.

For and on behalf of the UK P&I Club N.V.

19 June 2020

A. Business Model and Strategy

A1. Business and Performance

Corporate information

The UK P&I Club N.V. ("UKNV") is an insurance company having received its insurance license in the Netherlands in March 2019. It is regulated by De Nederlandsche Bank (DNB) for prudential purposes and by Autoriteit Financiële Markten (AFM) for conduct purposes. UKNV is part of a Group which is under the supervision of the UK-based Prudential Regulation Authority.

UKNV is a wholly owned subsidiary of the United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited ("UKE"), which is incorporated in England and Wales as a company limited by guarantee without share capital.

UKE is a mutual Club with the objective of providing mutual marine insurance cover to its members for protection and indemnity (P&I) risks.

Regulators

UKNV is regulated by De Nederlandsche Bank (DNB) in the Netherlands. The Club as a whole is regulated by the UK Prudential Regulation Authority (PRA). Its entities are regulated by various other authorities.

Table 1: Regulatory authorities

Entity	Regulator
UKE	Prudential Regulation Authority Financial Conduct Authority National Association of Insurance Commissioners
Hong Kong	Hong Kong Insurance Authority
Japan	Japan Financial Services Agency
Singapore	Monetary Authority of Singapore
UKB	Bermuda Monetary Authority Isle of Man Financial Services Authority
UKL	Prudential Regulation Authority Financial Conduct Authority
UKNV	De Nederlandsche Bank Autoriteit Financiële Markten
Hydra	Bermuda Monetary Authority

The principal activity of the UKNV is the insurance and reinsurance of protection and indemnity risks on behalf of the Members, active in the marine and transport industry.

The authority responsible for the prudential supervision of this SFCR document is De Nederlandsche Bank (DNB), located in Amsterdam. UKNV is also regulated by Autoriteit Financiële Markten (AFM), located in Amsterdam.

The external auditor of UKNV is BDO Audit & Assurance B.V., based in the Netherlands. The external auditor's mandate does not cover an audit on the information disclosed in this SFCR nor in the Regular Supervisory Report (RSR).

Business activities

UKNV is a newly set up company, having received its insurance license in March 2019. The parent company provided a capital injection of US\$ 36m early 2019.

UKNV in this financial year provides the following products for EEA based risks:

- Protection and Indemnity (P&I) cover for ship owners and charterers. These are generally large risks with relatively high premium volumes per member
- Professional indemnity cover for intermediaries, such as shipping agents, naval architects and surveyors. These are generally smaller risks with lower premium volumes per member. The number of members is larger than for UKNV's P&I business.

Accounting period

UKNV has an accounting year is aligned to that of the parent company UKE. The accounting year normally runs from 20th of February in any particular year to 20th of February of the next year. This matches the policy year of the insurance cover.

For this special first year of operation, UKNV has an extended accounting year, running from the incorporation date of 28 November 2018 until 20 February 2020.

A.2. Underwriting Performance

Underwriting performance measures

For the entire P&I Club, the target is to call sufficient premium to cover its claims and expenses as measured by the combined ratio. S.05.02.01 includes a geographical split of the UKNV's business based on the regional spread of the risks insured.

Recent underwriting performance

In the first financial year UKNV operated as fronting company for two mono-line insurance companies (UKE and ITIC). UKNV's clients are EEA based Members of the respective Fronted Clubs. They all operate in the marine and shipping industry, be it as a ship owner, ship charterer or a shipping and transport specialist or intermediary. Table 2 provides an overview of the underwriting performance.

Table 2: UKNV's underwriting performance 2019

Amounts in US\$000	2020
Income	
Gross premium written	3,718
Reinsurance premium payable	(2,363)
	<u>1,355</u>
<i>Changes in technical provisions (Unearned Premiums)</i>	
Change technical provision unearned premium	(3,227)
Change reinsurance share technical provision unearned premium	2,003
	<u>(1,224)</u>
Investment return transferred from the non-technical account	541
Claims Incurred	
Claims	2
Reinsurance recoveries	(2)
	<u>-</u>
<i>Changes in claims provision</i>	
Changes in claims provision	236
Changes in reinsurance share of claims provision	(236)
	<u>-</u>
Net Continuity Credit	
Continuity credit raised	(897)
Deferred continuity credit	819
	<u>(78)</u>
Other Income	5,842
Total Income	6,436
Expenses	
Acquisition cost	458
Deferred acquisition cost	(405)
Operating expenses	4,895
	<u>4,948</u>
Total Expenses	4,948
Result Technical Account	1,488
NON-TECHNICAL ACCOUNT	
Balance on technical account	1,488
Net investment return	541
Investment return transferred to the technical account	(541)
Investment management fee	(2)
	<u>1,486</u>
Net income before taxation	1,486
Taxation	(371)
Net income after tax	1,115

A.3. Investment Performance

UKNV maintains a very prudent investment strategy with its main objective being capital protection. Its assets are mainly US Treasury Bills. During the start-up phase however small interest rate risks may arise. These are closely managed and underpinned by surplus capital on the balance sheet. During 2019, UKNV generated US\$ 541,000 investment income. The investment related expenses were investment management fees.

Table 3: investment income during 2019

Amounts in US\$000	
Investment income	391
Unrealised investment income	150
Net investment return	541

Asset allocation

According to the UKNV investment mandate, the investments are US treasury bonds, money market instruments and cash.

A.4. Performance from Other Activities

As noted in A.2. all of the UKNV's activities relate to its core business.

A.5. Any Other Information

The start of 2020 has so far been characterised by the Covid-19 pandemic. While at the time of writing, the pandemic is ongoing, and its longer-term effects are unknown and uncertain. However, the Covid-19 pandemic could have a significant adverse effect on the global economy and the insurance industry. These effects could potentially reduce the financial strength of the UK P&I Club as a whole and have an adverse effect on its day-to-day operation. This could potentially have spill over consequences for UKNV. For example:

- Greater risk of default of payment from third parties, notably from external reinsurers
- Reduced demand for shipping and transport, changing the needs of our members
- Uncertainties around insurance claims, although lower shipping and transport volumes would tend to bring down the frequency of insurance claims
- Increased operational risks in our day to day activities

Due to the set-up and structure of UKNV, Covid-19 will not impact the financial position nor the financial statement per year-end. According to current insights is the risk that the business continuity is at risk seems very limited.

