Solvency and Financial Condition Report of

Monument Insurance DAC

and

Monument Assurance DAC

2019

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Executive Summary

This is the Solvency and Financial Condition Report ("SFCR") for Monument Insurance DAC ("MIDAC") and Monument Assurance DAC ("MADAC") referred to collectively as ("the Company") for the year ended 31 December 2019. Comparative numbers are for the year ended 31 December 2018. The purpose of the SFCR is to meet the public disclosure requirements of Articles 290 to 303 of the Commission Delegated Regulation (EU) 2015/35.

This report quotes all figures in 000's as per Article 2 of ITS 2015/2452.

Business Information

MIDAC, a non-life insurance company (previously known as Barclays Insurance (Dublin) DAC), and MADAC, a life assurance company (previously known as Barclays Assurance (Dublin) DAC) are authorised and regulated by the Central Bank of Ireland ("CBI"). The Company underwrites payment protection insurance ("PPI") and stand-alone income protection insurance (MIDAC only). All premiums are received from contracts underwritten from the Republic of Ireland to cover risks located in the United Kingdom.

The current portfolio of the Company is a closed book comprising of life and non-life protection risks to Barclays customers in the UK written on a Freedom-of-Services basis under EU law.

Single premium payment protection insurance PPI products were removed from sale with effect from 31 January 2009. The remaining PPI products were closed to new business in 2010 and replaced with a stand-alone regular premium income protection product. This was subsequently closed to new business in November 2012.

On 1 March 2017, the Company, then owned by Barclays PLC ("Barclays"), was sold to Monument Re Limited ("Monument Re", "Monument Re Group" or "MRE") and were rebranded to MIDAC and MADAC. Following this, on 12 April 2017 MIDAC acquired MADAC from Monument Re.

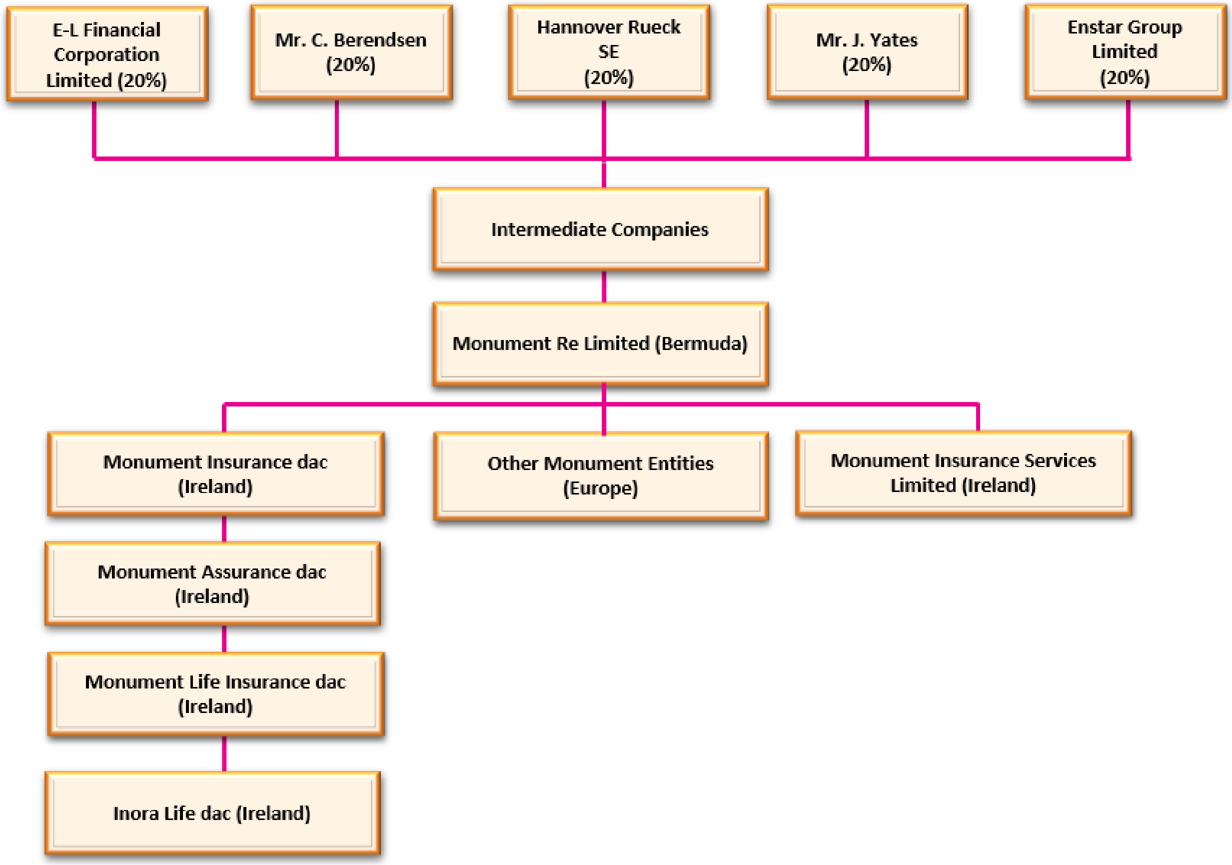
From 1 July 2017, all staff were transferred to Monument Insurance Services Limited ("MISL") and services rendered are recharged to the Company.

On 29 August 2017, MADAC acquired Monument Life Insurance DAC ("MLIDAC") (formerly Laguna Life DAC or "Laguna"), as a subsidiary operation, from the Enstar Group, a leading global insurance company, which comprised a closed book of term life protection risks, as part of Monument Re's strategy of acquiring books in run-off.

The business strategy of the Company is:

- To focus on running off the existing closed book of policies c. 240,000 in force at 31 December 2019 (31 December 2018: c. 353,000) and ensuring that high quality customer service remains a priority.
- The Group's strategy is to acquire and consolidate books of life assurance operations in the European market.

The ownership structure and qualifying holdings are as follows (all participations are 100% unless otherwise noted):



Through a strategy of reinsurance and/or acquisition, Monument Re looks to assume asset based risks within its risk appetite, and efficiently operate these businesses or portfolios. The focus includes two principal areas, namely:

- Acquisition of portfolios or direct insurers, primarily those in run-off and targeting mainly annuity, guaranteed savings or linked products; and
- Reinsurance of long-dated, asset intensive liabilities, typically with guarantees.

Performance

This report is for the year ended 31 December 2019 with prior year comparatives for the year ended 31 December 2018. Copies of the Company's financial statements may be obtained from the Companies Registration Office in Ireland. All figures in this report are denominated in GBP (£'000).

The Company's results for the year are shown below in Section A. Business and Performance. The business continues to perform in line with expectation across all portfolios with an underwriting profit for the reporting year of £704k in MIDAC (2018: £2,940k) and £1,106k in MADAC (2018: £936k). The decrease in profits of MIDAC between the two years is due to the run-off of the business where premiums have decreased at a faster rate than claims and expenses. MADAC's increased profits are primarily due to a decrease in expenses year on year.