B. System of Governance

B.1. General Information on the System of Governance

B.1.1. Overview

UKNV has a two-tier board structure with a separate Management Board and Supervisory Board.

The Management Board directs and has day-to-day responsibility for all activities of UKNV. The Supervisory Board maintains an overview of the performance of the Management Board. It also monitors the effectiveness of the risk management framework and the functioning of governance arrangements within UKNV.

The Supervisory Board has installed an Audit & Risk Committee to closely monitor and advise on specific matters relating to risk management, compliance, actuarial, financial and audit matters.

The Management Board considers that the System of Governance is appropriate for the nature, scale and complexity of the inherent risks facing UKNV.

UKNV maintains a decision matrix in accordance with the RACI structure to identify who or what body has decision making authority for a wide list of topics.

B.1.1.1. Outsourcing

UKNV outsources all functions, including controlled functions, to Thomas Miller B.V., except for the investment function which is outsourced to Thomas Miller Investment.

Thomas Miller B.V. ("TMBV") acts as a service provider in three ways:

- It acts as an authorised agent for insurance operations
- It provides staff and facilities to support the business
- It is an outsourcing service providers for certain activities of UKNV

The outsourcing is subject to strict monitoring of the Management and Supervisory Board and underpinned by an outsourcing policy in line with the Solvency II requirements and DNB regulations.

B.1.2. Remuneration

UKNV outsources all executive matters to TMBV in accordance with Management Agreements. TMBV operates on a formal performance and merit based remuneration policy. This policy promotes the long-term interest of the business and competitive rates. TMBV staff receive remuneration that fits within the policies of corporate governance that encourages sound business behaviour.

The remuneration policy is aligned with Solvency II principles and there is a cap on variable elements of employee remuneration. This aims to avoid excessive or unconditional risk taking to grow the business.

B.1.3. Related party transactions

UKNV is wholly owned by UKE. Some of the Supervisory Board members are also members of the P&I Club and ship owners. The transactions between SB members and UKNV are insurance transactions and payment of their fees. Ship owners have no direct interest in UKNV other than the insurance of their ships, which is arranged on an arm's length basis.

B.2. Fit and Proper Requirements

UKNV has in place a Fit & Proper Policy that sets out its approach to the fitness and propriety of the persons responsible for running the company, including executive senior management and key function holders.

All persons within the scope of the UKNV's Fit and Proper policy must have the professional qualifications, knowledge and experience and demonstrate the sound judgement necessary to discharge their areas of responsibility competently. They must be of good repute and demonstrate in their personal behaviour and business conduct character, integrity and honesty. As part of the assessment consideration will be given to potential conflicts of interest and financial soundness. This is screened by an independent screening agency.

The Association's Fit & Proper Policy applies to:

- All Directors of the Club as a whole and its Committees;
- All employees of TMBV; and
- Persons within the TMBV or Thomas Miller responsible for key functions.

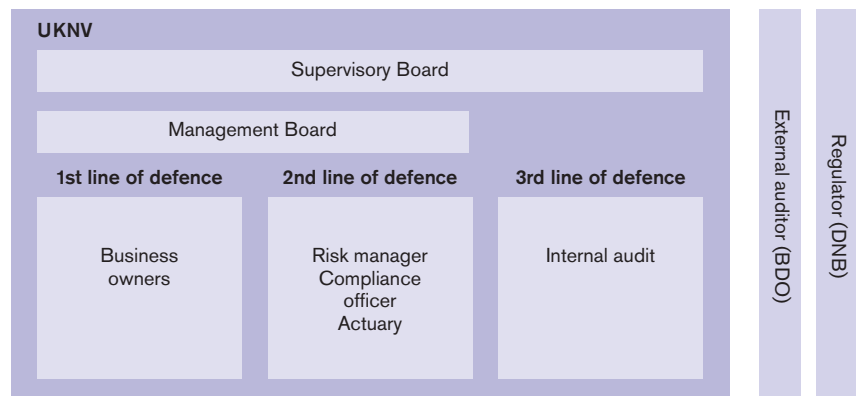
B.3. Risk Management System

The UKNV Risk Management System

UKNV uses a Risk Management Framework to design an effective risk management system with an integrated approach to risk management and the application of the three lines of defence:

- **1st line of defence:** management board members and business line managers. They are risk owners in the risk management framework
- **2nd line of defence:** risk management and compliance functions
- **3rd line of defence:** internal audit

Figure 1: Three lines of defence model for UKNV



The risk management system incorporates the accurate and appropriate identification, recording, analysis, reporting and mitigation of risk. The Management Board has:

- a clearly defined and well-documented risk management strategy;
- adequate written and documented policies;
- appropriate processes and procedures;
- appropriate reporting procedures;

-
- reports on the material risks and on the effectiveness of the risk management system; and
 - a suitable Own Risk and Solvency Assessment (ORSA).

As part of the risk management framework, UKNV employs a risk management process to identify, measure, manage, monitor and report risks in a consistent and continuous manner. Risks are assessed against the Risk Appetite set by the Management Board.

The risk management system not only covers the risks included in the calculation of the Solvency Capital Requirement but also other risks to which UKNV is exposed and which are considered to be materially relevant to its business.

Risk Appetite

UKNV's risk appetite is articulated in the Risk Appetite Statement, which is a document owned by the Board and reviewed on a regular basis as new risks emerge, or at least annually. The Risk management function supports the Management Board to achieve that objective.

Own Risk and Solvency Assessment ("ORSA")

The ORSA is the process used by UKNV to manage its financial and solvency position over the period of its Business Plan. This process results in an annual ORSA Report approved by the Management and reviewed by the Supervisory Board. As such it is an essential part of UKNV's strategic planning process.

Risk Mitigation

One of UKNV's key risk mitigation techniques is reinsurance. UKNV reinsures a significant part of the underwriting risks to the Fronted Club. Also, it is part of the International Group Pool of reinsurance that shares the largest risks between the IG P&I Club members. As part of that, the International Group also arranges an excess of loss reinsurance programme to cover the risks at higher levels.

Other risk mitigation techniques may be utilised from time to time, for example the use of hedging instruments to mitigate the risk of volatility in foreign exchange rates.

Operational risk is mainly managed by processes and procedures and monitored by a risk control plan that is overseen by the risk management function.

B.4. Internal Control System

Internal control is defined as a continually operating process effected by UKNV's Management Board, the business line managers, all staff and outsourced service providers in achieving the business objectives and manage the inherent risks.

Control environment

TMBV and other outsourced service providers are responsible for establishing and maintaining an effective control environment throughout the organisation. In furtherance of that, there is a culture which values the highest levels of integrity in the staff, together with openness and honesty in relation to the conduct and reporting of all activities. Policies, procedures and processes are designed to define and support effective, efficient and appropriate activities at every level of the business.

Internal Audit is authorised to investigate and challenge any actions or concerns without influence from the business; be independent of operational business functions and without undue influence from the Management Board or other functions/management; have unfettered and direct access to all activities in its area of responsibility, including all documentation, systems, staff, Management, Management and Supervisory Board members.

Compliance function

The Management Board bears ultimately responsibility for regulatory compliance, and is supported by the compliance officer. UKNV takes a risk-based approach to

regulatory compliance, focussing on preventing breaches to regulatory principles and other rules and informing the relevant regulators of any that are material, or must be reported to regulators on a mandatory basis.

The Compliance Function advises on and promotes compliance with applicable laws, regulatory requirements and administrative provisions and coordinates and monitors implementation of policies, processes and procedures to achieve compliance across the business, and manages regulatory compliance risk.

B.5. Internal Audit Function

Internal Audit is the “third line of defence” (see Figure 1) in UKNV’s internal control framework, established to provide independent assurance that the systems of internal control established by management (“first line”) and the monitoring and oversight provided by the Risk Management and Compliance Functions (“second line”) are fit for purpose and operating effectively.

The Internal Audit function is outsourced to Thomas Miller Holdings, based in London who reports to the Chair of the ARC. The internal audit function may engage third party expertise or skills to conduct specific audits if required.

The Internal Audit Function is independent from the organisational activities audited and free to exercise its assignments without impairment and on its own initiative in all areas.

B.6. Actuarial Function

The Actuarial function is outsourced to Thomas Miller Holdings, based in London. One person serves as actuarial function holder, but there is a larger team available to perform operational first and second line actuarial work. This person oversees the adequacy of the work required by Solvency II.

The Actuarial Function is independent of the Management Board and therefore able to undertake its duties in an objective, fair and independent manner. However, for operational purposes, the Actuarial Function has been integrated into the internal control system through frequent meetings and attendance of ARC meetings.

B.7. Outsourcing

UKNV’s business model relies on outsourcing of the main operational processes to Thomas Miller B.V. which has the authority to subcontract parties if it sees fit. The Management Board is responsible for the ultimate results as well as monitoring the adequacy of the outsourcing arrangements. The major outsourcing takes place within the Group allowing in-depth monitoring as well as regular performance reporting.

UKNV has in place an outsourcing policy directed at managing services or activities that are particularly important or critical to the business.

B.8. Adequacy of System of Governance

UKNV considers the system of governance adequate and proportional to the risks underlying the business and the business model. The Supervisory Board is responsible for an annual assessment of the system of governance as part of its monitoring role.

B.9. Any Other Information

UKNV considers no other information material to be disclosed.

C. Risk Profile

The key areas of risk impacting UKNV can be classified as follows:

1. **Underwriting risk** – incorporating underwriting and reserving risk
2. **Market risk** – incorporating investment risk, interest rate risk and currency rate risk
3. **Credit risk** – being the risk that a counterparty is unable to pay amounts in full when due
4. **Liquidity risk** – being the risk that cash may not be available to pay obligations as they fall due
5. **Operational risk** – being the risk of failure of internal processes or controls.

UKNV uses the Solvency II Standard Formula to assess its financial and underwriting risks. The outcome of this formula is the basis for regulatory reporting and ORSA.

C.1. Underwriting Risk

UKNV is a focussed insurer, underwriting protection and indemnity insurance for the shipping community. Underwriting risk is the risk that the net insurance obligations (i.e. claims less premiums) are different to expectations. UKNV considers the risk of existing obligations (Reserve Risk) separately to the risk of future obligations (Premium Risk).

Reserve risk is managed by the reserving policy. UKNV establishes technical provisions for unpaid claims, both reported and unreported, and related expenses to cover its expected ultimate liability. These provisions are established through the application of actuarial techniques and assumptions.

The Management Board considers that the liability for insurance claims recognised in the statement of financial position is adequate.

Premium risk is managed by an underwriting policy which establishes robust underwriting practices in order to meet business needs and satisfy regulatory control. This is supplemented with a robust forecasting approach undertaken as part of the ORSA process.

The underwriting process is based on a thorough understanding of the risk accepted. This understanding is enhanced as:

- UKNV is part of the UK Club, which has provided broadly the same cover for over 150 years.
- The Supervisory Board includes representatives of the shipping community so giving insight into changes in the risk accepted.

Underwriting Risk is mitigated via the reinsurance programme, comprising of reinsurance to the Fronted Club, the International Group pooling arrangement and excess of loss reinsurance cover purchased jointly with the International Group. The excess of loss reinsurance cover purchased jointly with other members of the International Group provides cover for claims arising from mutual business which exceed \$100 million up to a limit of \$3.0 billion. This makes it one of the largest reinsurance programmes available in the world.

C.2. Market Risk

Market risk arises through fluctuations in market valuations, interest rates, corporate bond spreads and foreign currency exchange rates. UKNV operates a prudent investment policy with exposure to interest rates and foreign exchange only.

The prudent person principle

All of the investments are invested and managed in accordance with the 'prudent person principle', meaning that duties of the Investment Managers are discharged with the care, skill, prudence and diligence that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and aims.

The Investment Mandate provides a framework to the Investment Managers for the management and stewardship of the assets in conformity with the business and investment objectives and sets the parameters within which UKNV's assets may be invested. It is considered and approved by the Management Board on an annual basis.