MADAC approved and paid a dividend of £3,845k for the year ended 31 December 2019 (2018: nil). MIDAC approved and paid a dividend of £7,845k for the year ended 31 December 2019 (2018: nil).

System of Governance

The Company has established a system of governance which is appropriate to the Company's business strategy and operations. There is clear delegation of responsibilities, reporting lines and allocation of functions through documented committee terms of reference and key function charters. The system of governance includes requirements relating to fitness and probity of persons responsible for key functions, remuneration practices and outsourcing activities. The Company has outsourced a significant portion of its operations and governance arrangements to the services company, MISL. MIDAC, MADAC and MLIDAC, are effectively jointly managed as one company, with a common Board and organisational structure.

Risk Profile

The Company's risk management system is proportionate to the nature, scale and complexity of the risks to which the Company is exposed. The system includes processes for the identification, assessment and reporting of all categories of risk. The risk management system includes the Own Risk and Solvency Assessment (ORSA) which assists the Board in determining whether there are adequate Own Funds to cover the Company's risks over its business planning horizon.

The novel coronavirus ("COVID-19") outbreak has developed rapidly in 2020, with a significant number of infections reported across a wide range of countries and regions. At the date of signing this report the ultimate economic and social consequences of the COVID-19 outbreak are uncertain. A pandemic may increase insurance claims, cause investment losses and disrupt business operations. Measures taken by various governments to contain the virus have also affected economic activity. Counterparty credit risk and liquidity risk may also increase.

The Company has a number of risk mitigations, as part of the general management of the business, which can be utilised to mitigate the potential impact of COVID-19. The Company is resilient to stress across each of these areas of risk.

While it is not possible to identify the financial impact of COVID-19, the Company maintains excess capital above its regulatory capital requirements, which are calibrated to a one in 200 year stress event.

At the date of signing this report:

- Business continuity plans are in place with employees engaged in home working, collaborating via videoconference and other electronic means.
- Whilst uncertain, the Company does not believe that COVID-19 results in a materially adverse effect on its ability to maintain operations and meet obligations as they fall due.

Valuation for Solvency Purposes

The Company's balance sheet shows the majority of assets are held in subsidiaries, bonds, individually approved money-market funds and cash deposits of very short duration, which is consistent with the nature and term of the underlying liabilities. All assets and liabilities have been valued in accordance with Solvency II valuation principles and there is no material difference to the valuation principles used in the Company's financial statements.

Capital Management

The structure of the Company's Own Funds comprises of share capital, investments in subsidiaries and retained earnings. The capital management policy focuses on ensuring that there is sufficient capital at all times to meet the regulatory solvency requirements. The Company's solvency requirements are calculated using the standard formula set by the European Insurance and Occupational Pension Authority (EIOPA). The following table summarises the Company's Own Funds and solvency position at 31 December 2019.

£'000	MIDAC 2019	MIDAC 2018	MADAC 2019	MADAC 2018
Eligible Own Funds to cover Regulatory Solvency Requirement	28,167	33,499	23,789	29,547
Regulatory Solvency Requirement	10,397	11,832	9,645	10,656
Excess Own Funds above Regulatory Solvency Requirement	17,770	21,647	14,144	18,891
Solvency Ratio	**271%**	**283%**	**247%**	**277%**

The Regulatory Solvency Requirement for MIDAC is the Solvency Capital Requirement (SCR) (2018: SCR). For MADAC, it is also the SCR (2018: (SCR)).

A. Business and Performance

A.1 Business Information

A.1 (a) Name and legal form of the undertaking

Monument Insurance DAC and Monument Assurance DAC are designated activity companies incorporated in the Republic of Ireland in 1997 as private companies limited by shares. The Company is authorised and regulated by the Central Bank of Ireland.

The Company previously owned by Barclays was purchased by Monument Re Limited a company domiciled in Bermuda on 1 March 2017. Following this on 12 April 2017, MIDAC acquired MADAC from Monument Re.

Name and registered office of the Company is:

Monument Insurance DAC
Two Park Place
Upper Hatch Street
Dublin
D02 NP94

Monument Assurance DAC
Two Park Place
Upper Hatch Street
Dublin
D02 NP94

A.1 (b) Name and contact details of the supervisory authority responsible for financial supervision of the undertaking

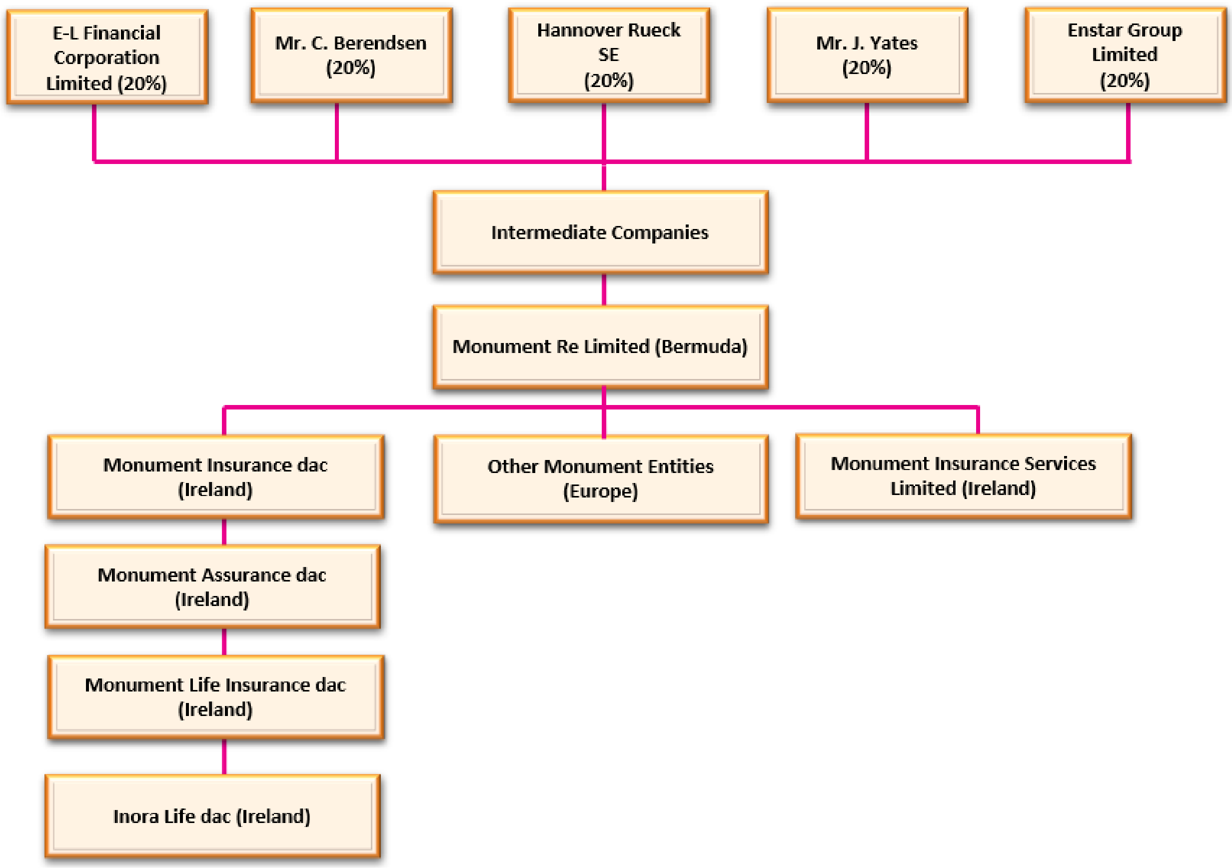
Local Supervisor:
Central Bank of Ireland
Insurance Supervision Division
New Wapping Street
North Wall Quay
Dublin 1