C.3. Credit Risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. UKNV's objective is to manage credit risk through the risk management techniques discussed below.

UKNV is exposed to credit risk from a counterparty failing to comply with their obligations under a contract of reinsurance. UKNV has the following reinsurance counterparties:

- UKE
- ITIC
- IG Pool members
- External reinsurers provided for by UKE's reinsurance programme to which UKNV is a joint assured

In order to manage these risks, the Management Board has set limits and selection criteria whereby each reinsurer is required to hold a credit rating greater than or equal to "A" at the time the contract is made.

Amounts due from members represents premium owing to UKNV in respect of insurance business written. UKNV manages the risk of member default through a screening process to ensure the quality of new entrants and the ability to cancel cover and outstanding claims to members that fail to settle amounts payable. There are limits on the reliance on any single member.

Exposure to bank balances, however, is more concentrated with one main counterparty and the risk is mitigated by placing funds surplus to normal operational requirements in money market funds and other investments.

Table 4 shows the assets by counterparty rating as at 20 February 2020. The debt securities are only US Treasuries, divided over five different maturities. UCITS are two money market funds. The amount due from members consists of recently issued debit notes and these amounts relate to unrated members.

Table 4: Outstanding amounts per rating class

As at 20th February 2020, amounts in US\$000	AAA	AA	A	Not readily available/ not rated	Total
Debt securities	31,840				31,840
UCITS				1,351	1,351
Cash at bank and in hand			4,252		4,252
Amounts due from members	–	–	–	4,529	4,529
Amounts due from reinsurers	–	–	2,130	–	2,130
Total of assets subject to credit risk	31,840	0	6,382	5,880	44,102

UCITS: Undertaking for Collective Investments in Transferable Securities.

C.4. Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations as they fall due. UKNV has adopted an investment strategy which requires the maintenance of significant holdings in cash and money market funds to ensure sufficient funds are available to cover anticipated liabilities and unexpected levels of demand. Moreover, the reinsurance agreements with the Fronted Club are such that urgent liquidity needs will be satisfied when due. Short-term cash needs are monitored to ensure the most efficient investment of cash balances. Table 5 outlines the future maturity of assets held.

The amount of Expected Profit in Future Premium (EPIFP) is 8,513k for policies running over multiple years.

Table 5: outstanding amounts per 20th February 2020 over time

As at 20th February 2020, amounts in US\$000	Short term assets	Within 1 year	1-2 years	2-5 years	Over 5 years
Debt securities	–	5,300	15,898	10,641	–
UCITS	1,351	–	–	–	–
Cash at bank and in hand	4,252	–	–	–	–
Amounts due from members	4,529	–	–	–	–
Amounts due from reinsurers	2,130	–	–	–	–
Total assets	12,262	5,300	15,898	10,641	–

UCITS: Undertaking for Collective Investments in Transferable Securities.

C.5. Operational Risk

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. In order to mitigate such risks UKNV has engaged TMBV to document all key processes and controls in a procedural manual. This manual is embedded into the organisation and available to all staff and outsourced service providers.

C.6. Other Material Risks

The Association has not identified any other material risks that it considers necessary for disclosure.

C.7. Any Other Information

Stress and scenario testing

Stress and scenario tests are presented within ORSA. They are based upon the business plan and project the financial and capital position over the next four years, and considers its solvency position relative to its overall risk appetite statement.

D. Valuation for Solvency Purposes

D.1. Assets

Table 6 presents amounts at Solvency II and Dutch GAAP valuation bases respectively. For classification purposes an aggregated Solvency II classification of amounts has been used in order to best demonstrate any valuation differences between the two valuation bases.

Table 6: Reconciliation of Assets between Solvency II and Dutch GAAP

As at 20 February 2020, amounts in US\$000	Solvency II	Dutch GAAP
Assets		
Deferred Acquisition Costs		405
Financial investments	33,400	33,400
Trade receivables		2,532
Reinsurance recoverable	-5,673	
Insurance receivables	493	1,984
Trade receivables	2,545	2,545
Other receivables		615
Cash and cash equivalents	4,252	4,252
Total assets	35,018	42,587

Refer to appendix 1 (template S.02.01) for a full Solvency II balance sheet.

UKNV's assets are valued using the following principles:

Investments

Investments are carried at market value. The market value is calculated using the bid price at the close of business on the balance sheet date. The market value of foreign currency investments is translated at the rate of exchange ruling at the balance sheet date.

Fair values of investments traded in active markets are measured at bid price. Since all investments are traded in active markets (bonds and money market funds), it is not deemed necessary to employ different valuation bases such as reference values or independent valuation reports. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive or less liquid.

Reinsurance share of technical provisions

Reinsurance share of technical provisions is valued consistent with gross technical provisions. Refer to D.2. for further details.

Cash and cash equivalents

Cash and cash equivalents include cash at bank or in hand. The carrying value of these balances is considered to be a suitable proxy for fair value.

Insurance and reinsurance receivables

These represent balances that are due for existing insurance and reinsurance contracts. Due to the short-term nature of these balances, the carrying amount is considered a suitable proxy for its fair value. When these amounts are not yet due, they are included as a future cash flow in the calculation of technical provisions. Under statutory accounting requirements, these balances are presented separately on the face of the balance sheet whether they are due or not yet due.

Receivables (trade, not insurance)

This balance includes sundry, short-term receivable balances the value and settlement of which contains little to no uncertainty. Due to the short-term nature of these items, the carrying amount is considered a suitable proxy for its fair value.

Any other assets not elsewhere shown

These represent all asset balances not included above. These items are all of a short-term nature, and as such their carrying amounts are considered to be a suitable proxy for its fair values. There are no material differences between the valuation used for Solvency purposes and the valuation used in the financial statements.

D.2. Technical Provisions

Table 7: UKNV technical provisions

As at 20 February 2020, amounts in US\$000	Solvency II	Dutch GAAP
Premium provisions		
Gross best estimate premium provisions	-8,080	
Recoverables from reinsurance, after adjustment for counterparty default risk	-5,915	
Net best estimate premium provision	-2,165	
Claims provision		
Gross best estimate claims provisions	242	
Recoverables from reinsurance, after adjustment for counterparty default risk	241	
Net best estimate claims provision	88	
Risk Margin	1,051	
Total gross technical provisions	-6,787	405

Refer to appendices 4 (template S.17.01.02) and 5 (template S.19.01.21) for further details on technical provisions.