Group Supervisor of the group to which the Company belongs:
Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton
Bermuda

A.1 (c) Name and contact details of the external auditors of the undertaking

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

A.1 (d) Description of the holder of qualifying holdings in the group



All holdings in subsidiaries are 100% participations unless otherwise noted.

Through a strategy of reinsurance and/or acquisition, Monument Re looks to assume asset based risks within its risk appetite, and efficiently operate these businesses or portfolios. The focus includes two principal areas, namely:

- Acquisition of portfolios or direct insurers, primarily those in run-off and targeting mainly annuity, guaranteed savings or linked products; and
- Reinsurance of long-dated, asset intensive liabilities, typically with guarantees.

Monument Re completed the acquisition of the Irish insurance subsidiaries of Barclays, on 1 March 2017. The current portfolio is a closed book comprising life and non-life protection risks and provided the ideal entry vehicle in Ireland for the Group.

On 22 May 2017, Monument Re established a Group service company, Monument Insurance Services Limited, in Ireland to provide services to the Group entities. The staff, previously employed by MIDAC, MADAC and MLIDAC transferred to MISL on 01 July 2017. MISL now acts as an outsourcer for these entities as well as supporting other Group activities.

On 29 August 2017, MADAC a subsidiary of Monument Re acquired Monument Life Insurance DAC a subsidiary of the Enstar Group.

Trading as Monument Insurance in Ireland, these entities provide a stable platform for the Group to write further transactions in Ireland and throughout the European Union on a cross-border basis.

On 28 March 2018, MRE completed the acquisition of ABN AMRO Life Capital Belgium S.A. ("AALCB"), a Belgian Life insurance company in run-off, following receipt of regulatory approval by the National Bank of Belgium. AALCB was subsequently renamed to Monument Assurance Belgium N.V. ("MAB"). On that same date, MRE established a Group service company, Monument Insurance Belgium Services Sprl ("MIBS") in Belgium, to provide services to the Group's regulated entities in the Benelux region and to other Monument Group entities.

In 2019, Monument Re built upon the success of 2018 with the completion of six further transactions and the signing of two transactions that remain subject to regulatory approval. These transactions are detailed below:

- On 26 March 2019, MRE entered into an agreement to acquire a portfolio of circa €140,000 of Irish annuities from Rothesay Life Plc. The acquisition had been structured initially as reinsurance to Monument Re (in place at 31 December 2019) and is expected to be followed by a Part VII transfer of the portfolio to MLIDAC, subject to regulatory and court approvals.

- On 19 June 2018, MRE also acquired a run-off portfolio of linked and traditional business from MetLife Europe Designated Activity Company ("MetLife"), an Irish incorporated entity. This transaction was initially done through reinsurance to Monument Re. In accordance with the approval of the Irish High Court, the portfolio has transferred, as of the 1 April 2019, into MLIDAC in Ireland with the terms and conditions unchanged.
- On 29 June 2018, Monument Re signed the acquisition of Robein Leven N.V. and its subsidiaries from Amerborgh Financial Services B.V. Robein Leven is a closed life insurer domiciled in the Netherlands with traditional and unit-linked products. This transaction received regulatory approval on 18 March 2019.
- On 10 October 2018, MRE signed the acquisition of a run-off portfolio of traditional life and credit life business from Alpha Insurance S.A., a Belgian composite insurance company and a wholly-owned subsidiary of Enstar Group Limited. Regulatory approval was received in May 2019 and, the portfolio transferred to Monument Assurance Belgium NV, the Belgian carrier of the Monument Re Group.
- On 21 December 2018, MRE signed the acquisition of Nordben Life and Pension Insurance Co Limited ("Nordben") from BenCo Insurance Holding B.V., which was owned 89.96% by Storebrand Livsforsikring AS. This transaction established the Monument Re Groups presence in Guernsey. Regulatory approval was received in June 2019.
- On 16 September 2019, following receipt of regulatory approvals, MLIDAC completed the acquisition of Inora Life Designated Activity Company from Societe Generale S.A. Inora is a life insurer domiciled in Ireland which has ceased all new activity since 2012 but still manages a portfolio of unit-linked insurance products.
- On 21 January 2019, MRE signed the acquisition of a run-off portfolio of traditional business from Curalia OVV, a Belgian mutual insurance company. Following receipt of regulatory approval on 16 December 2019, the portfolio transferred into MAB.

In addition to the above completed transactions, Monument Re has also signed one further transaction. The financial implications of this transaction is not included in this report because it remained subject to regulatory approval at the reporting date. This transaction is detailed below:

- On 7 November 2019, MRE signed the acquisition of Cattolica Life DAC ("Cattolica") from Società Cattolica di Assicurazione Società Cooperative. Cattolica is a closed Irish entity which wrote unit-linked business on a cross-border basis in Italy. This transaction remains subject to customary closing conditions, including receipt of regulatory approval.
- On 21 March 2020, Monument Re signed an agreement to acquire GreyCastle Holdings Ltd ('GreyCastle') and its subsidiaries, which include GreyCastle Life Reinsurance (SAC) Ltd and GreyCastle Services, from the shareholders of GreyCastle Holdings Ltd. The closing of the transaction is subject to regulatory approval. GreyCastle is domiciled in Bermuda and is focused on managing a portfolio of annuity and life risks.

These transactions further support the Monument Re Limited Group's strategy to build and grow its Ireland and Benelux platforms as well as develop opportunities in a number of other territories i.e. Guernsey.

A.1. (e) Position within the legal structure of the Group

MADAC is a 100% subsidiary of MIDAC, who in turn is wholly owned by Monument Re. On 29 August 2017, MADAC purchased MLIDAC, such that it is wholly owned by MADAC.

Please see chart in Section A.1 (d).

A.1 (f) Material lines of business and material geographical areas

All premiums are received from contracts underwritten from the Republic of Ireland, to cover risks located in the United Kingdom.

The following table summarises how the benefits provided under PPI and income protection policies are classified under Solvency II Line of Business.