Technical provisions

This relates to the insurance liabilities, which fall under the “marine, aviation and transport” or “general indemnity” lines of business under Solvency II. These relates to claims arising from the members of the Fronted Clubs. In addition, UKNV also participates in the International Group of P&I Clubs and so shares claim amounts above a certain level with other participating P&I clubs. These are fully reinsured back to UKE.

Solvency II requires the technical provisions to be calculated as the sum of a best estimate and a risk margin. The best estimate is valued as the probability-weighted average of future cash flows, taking account of the time value of money, and the risk margin is calculated on a cost-of-capital basis. In addition, for the best estimate, there are three elements to consider: claims, premiums and expenses. The calculation of the different elements of the technical provisions is discussed below.

Claims

The claims element of the best estimate is calculated using the experience data from the respective Fronted Clubs’ claims experience from the pre-Brexit era. Since each of the Fronted Clubs is managed by Thomas Miller, UKNV has access to the relevant data of the Fronted Clubs. Given the start of the underwriting and the limited business volumes in the first year of the company, no material claims have occurred in the year 2019.

Premiums

The premiums element of the best estimate covers (i) the outstanding instalments of premium on expired business that are payable but not yet due on the valuation date (corresponding to the provision for claims outstanding); and (ii) the premium payable but not yet due on bound but not incepted business (corresponding to the premium provision).

Nearly all of the UKNV’s marine P&I policies are coterminous with its financial year. As such, the renewal is completed and therefore bound before the financial year end. The consequence is that nearly a full year’s worth of business is recognised as bound but not incepted business. ITIC related business renews throughout the year and consequently incurs a premium provision.

Expenses

When calculating the best estimate, a provision is made for all expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. The provision is calculated directly in respect of the provision for claims outstanding (for expired business) and a corresponding amount is derived in respect of the premium provision (for bound but not incepted business).

Risk margin

The risk margin is calculated based on the requirement to hold capital to meet the SCR until all claims liabilities are settled and a cost-of-capital rate of 6% per annum in line with the Solvency II requirements. The SCR in this context is made up of Underwriting Risk, Counterparty Default Risk and Operational Risk only; assets are assumed to be invested in such a way that Market Risk will be zero. The SCRs in future time periods have been calculated based on the expected run-off of underwriting risk and operational risk and assuming counterparty default risk run-off in line with the run-off of the best estimate reinsurance recoverables.

Reinsurance recoverables

This relates to the expected recoverables from its reinsurance arrangements at the valuation date. It is made up of two elements: reinsurance payments and reinsurance premiums. These are valued on a consistent basis with the corresponding claims and premiums elements of the technical provisions. In addition, an adjustment is made to take account of expected losses due to default of the reinsurance counterparties.

Differences between GAAP and Solvency II technical provisions

Table 7 provides a reconciliation of Dutch GAAP technical provisions to Solvency II technical provisions.

D.3. Other Liabilities

Table 8 presents amounts at Solvency II and Dutch GAAP valuation bases respectively. For classification purposes an aggregated Solvency II classification of amounts has been used in order to best demonstrate any valuation differences between the two bases. The liabilities are valued using the principles laid out below.

Table 8: Total liabilities

As at 20 February 2020, amounts in US\$000	Solvency II	Dutch GAAP
Technical provisions	-6,787	405
Provisions other than technical provisions	243	243
Reinsurance payables	819	2,310
Other liabilities		371
Total liabilities	-3,448	5,236

Technical provisions

The valuation principles of technical provisions are further detailed in D.2.

Reinsurance payables

These represent balances that are due to be paid for existing reinsurance contracts. When these amounts are not yet due to be paid, they are included as a future cash flow in the calculation of reinsurance technical provisions.

Under statutory accounting requirements, these balances are presented separately on the face of the balance sheet whether they are due or not yet due.

Any other liabilities not elsewhere shown

Under statutory accounting requirements, these balances include intercompany payables under the reinsurance arrangement and fronting fee arrangements. However, when not yet due, these amounts are included as a future cash flow in the calculation of reinsurance technical provisions under Solvency II requirements.

All other amounts comprise balances not included in liabilities above. Due to its short-term nature, the carrying amount is considered a suitable proxy for its fair value.

D.4. Alternative Methods of Valuation

UKNV does not utilise any alternative methods of valuation. UKNV does not apply matching adjustments or volatility adjustments as referred to in art. 77 of the Solvency II Directive. UKNV applies the regular published risk-free term structure.

D.5. Any Other Information

UKNV has not identified any other information that it considers material to be disclosed.

E. Capital Management

E.1 Own Funds

Table 9: Own funds specification

As at 20 February 2020, amounts in US\$000

Solvency Capital Requirement (SCR)	14,919
Eligible Own Funds	38,466
Excess (/ shortfall)	23,547
SCR ratio	258%
Minimum Capital Requirement (MCR)	4,126
Eligible Own Funds	38,466
Excess (/ shortfall)	34,340
MCR ratio	932%

Table 9 show the available capital in relation to the capital requirements. UKNV is well capitalised and meets all regulatory requirements. UKNV's capital structure consists of only Tier 1 Basic Own Funds. Please consult appendix 6 (template S.23.01) for more information.

No items have been deducted from own funds and there are no significant restrictions affecting the availability and transferability of own funds.

Information, objectives, policies and processes for managing own funds

The objective under its Business Plan is to maintain its total capital resources (own funds) in line with its risk appetite statement over the insurance cycle. UKNV forecasts its capital over a four-year planning horizon as part of its ORSA process.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

SCR and MCR

Table 10 summarises the Solvency Capital Requirements for the current period. Further details can be found in appendices 7 (template S.25.02) and 8 (template S.28.01).