	SII Line of Business	Benefits Provided under PPI and Income Protection Policies
MIDAC	**A: Non-Life Insurance Obligations** 12: Miscellaneous Financial Loss	Involuntary Unemployment Carer Cover Purchase Protection
	D: Life Insurance Obligations 29: Health SLT [1]	Accident & Sickness Critical Illness Permanent & Total Disability
MADAC	**D: Life Insurance Obligations** 32: Other Life Insurance	Life
	D: Life Insurance Obligations 29: Health SLT [1]	Accident & Sickness Critical Illness Permanent & Total Disability

[1] The Company writes critical illness and accident and sickness business which have exposure to biometric risks (disability and critical illness). Claims are projected by applying claims frequency and recovery rates to sums assured, an approach that is more akin to life assurance methods than non-life insurance methods, which often use loss ratios. These risks are classified as "Health SLT" under Solvency II (SLT being an abbreviation of "similar to life techniques").

A.1 (g) Significant business or other events which have occurred over the reporting period

The Company has applied to the Central Bank of Ireland for approval to sell its subsidiary MLIDAC to Monument Re Limited, the parent company of MIDAC.

Both MIDAC and MADAC have entered a joint court process to transfer their respective insurance liabilities to MLIDAC. The transfer is subject to legal and regulatory approval.

A.2 Underwriting Performance in the reporting period against the prior year

The Company's financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland (local GAAP) including Financial Reporting Standards FRS102 and FRS103.

The following tables present the balance on the technical account (underwriting performance) as reported in the Company's financial statements for the year ended 31 December 2019. Prior year comparatives are for the year ending 31 December 2018, both on an aggregate level and by Solvency ll line of business.

The business continues to perform in line with expectation across all portfolios with an underwriting profit for the reporting period of £704k in MIDAC (2018: £2,940k) and £1,106k in MADAC (2018: £936k).The key trends are:

- Net written premiums as expected have continued to decrease due to the book being in run-off.
- Claims incurred have also decreased due to the book running off however the loss ratio has increased compared to the prior period at 35% in MIDAC for 2019 (2018: 30%) and 9% in MADAC (2018: 7%). The increase reflects increases in claim incidence, claim size and reduced recoveries and is the primary cause of the decrease in underwriting profit in MIDAC.
- Total operating expenses are predominantly made up of variable expenses (acquisition costs) which are declining in line with the book running off.
- The rate of decrease in operating expenses has been offset by some additional one-off costs included in the P&L in 2019 relating to costs arising out of the proposed restructuring (as outlined in Section A.5 below), which is on-going.

MIDAC £'000	2019 Misc FL [2]	2019 Health SLT	2019 Total	2018 Misc FL [2]	2018 Health SLT	2018 Total
Net written premium	9,763	8,657	18,420	11,866	10,418	22,284
Net earned premium	9,803	8,687	18,490	11,938	10,457	22,395
Net claims incurred	(2,973)	(3,482)	(6,455)	(2,535)	(4,179)	(6,714)
Total operating expenses	(6,390)	(4,989)	(11,379)	(7,456)	(5,308)	(12,764)
Investment return	25	23	48	12	11	23
Underwriting profit	**465**	**239**	**704**	**1,959**	**981**	**2,940**

MADAC £'000	2019 Health SLT	2019 Life	2019 Total	2018 Health SLT	2018 Life	2018 Total
Net written premium	0	6,683	6,683	0	8,377	8,377
Net earned premium	0	6,732	6,732	22	8,443	8,465
Net claims incurred	38	(625)	(587)	4	(605)	(601)
Net change in OTP (1)	0	0	0	5	1	6
Total operating expenses	(43)	(4,999)	(5,042)	0	(6,936)	(6,936)
Investment return	0	3	3	0	1	1
Underwriting profit	**(5)**	**1,111**	**1,106**	**31**	**904**	**935**

(1) Net Change in Other Technical Provisions has been abbreviated to Net Change in OTP
(2) Solvency II Line of Business Miscellaneous financial loss has been abbreviated to Misc FL

A.3 Investment Performance

A.3 (a) Income and expenses

The following table summarises the investment performance of the Company as reported in the Company's financial statements.

The 2019 net investment return of the Company is driven by dividend income
- MADAC received £3,145k dividend payment from MLIDAC
- MIDAC received £3,845k dividend payment from MADAC

The Company invested in a more diverse source of investment returns by investing in bond portfolios towards the end of 2018. This has resulted in an increase in 2019 investment income due to the duration of the investments held.

Investment Income by asset Class £'000	MIDAC 2019	MIDAC 2018	MADAC 2019	MADAC 2018
Cash deposits	11	12	-	1
Collective investment undertakings	4	59	8	14
Bond interest income	228	24	69	5
Total interest income	243	95	77	20
Dividend income	3,845	-	3,145	-
Investment management expenses	(26)	(2)	(7)	-
Investment losses	(76)	(18)	(46)	(5)
Net investment return	**3,986**	**75**	**3,169**	**15**

A.3 (b) Gains and losses recognised directly in equity

Not applicable.

A.3 (c) Investments in securitisation

Not applicable.

A.4 Other material income and expenses

There are no other material income and expenses in the Company's financial statements other than what has been reported in this section.

A.5 Other material information

In 2018, MIDAC made a capital contribution of £14,700k to its subsidiary MADAC. MADAC in turn made a €20,000k capital contribution to its subsidiary MLIDAC to capitalise the entity for the purchase of the "First A" Portfolio from Ethias S.A..

The Company's subsidiary, MLIDAC, applied to the Companies Registration Office ("CRO") to change its legal name from Laguna Life DAC to Monument Life Insurance DAC. The CRO approved the change and issued an updated Certificate of Incorporation with an effective date of 2 April 2020.

MADAC has applied to the Central Bank of Ireland for approval to sell its subsidiary MLIDAC to Monument Re Limited, the parent company of MIDAC.

Both MIDAC and MADAC have entered a joint court process to transfer their respective insurance liabilities and associated assets to MLIDAC.

MADAC has proposed an interim dividend to MIDAC for 2020 of circa £3,843k (€4,500k).

B. SYSTEM OF GOVERNANCE

B.1 General Information on the system of governance

B.1 (a) Structure of administrative, management or supervisory body

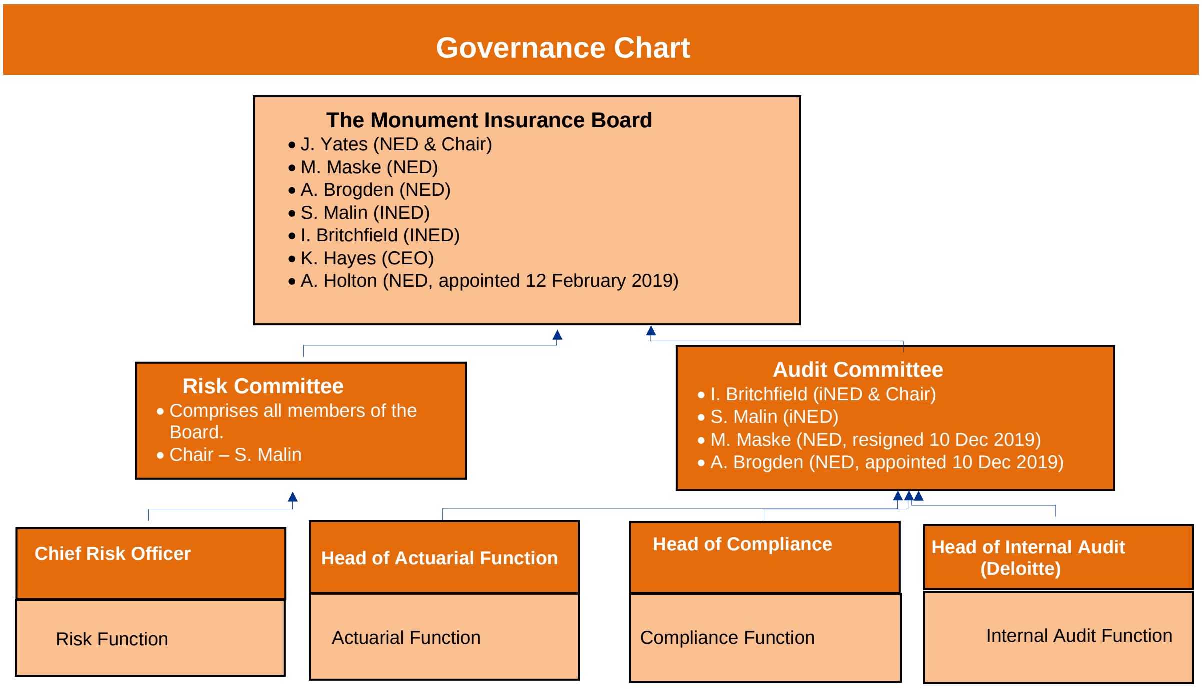
The Board represents the administrative, management and supervisory body of the Company.

Board

The Board is comprised of the Chairman (a Non-Executive Director (NED)), two Independent NEDs (INEDs), Chief Executive Officer (CEO), and three additional NEDs. The Board retains primary responsibility for corporate governance within the insurance undertaking at all times, plays an important part in ensuring effective governance and is therefore responsible for operating effective oversight consistent with board policy. The Board's responsibilities include establishing and overseeing:

- the business strategy;
- the amount and type of capital that is adequate to cover the risks of the business; and
- the strategy for the on-going management of material risks.

The Board has established and delegated responsibilities to its Audit Committee and its Risk Committee, to set the approach to internal controls and assist in its oversight of risk management and has delegated matters for review or approval as set out in their terms of reference. The Governance Chart below outlines the composition of the Board Committees and the reporting lines of key functions.



Audit Committee
The Audit Committee comprises the two independent non-executive directors and one non-executive director. The Head of Compliance and Head of Internal Audit are also standing attendees. The committee's main responsibilities are to review:

- the Company's accounting policies and financial reports and review management's approach to internal controls;
- the adequacy and scope of the external and internal audit functions; and
- the Company's compliance with regulatory and financial reporting requirements.

The Audit Committee may ask other members of the Company to attend the committee from time to time.

Risk Committee
The Risk Committee comprises all members of the Board. The Chief Risk Officer ("CRO") is a standing attendee. The main responsibilities of the committee are to:

- advise the Board on risk appetite and tolerances;
- oversee the risk management function; and
- advise the Board on the effectiveness of strategies and policies with respect to maintaining, on an on-going basis, the amount and type of capital that is adequate to cover the risks of the Company.

The Company has established an Executive Committee to manage the delivery of business objectives. This comprises the CEO and his direct reports.

Key functions roles and responsibilities (operational structure/independent control functions)
The Company has established the Solvency II independent control functions of risk management, compliance, internal audit and actuarial functions in addition to other functions required to robustly operate the business. The risk management function, actuarial function, compliance function and internal audit function together form a coherent whole of transversal control functions between which there is coordination. The Company has outsourced the risk management function, actuarial function, compliance function and internal audit function to MISL. These functions are described further below.

The implementation tasks falling under the responsibility of the following independent control functions have been outsourced as follows:

The risk management function, led by the CRO, is responsible for supporting the Board and its committees in discharging their risk management related responsibilities. The risk management function also provides challenge to the business consistent with the Three Lines of Defence risk governance model outlined in Section B.4 below.

The compliance function, led by the Head of Compliance, is responsible for identifying, assessing, monitoring and reporting compliance risk exposure, focusing on compliance with applicable laws and regulatory requirements.

The internal audit function, led by the Head of Internal Audit, is responsible for developing and delivering an agreed internal audit plan and monitoring the control environment.

The actuarial function, led by the Head of Actuarial Function, is responsible for performing the specified tasks set out in Article 48 of the Solvency II Directive. In summary, the key responsibilities of the actuarial function are to review and validate the calculation of the technical provisions, provide opinions on the underwriting and reinsurance policies and assist the risk management function with certain tasks. Further details are included in Section B.6.

B.1 (b) Material changes in the system of governance

In February 2019 the Company appointed a Non-Executive Director (PCF- 2) and a Non-Executive Director (PCF- 2) resigned.

In December 2019 the Audit Committee appointed a Non-Executive Director member and a Non- Executive Director member resigned.

B.1 (c) Remuneration policy and practices

Principles of the remuneration policy
The remuneration policy and practices have been developed to ensure the Company is able to attract, develop and retain high performing employees. The policy focuses on ensuring sound and effective risk management and recognises the long-term interests of the Company.

The remuneration policy is designed to meet the Company's regulatory requirements. The Company has identified and assessed the applicable principles with respect to remuneration.

The Monument Re Group Board Remuneration Committee ("Rem Comm") assists the Board in fulfilling its remuneration-related roles and responsibilities. The Rem Comm is responsible for ensuring the Monument Group complies with its commitments within the remuneration policy and that appropriate methods are adopted within the Group's reward practices to safeguard policyholders.

Performance criteria on variable components of remuneration
Employees are eligible to participate in the Company's discretionary performance related bonus scheme. The reward is based on completion of individual objectives as well as Company performance. The discretionary performance bonus is based on performance against employee objectives and Monument values. The bonus schemes for the Group entities are approved annually by the Remuneration Committee.

Pension scheme
Employees are entitled to join the Monument Insurance Defined Contribution Pension Plan. There is no supplementary pension or early retirement scheme for members of the Board and other key function holders.

B.1 (d) Material transactions

MADAC has applied to the Central Bank of Ireland for approval to sell its subsidiary MLIDAC to Monument Re Limited, the parent company of MIDAC.

MIDAC and MADAC have entered a joint court process to transfer their respective insurance liabilities and associated assets to MLIDAC.