Table 10: SCR composition

As at 20 February 2020, amounts in US\$000

Market Risk	1,453	
Counterparty Default Risk	13,717	
Underwriting Risk	1,367	
Diversification effect	-1,643	
Basic-SCR		14,894
Operational Risk		25
Total Solvency Capital Requirement (SCR)		14,919
Minimum Capital Requirement (MCR)		4,126

The SCR has been calculated using the standard formula as described in section E4 below.

The inputs into the MCR are net written premium and net technical provisions as further detailed in appendix 8 (template S.28.01). However, due to the limited size of UKNV, the MCR equals the absolute floor of EUR 3.2 million (translated into US\$).

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

This sub-module is not used by UKNV since UKNV does not invest in equities.

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

UKNV applies the Standard Formula to calculate SCR. Undertaking-specific parameters or simplified calculations are not applied.

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

UKNV has fully complied with the SCR and MCR requirements during the period under review. Refer to section E1 for results of the SCR / MCR Calculations.

E.6 Any Other Information

The Association considers no other information material that should be disclosed.

1. Balance Sheet

Solvency II template S.02.01

As at 20 February 2020, amounts in US\$000

Assets	
Intangible assets	
Deferred tax assets	
Pension benefit surplus	
Property, plant & equipment held for own use	0
Investments (other than assets held for index-linked and unit-linked contracts)	33,401
<i>Property (other than for own use)</i>	0
<i>Holdings in related undertakings, including participations</i>	0
<i>Equities</i>	0
– <i>Equities – listed</i>	
– <i>Equities – unlisted</i>	
<i>Bonds</i>	32,050
– <i>Government Bonds</i>	32,050
– <i>Corporate Bonds</i>	0
– <i>Structured notes</i>	0
– <i>Collateralised securities</i>	0
<i>Collective Investments Undertakings</i>	1,351
<i>Derivatives</i>	0
<i>Deposits other than cash equivalents</i>	0
<i>Other investments</i>	0
Assets held for index-linked and unit-linked contracts	
Loans and mortgages	0
<i>Loans on policies</i>	0
<i>Loans and mortgages to individuals</i>	
<i>Other loans and mortgages</i>	
Reinsurance recoverables from:	-5,673
<i>Non-life and health similar to non-life</i>	-5,673
– <i>Non-life excluding health</i>	-5,673
– <i>Health similar to non-life</i>	0
<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
– <i>Health similar to life</i>	
– <i>Life excluding health and index-linked and unit-linked</i>	
<i>Life index-linked and unit-linked</i>	
Deposits to cedants	0
Insurance and intermediaries receivables	493
Reinsurance receivables	
Receivables (trade, not insurance)	2,545
Own shares (held directly)	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
Cash and cash equivalents	4,252
Any other assets, not elsewhere shown	
Total assets	35,018

As at 20 February 2020, amounts in US\$000

Liabilities	
Technical provisions – non-life	-6,787
<i>Technical provisions – non-life (excluding health)</i>	-6,787
– <i>TP calculated as a whole</i>	0
– <i>Best Estimate</i>	-7,838
– <i>Risk margin</i>	1,051
<i>Technical provisions – health (similar to non-life)</i>	0
– <i>TP calculated as a whole</i>	0
– <i>Best Estimate</i>	0
– <i>Risk margin</i>	0
Technical provisions – life (excluding index-linked and unit-linked)	0
<i>Technical provisions – health (similar to life)</i>	0
– <i>TP calculated as a whole</i>	
– <i>Best Estimate</i>	
– <i>Risk margin</i>	
<i>Technical provisions – life (excluding health and index-linked and unit-linked)</i>	0
– <i>TP calculated as a whole</i>	
– <i>Best Estimate</i>	
– <i>Risk margin</i>	
Technical provisions – index-linked and unit-linked	0
– <i>TP calculated as a whole</i>	
– <i>Best Estimate</i>	
– <i>Risk margin</i>	
Contingent liabilities	0
Provisions other than technical provisions	243
Pension benefit obligations	
Deposits from reinsurers	
Deferred tax liabilities	
Derivatives	0
Debts owed to credit institutions	0
Financial liabilities other than debts owed to credit institutions	0
Insurance & intermediaries payables	
Reinsurance payables	819
Payables (trade, not insurance)	2,278
Subordinated liabilities	0
<i>Subordinated liabilities not in BOF</i>	
<i>Subordinated liabilities in BOF</i>	0
Any other liabilities, not elsewhere shown	
Total liabilities	-3,448
Excess of assets over liabilities	38,466

2. Premiums, Claims and Expenses by Line of Business

Solvency II template S.05.01

As at 20 February 2020, amounts in US\$000	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)		Total
	Marine, aviation and transport insurance	General Liability	
Premiums written			
Gross – Direct Business	139	2,682	2,821
Gross Proportional reinsurance accepted			0
Gross – Non-proportional reinsurance accepted			0
Reinsurers' share	128	2,235	2,363
Net	10	447	458
Premiums earned			
Gross – Direct Business	139	274	413
Gross – Proportional reinsurance accepted			0
Gross – Non-proportional reinsurance accepted			0
Reinsurers' share	128	232	360
Net	10	43	53
Claims incurred			
Gross – Direct Business	104	134	238
Gross – Proportional reinsurance accepted			0
Gross – Non-proportional reinsurance accepted			0
Reinsurers' share	104	134	238
Net	0	0	0
Changes in other technical provisions			
Gross – Direct Business			0
Gross – Proportional reinsurance accepted			0
Gross – Non-proportional reinsurance accepted			0
Reinsurers' share			0
Net	0	0	0
Expenses incurred	874	4,073	4,947
Other expenses			
Total expenses			4,947