B.2 Fit and proper requirements

B.2 (a) Specific requirements concerning skills, knowledge and expertise

Under the CBI's Fitness and Probity regime, the Company identifies staff members that carry out Pre-approval Controlled Functions ("PCFs") and Controlled Functions ("CFs") roles and ensures that they meet the CBI's standards for fitness and probity.

The Company requires a person who carries out a PCF or CF role to be able to demonstrate that they, among other items:

- have shown competence and proficiency to undertake the relevant function;
- have a sound knowledge of the business, and the specific responsibilities; and
- have a clear and comprehensive understanding of the regulatory and legal environment.

B.2 (b) List of Pre-Approved Control Functions

The list of PCFs at year end is reflected below:

PCF-1	Executive Director	K. Hayes
PCF-2	Non-Executive Director	I. Britchfield, A. Brogden, A. Holton S. Malin, M. Maske, J. Yates.
PCF-3	Chairman of the Board	J. Yates
PCF-4	Chairman of the Audit Committee	I. Britchfield
PCF-5	Chairman of the Risk Committee	S. Malin
PCF-8	Chief Executive	K. Hayes
PCF-11	Head of Finance	K. Haynes
PCF-12	Head of Compliance (MIDAC only)	B. Brennan
PCF-13	Head of Internal Audit	C. Brennan
PCF-14	Chief Risk Officer	S. Carabini
PCF-15[1]	Head of Compliance with responsibility for AML and Counter Terrorist Financing	B. Brennan
PCF-19	Head of Investments	R. Thompson
PCF-42	Chief Operating Officer	B. Petrie
PCF-48	Head of Actuarial Function	D. Mannion (resigned 14 February 2020)

In February 2019, Mr. Keith Haynes resigned as Non-Executive Director (PCF-2) and Mr. Aidan Holton was appointed. In April 2019, Ms. Laura Doherty resigned as Head of Compliance (PCF-12) and Head of Compliance with responsibility for AML and Counter Terrorist Financing (PCF-15) and Ms. Bernie Brennan was appointed.

In April 2019, Mr. Colm Brennan resigned as Head of Finance (PCF-11) and Mr. Keith Haynes was appointed.

In April 2019, Mr. David Kinsella resigned as Head of Internal Audit (PCF-13) and Mr. C. Brennan was appointed. In February 2020 Mr. Dermot Mannion resigned as Head of Actuarial Function (PCF-48).

In April 2020, Mr. Gareth McQuillan was appointed as Head of Actuarial Function (PCF-48).

[1] MADAC only.

8.2 (c) Process for assessing fitness and propriety

The fit and proper policy describes the level of due diligence required at recruitment stage. In addition, an annual due diligence and attestation process is conducted by the Compliance department in order to ensure the continuing fitness and propriety of each PCF and CF role-holder.

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

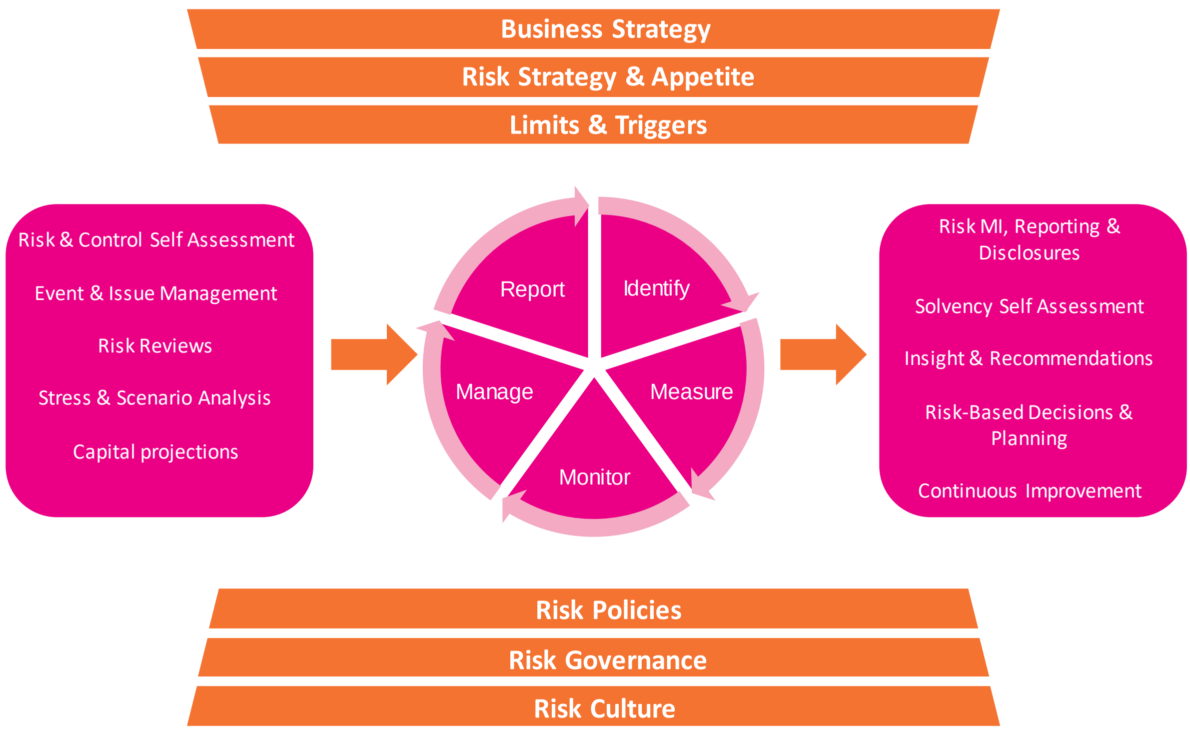
B.3 (a) Description of risk management system (strategies, processes and reporting procedures)

Strategy

The Board considers the business strategy of the Company in determining its risk appetite. At least annually, the Board reviews and approves the Company's risk appetite statement document, which outlines the Company's appetite for each type of key risk and its strategy for accepting, managing and mitigating these risks. Risk appetite is articulated in qualitative terms and/or quantitative metrics across the key risk categories and written policies have been established to address these risks.

Risk Management Framework

The Company has adopted the Group's Risk Management Framework which is depicted below:



The Risk Management Framework is founded on a sound risk culture, an effective system of governance including committee structures and clear accountabilities, and a suite of supporting risk policies.

The risk strategy of the Company is aligned to its business strategy. Risk appetite statements express the Board's appetite across all categories of risk facing the business. Quantitative risk limits are set for key risks, along with early warning thresholds, which support proactive risk management. Exposures relative to limits and triggers are regularly monitored and reported to the Board.

The material risks addressed by the Risk Management Framework include:

- Insurance/underwriting risk;
- Market risk;
- Credit risk;
- Liquidity risk;
- Operational risk;
- Group risk;
- Strategic risk; and
- Sustainability risk.

The Risk Management Framework covers both existing risks and emerging risks, the latter being specifically considered at regular emerging risks forums at group level.

The key objectives of the risk management function are to:

- Maintain the Risk Management Framework that supports effective risk-based decision-making, including risk appetite statements and risk limits, and oversee the implementation of the Risk Management Framework via appropriate policies, processes and controls;
- Maintain a robust risk reporting framework, including processes and systems for commenting on the overall risk environment, addressing mitigating actions for risks identified, identifying any emerging risks, discussing relevant current issues as well as reporting on risk metrics that monitor risk exposures relative to agreed limits;
- Deliver all external reports as required to meet regulatory and other stakeholder expectations, including the ORSA Report and risk content for Solvency and Financial Condition Reports, Financial Statements and Regular Supervisory Reports;
- Actively review and challenge in a second line capacity in relation to all transactions and material activities of the Company, seeking to deliver a better overall outcome for the Company by either reducing the level of risk overall or improving the reward for certain assumed risks; and
- Ensure that the Risk Management Framework remains effective and appropriately positioned, with the requisite skills, knowledge and capacity, to support the planned growth of the Company.

Risk management process and reporting procedures

The cycle of risk identification, measurement, management, monitoring and reporting is embedded through a set of risk management processes, in particular:

- Risk and Control Self-Assessment ("RCSA");
- event and issue management;
- risk reviews;
- stress and scenario testing;
- capital projections; and
- risk reporting, including quarterly risk MI and ORSA reports.

All key risks are recorded in the Company's Risk Register and ownership is assigned to each risk. All key controls are recorded in the Company's Controls Register and ownership is assigned to each control. An RCSA process is carried out on an annual basis. This involves risk owners identifying material inherent risks, identifying key controls to mitigate these risks and in conjunction with control owners, assessing the effectiveness of key controls, and measuring the inherent and residual risk. This process is facilitated and overseen by the risk management function, and the results are summarised and presented to the Risk Committee, including actions to address themes and issues identified.

A risk event process is in place by which operational risk events are notified, recorded, escalated and reported. Root cause analysis is carried out where appropriate. Risk events may be closed only once remedial actions have been satisfactorily completed and reviewed.

Risk reviews are used to provide the Board with an impartial view from the risk management function on proposed transactions. They may also be used in other areas in accordance with the risk management plan and at the request of the Board.

The ORSA evaluates the Company's risk profile and solvency position in relation to business operations, strategy and plan. Further information on the ORSA process is provided in Sections B.3 (c) and B.3 (d).

KRIs are established which set measurable thresholds for each key risk in accordance with risk appetite. These are used to alert management when risk levels exceed acceptable ranges and drive timely decision making and action. These are reported on a quarterly basis to the Board Risk Committee.

B.3 (b) Implementation and integration of the risk management system including the risk management function into the organisation structure and decision making processes

The Company's risk management policy sets out the roles and responsibilities, policy principles and requirements regarding risk management at Board and business levels. The risk management function supports the Board and business areas in discharging their risk management-related responsibilities.

The RCSA process ensures clear ownership of risks and controls, as described in Section B.3 (a) above. The ORSA provides a key link between the risk management system, capital management and decision-making processes of the Company. Further, the risk management function provides challenge to the business consistent with the Three Lines of Defence model as outlined in Section B.4.

B.3 (c) Own Risk and Solvency Assessment

The ORSA process is a key element of the Company's Risk Management Framework and is wholly embedded in the decision-making process and business planning for the Company. The ORSA evaluates the Company's risk profile and solvency position in relation to business operations, strategy and plan. It is the main link between the Company's risk management system and capital management activities. The regular ORSA is performed annually and is approved by the Board. A non-routine ORSA is performed following a significant change in the Company's risk profile.

The Board has established an ORSA policy that sets out the roles and responsibilities for completing the ORSA and reviews and approves the ORSA policy annually. The Board takes an active part in the ORSA process through its review of the approach, the choice of risks and scenarios to be included, and the results of the assessment.

The Board approves the ORSA report and considers the insights from the ORSA in its decision-making processes, including setting the Company's risk appetite and limits, the Company's capital policy and target capital level.
The risk management function co-ordinates the ORSA process and prepares the ORSA report with support from relevant areas. The actuarial team assists the risk function in producing various aspects of the ORSA, in particular the capital projections and stress testing.

The Head of Actuarial Function provides an opinion on the ORSA process. The scope of the opinion includes the range of risks and the adequacy of stress scenarios considered, the appropriateness of the financial projections, and whether the Company is continuously complying with the requirements regarding the calculation of technical provisions and potential risks arising from the uncertainties connected to the calculation.

The ORSA includes an assessment of the Company's view of the capital required for the business, the own solvency needs, as distinct from the capital which is required under regulation.

The ORSA includes an assessment of the appropriateness of the Standard Formula taking into account the risk profile of the Company. The Company considers whether there are any significant risks that are not captured within the Standard Formula and whether there are any stressed scenarios by which the Standard Formula may not adequately capture the Company's own solvency needs.

The results of the ORSA are made available to the Central Bank of Ireland.

B.3 (d) Frequency of ORSA

The regular ORSA is performed annually and is approved by the Board. A non-routine ORSA is performed following any significant change in the Company's risk profile.

B.4 Internal Control System

B.4 (a) Description of Internal Control System

The internal control system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.

The Board and the CEO, including senior executives, are responsible for adopting an effective internal controls framework.

The Board has established an internal control policy that outlines the processes by which the internal control system is implemented to provide for and maintain the suitability and effectiveness of internal control. The policy outlines the roles and responsibilities, procedures and reporting requirements to be applied. The internal control system combines the following components:

- Internal control environment;
- Risk assessment;
- Internal control activities;
- Information and Communication; and
- Monitoring.

The Company applies a "Three Lines of Defence" model for Enterprise Risk Management.

Such a model is widely adopted across the financial services industry and allows for appropriate segregation of risk ownership, oversight and assurance responsibilities. In particular:

- **1st line of defence:** Individuals and committees with direct responsibility for the management, control and reporting of risk;
- **2nd line of defence:** Individuals and committees with responsibility for the design, coordination, oversight of the effectiveness and integrity of the Company's risk management and internal control framework; and
- **3rd line of defence:** Individuals and committees providing independent assurance and challenge in respect of the effectiveness and integrity of the Risk Management Framework.

The Company has defined high-level principles and standards to ensure that situations, which could lead to potential conflicts of interest, are appropriately managed. These are formally described in the Company's Conflicts of Interest policy.

The risk register records owners for each risk, who are responsible for ensuring that the risks are identified and that controls remain appropriate on an ongoing basis. The risk register is periodically reviewed by the CRO and is subject to formal review across the business at least annually. This process requires business functions to update the risk register, including the mapping of controls to risks and implementation of new controls.

The Risk and Control Self Assessment process requires business functions to review and self-assess the effectiveness of controls mitigating the key risks identified. The control owner is encouraged to make any relevant comments about the control and may record its operation as 'effective', 'partially effective' or 'ineffective'. Any record of the control not being effective requires a narrative explanation as well as the assessment. This process is facilitated and overseen by the risk management function, and the results are summarized and presented to Risk Committee, including actions to address themes and issues identified.