3. Premiums, Claims and Expenses by Country

Solvency II template S.05.02.01

	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
		DE	FR	IT	DK	ES	
As at 20 February 2020, amounts in US\$000							
Premiums written							
Gross – Direct Business	319	854	591	412	391	182	2,749
Gross – Proportional reinsurance accepted							0
Gross – Non-proportional reinsurance accepted							0
Reinsurers' share	218	492	370	266	236	119	1,703
Net	101	362	221	145	154	63	1,046
Premiums earned							
Gross – Direct Business	37	61	48	30	24	13	214
Gross – Proportional reinsurance accepted							0
Gross – Non-proportional reinsurance accepted							0
Reinsurers' share	34	50	41	25	20	11	180
Net	3	12	7	5	4	2	33
Claims incurred							
Gross – Direct Business	17	34	24	15	13	11	113
Gross – Proportional reinsurance accepted							0
Gross – Non-proportional reinsurance accepted							0
Reinsurers' share	17	34	24	15	13	11	113
Net	0	0	0	0	0	0	0
Changes in other technical provisions							
Gross – Direct Business	227	583	413	309	269	131	1,932
Gross – Proportional reinsurance accepted							0
Gross – Non-proportional reinsurance accepted							0
Reinsurers' share	201	468	353	256	230	110	1,617
Net	27	115	60	53	40	21	315
Expenses incurred	424	1,137	787	548	520	242	3,659
Other expenses							
Total expenses							3,659

4. Non-life Technical Provisions

Solvency II template S.17.01.02

	Direct business and accepted proportional reinsurance			Total Non-life obligation
	Marine, aviation & transport insurance	Fire & other damage to property insurance	General liability insurance	
As at 20 February 2020, amounts in US\$000				
Technical provisions calculated as a whole	0		0	0
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole				0
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
– Gross	-8,082		2	-8,080
– Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-6,260		346	-5,915
Net best estimate of premium provisions	-1,822		-344	-2,165
Claims provisions				
– Gross	81		161	242
– Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	81		161	241
Net best estimate of claims provisions	0		0	0
Total best estimate – gross	-8,001		163	-7,838
Total best estimate – net	-1,822		-344	-2,165
Risk margin	884		167	1,051
Amount of the transitional on technical provisions				
Technical provisions calculated as a whole				0
Best estimate				0
Risk margin				0
Technical provisions – total	-7,117		330	-6,787
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	-6,180		507	-5,673
Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total	-937		-177	-1,114

5. Non-life Insurance Claims

Solvency II template S.19.01 per accident year

As at 20 February 2020, amounts in US\$000

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

Year	Development year											In current year	Sum of years (cumulative)
	0	1	2	3	4	5	6	7	8	9	10 & +		
Prior												0	0
2011	0	0	0	0	0	0	0	0	0	0		0	0
2012	0	0	0	0	0	0	0	0	0			0	0
2013	0	0	0	0	0	0	0	0				0	0
2014	0	0	0	0	0	0	0					0	0
2015	0	0	0	0	0	0						0	0
2016	0	0	0	0	0							0	0
2017	0	0	0	0								0	0
2018	0	0	0									0	0
2019	0	0										0	0
2020	0											0	0
Total												0	0

As at 20 February 2020, amounts in US\$000

Gross Undiscounted Best Estimate Claims Provisions (absolute amount)

Year	Development year											C0360	
	0	1	2	3	4	5	6	7	8	9	10 & +		
Prior												0	0
2011	0	0	0	0	0	0	0	0	0	0		0	0
2012	0	0	0	0	0	0	0	0	0			0	0
2013	0	0	0	0	0	0	0	0				0	0
2014	0	0	0	0	0	0	0					0	0
2015	0	0	0	0	0	0						0	0
2016	0	0	0	0	0							0	0
2017	0	0	0	0								0	0
2018	0	0	0									0	0
2019	0	0										0	0
2020	0											0	0
Total												0	0

Solvency II template S.19.01 per underwriting year

As at 20 February 2020, amounts in US\$000

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

Year	Development year											In current year	Sum of years (cumulative)
	0	1	2	3	4	5	6	7	8	9	10 & +		
Prior											0	0	0
2011	0	0	0	0	0	0	0	0	0	0		0	0
2012	0	0	0	0	0	0	0	0	0			0	0
2013	0	0	0	0	0	0	0	0				0	0
2014	0	0	0	0	0	0	0					0	0
2015	0	0	0	0	0	0						0	0
2016	0	0	0	0	0							0	0
2017	0	0	0	0								0	0
2018	0	0	0									0	0
2019	0	0										0	0
2020	0											0	0
Total												0	0

As at 20 February 2020, amounts in US\$000

Gross Undiscounted Best Estimate Claims Provisions (absolute amount)

Year	Development year											C0360
	0	1	2	3	4	5	6	7	8	9	10 & +	
Prior											0	0
2011	0	0	0	0	0	0	0	0	0	0		0
2012	0	0	0	0	0	0	0	0	0			0
2013	0	0	0	0	0	0	0	0				0
2014	0	0	0	0	0	0	0					0
2015	0	0	0	0	0	0						0
2016	0	0	0	0	0							0
2017	0	0	0	0								0
2018	0	0	0									0
2019	0	0										0
2020	242											0
Total												0

6. Own Funds

Solvency II template SA.23.01

As at 20 February 2020, amounts in US\$000

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
Ordinary share capital (gross of own shares)	547	547		0	
Share premium account related to ordinary share capital	35,689	35,689		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
Subordinated mutual member accounts	0		0	0	0
Surplus funds	0	0			
Preference shares	0		0	0	0
Share premium account related to preference shares	0		0	0	0
Reconciliation reserve	2,230	2,230			
Subordinated liabilities	0		0	0	0
An amount equal to the value of net deferred tax assets	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
Deductions for participations in financial and credit institutions	0				
Total basic own funds after deductions	38,466	38,466	0	0	0
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	0				
Unpaid and uncalled preference shares callable on demand	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
Other ancillary own funds	0				
Total ancillary own funds	0			0	0

	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Available and eligible own funds					
Total available own funds to meet the SCR	38,466	38,466	0	0	0
Total available own funds to meet the MCR	38,466	38,466	0	0	
Total eligible own funds to meet the SCR	38,466	38,466	0	0	0
Total eligible own funds to meet the MCR	38,466	38,466	0	0	
SCR	14,919				
MCR	4,127				
Ratio of Eligible own funds to SCR	257.83%				
Ratio of Eligible own funds to MCR	932.05%				
Reconciliation reserve					
Excess of assets over liabilities	38,466				
Own shares (held directly and indirectly)	0				
Foreseeable dividends, distributions and charges	0				
Other basic own fund items	36,236				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0				
Reconciliation reserve	2,230				
Expected profits					
Expected profits incl. in future premiums (EPIFP) – Life business	0				
Expected profits incl. in future premiums (EPIFP) – Non-life business	8,513				
Total Expected profits included in future premiums (EPIFP)	8,513				

7. Solvency Capital Requirement

Solvency II template S.25.01

As at 20 February 2020, amounts in US\$000	Gross solvency capital requirement
Market risk	1,453
Counterparty default risk	13,717
Life underwriting risk	0
Health underwriting risk	0
Non-life underwriting risk	1,367
Diversification	-1,643
Intangible asset risk	0
Basic Solvency Capital Requirement	14,894
Calculation of Solvency Capital Requirement	
Operational risk	25
Loss-absorbing capacity of technical provisions	0
Loss-absorbing capacity of deferred taxes	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
Solvency Capital Requirement excluding capital add-on	14,919
Capital add-ons already set	0
Solvency capital requirement	14,919
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	0
Total amount of Notional Solvency Capital Requirements for remaining part	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
Diversification effects due to RFF nSCR aggregation for article 304	0
Approach to tax rate	
Approach based on average tax rate	0
Calculation of loss absorbing capacity of deferred taxes	LAC DT
LAC DT	
LAC DT justified by reversion of deferred tax liabilities	0
LAC DT justified by reference to probable future taxable economic profit	0
LAC DT justified by carry back, current year	0
LAC DT justified by carry back, future years	0
Maximum LAC DT	0

8. Minimum Capital Requirement

Solvency II template S.28.01

As at 20 February 2020, amounts in US\$000

Linear formula component for non-life insurance and reinsurance obligations

MCR _{NL} Result	60		
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Marine, aviation and transport insurance and proportional reinsurance		0	10
General liability insurance and proportional reinsurance		0	447

Linear formula component for life insurance and reinsurance obligations

MCR _L Result	0		
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
Obligations with profit participation – guaranteed benefits		0	0
Obligations with profit participation – future discretionary benefits		0	0
Index-linked and unit-linked insurance obligations		0	0
Other life (re)insurance and health (re)insurance obligations		0	0
Total capital at risk for all life (re)insurance obligations		0	0

Overall MCR calculation

Linear MCR	60
SCR	14,919
MCR cap	6,714
MCR floor	3,730
Combined MCR	3,730
Absolute floor of the MCR	4,127
Minimum Capital Requirement	4,127

9. List of Assets

Solvency II template S.06.02 (summary)

As at 20 February 2020, amounts in US\$

Asset ID code	Custodian	Quantity	Par amount	Acquisition value	Total Solvency II amount	Accrued interest	Item title	Issuer name	Currency	External rating	Nominated ECAI	Duration	Maturity date
IE00B44B0083	BlackRock Inc	1,051		1,051,004	1,051	0	ICS USD LIQ-PRM DIST	BlackRock Inc	USD			0.08	
IE0003763251	Goldman Sachs Group Inc/The	300		300,077	300	0	GS USD LIQ RSRV-INST DIS	Goldman Sachs Group Inc/The	USD			0.08	
US9128284B36	The Bank of New York Mellon SA/NV		5,240	5,282,370	59,307	54,020	US Treasury Note	United States of America	USD	AA+	Standard & Poor's	1.02	2021-03-15
US9128285A44	The Bank of New York Mellon SA/NV		5,180	5,282,993	67,115	61,833	US Treasury Note	United States of America	USD	AA+	Standard & Poor's	1.50	2021-09-15
US912828P873	The Bank of New York Mellon SA/NV		5,350	5,284,797	34,092	28,763	US Treasury Note	United States of America	USD	AA+	Standard & Poor's	0.99	2021-02-28
US912828W895	The Bank of New York Mellon SA/NV		5,270	5,279,675	43,925	38,607	US Treasury Note	United States of America	USD	AA+	Standard & Poor's	2.03	2022-03-31
US912828XD79	The Bank of New York Mellon SA/NV		5,270	5,279,470	27,462	22,138	US Treasury Note	United States of America	USD	AA+	Standard & Poor's	2.20	2022-05-31
US912828XM78	The Bank of New York Mellon SA/NV		5,300	5,280,953	10,033	4,732	US Treasury Note	United States of America	USD	AA+	Standard & Poor's	0.42	2020-07-31
CASHUSD	The Bank of New York Mellon SA/NV		133		133	0	Cash	The Bank of New York Mellon SA/NV	USD				
25493	Citibank NA		2,358		2,358	0	N50 EUR Citibank Current 266071279	Citibank NA	EUR				
25495	Citibank NA		1,267		1,267	0	N50 USD Citibank Current 108531649	Citibank NA	USD				
25499	Citibank NA		53		53	0	N51 EUR Citibank Current 2032298544	Citibank NA	EUR				
25611	Citibank NA		39		39	0	N51 GBP Citibank Current 108732520	Citibank NA	GBP				

Asset ID code	Custodian	Quantity	Par amount	Acquisition value	Total Solvency II amount	Accrued interest	Item title	Issuer name	Currency	External rating	Nominated ECAI	Duration	Maturity date
25620	Citibank NA		74,187		74,187	0	N51 USD Citibank Current 108732563	Citibank NA	USD				
25496	Citibank NA		53		53	0	N52 EUR Citibank Current 2032293501	Citibank NA	EUR				
25497	Citibank NA		39		39	0	N52 GBP Citibank Current 108732490	Citibank NA	GBP				
25498	Citibank NA		45		45	0	N52 USD Citibank Current 108732539	Citibank NA	USD				
25742	Citibank NA		307,008		307,008	0	N53 EUR Citibank Current 2032293528	Citibank NA	EUR				
25745	Citibank NA		3,724		3,724	0	N53 GBP Citibank Current 108732504	Citibank NA	GBP				
25746	Citibank NA		107,880		107,880	0	N53 USD Citibank Current 108732547	Citibank NA	USD				
25763	Citibank NA		53		53	0	N54 EUR Citibank Current 2032293536	Citibank NA	EUR				
25764	Citibank NA		39		39	0	N54 GBP Citibank Current 108732512	Citibank NA	GBP				
25765	Citibank NA		45		45	0	N54 USD Citibank Current 108732555	Citibank NA	USD				