The Internal Audit Function assesses the operating effectiveness of controls on a periodic basis.

B.4 (b) Implementation of the compliance function

The Board retains ultimate responsibility for compliance within the Company and has delegated the day-to-day responsibility to the Compliance Function to ensure that the operations are carried out in accordance with all legal and regulatory requirements, especially the rules pertaining to integrity and conduct that apply to that activity. The Compliance Function has been established in proportion to the nature, scale and complexity of the business carried on by the Company, and to assist with the monitoring and evaluation of compliance with laws, regulations, internal controls, policies and procedures. The Compliance Function is responsible for testing the soundness of the measures the Company has taken to prevent non-compliance.

The Compliance Function, which is outsourced to MISL, is part of the second line of defence and is led by the Head of Compliance. Responsibilities of the function are described in the "Compliance Function Charter" and summarised in B.1. above. The compliance function reports to the Audit Committee to provide assurance regarding the Company's adherence to laws, regulations, guidelines and specifications relevant to its business. This is provided through an annual compliance plan which is approved by the Audit Committee and through the on-going reporting against that plan. At all times, the Compliance Function acts within the second line of defence and independently to the business. It provides the framework to allow the business to operate in a compliant manner with regards to all relevant regulatory, statutory and corporate governance obligations.

B.5 Internal Audit Function

B.5 (a) Implementation of the internal audit function

The internal audit function is outsourced to MISL and is governed by an internal audit charter. The internal audit function maintains a dynamic risk-based audit plan. The Head of Internal Audit ("HoIA") is invited to attend each Audit Committee meeting and report on the status of the audit plan and results of individual audit reviews.

B.5 (b) Independence and objectivity

The internal audit function is independent of the Company's business management activities. It is not involved directly in revenue generation, nor in the management and financial performance of the Company. The internal audit function does not have direct responsibility for, or authority over, any of the activities they review. Nor does their review and appraisal relieve others of their responsibilities. The Head of Internal Audit reports directly to the Audit Committee for oversight matters and is responsible to the Chief Executive Officer for operational and day-to-day management.

B.6 Actuarial Function

B.6 (a) Implementation of the Actuarial function

The Actuarial Function is outsourced to MISL and is led by Monument Insurance's Actuarial Director, who is also the Head of Actuarial Function. The Head of Actuarial Function is responsible for providing an Actuarial Opinion on Technical Provisions to the CBI in respect of the technical provisions reported as part of the Annual QRTs. The role and responsibilities are described in an actuarial function charter and are summarised in Section B.1.

The key roles and responsibilities of the actuarial function include:

- Delivery of actuarial reporting, bases, valuation models and corresponding processes for Solvency II and GAAP reporting;
- Implementation of processes to deliver robust monitoring of capital, liquidity and solvency positions on an ongoing basis;
- Completion of actuarial regulatory requirements;
- Review of reinsurance transactions, acquisitions and retrocession from a capital, solvency and actuarial perspective to ensure transactions meet hurdle requirements and capital implications are well understood;
- Ensuring a robust asset liability matching framework that effectively manages investment risks within the risk appetites and tolerances of the Company in conjunction with the Chief Investment Officer; and
- Contribution to the effective implementation of the Risk Management Framework.

The Board receives an annual report from the actuarial function which includes the results of the tasks undertaken, clearly identifying any deficiencies and giving any recommendations as to who such deficiencies could be remediated. The actuarial function operates under the ultimate responsibility of, and reports to the Board and, where appropriate, cooperates with the other key functions in carrying out its role. It is objective and free from the influence of other functions or the Board. It provides its opinions in an independent fashion and can communicate on its own initiative with any staff member, or Board member, and obtains access to any records necessary to carry out its responsibilities.

B.7 Outsourcing

B.7 (a) Description of outsourcing policy

When appropriate, the Company outsources specific business functions to reduce or control costs, to free internal resources and capital, and to harness skills, expertise and resources not otherwise available. However, the Company's outsourcing of critical or important operational functions or activities shall not be undertaken in such a way as to unduly increase the Company's exposure to Operational Risk. An appropriate level of due diligence shall be conducted prior to completing the selection process. The Company must notify the relevant regulatory authority in writing of any outsourcing of a critical or important function.

All outsourcing agreements shall be monitored by the assigned business owner and reviewed to ensure that outsourced activities are conducted in adherence with the outsourcing policy, the terms set out in outsourcing agreements and with applicable regulatory requirements. Reporting processes shall be in place to ensure outsourcing performance is managed in line with the outsourcing policy, outsourcing agreements and the Company's strategy.

During the year the Company established an Outsourcing Committee to ensure the effective management of its Outsource Service Providers.

B.7 (b) Outsourcing and jurisdiction of critical or important operational functions or activities

The table below provides details of the outsourced critical or important operational functions or activities and the jurisdiction in which the service providers of such functions or activities are located.

Service provider	Activity	Jurisdiction
Monument Group	Insurance administration services, risk management function, compliance function, internal audit function and actuarial function.	Ireland
Monument Group	Investment and asset management	Bermuda
External	Policy servicing and claims administration	UK
External	Customer communications and premium collection	UK
External	Investment management	UK
External	IT services	Ireland

B.8. Any other information

The system of governance is considered appropriate for the Company. There is no other material information regarding the system of governance of the Company other than what has been reported in this section.

C. Risk Profile

Sections C.1 to C.6 contain a description of the Company's risks whereby risks are assigned to risk categories prescribed by the regulator. Risks are quantified with reference to the Solvency II Standard Formula unless otherwise indicated.

The Company uses a series of techniques to assess risks qualitatively and quantitatively, as set out in Section B.3. No material changes to the measures used to assess risks have been made in the period.

C.1 Underwriting Risk

C.1 (a) Risk Exposure

Underwriting risk (insurance risk) means the risk of loss or other adverse impact on the Company arising from unexpected fluctuations in the timing, frequency or severity of insured events, or timing and amount of claim settlements and expenses.

The Company's portfolio comprises of PPI and Income Protection products. The material underwriting risks identified by the Company are a deterioration in claims experience (Involuntary Unemployment ("IU"), Accident & Sickness ("AS"), Critical Illness ("CI"), Permanent and Total Disability ("PTD") and Life claims), an increase in cancellations and an increase in expenses. These risks are described further below.

Deterioration in claims experience

The Company is exposed to a deterioration in IU claims experience through the provision of IU benefits under PPI and Income Protection policies to policyholders in the UK. A sustained fall in employment rates could drive longer unemployment claims and an uplift in corresponding stress-related illness claims. The COVID-19 outbreak and any negative impacts on the underlying UK economy arising from Brexit could lead to an increase in claims and an increased level of expenses associated with validating claims.

Mortality risk

Mortality Risk is the risk of loss due to an increase in mortality rates. The Company is exposed to Mortality Risk through the provision of a life benefit under PPI policies to policyholders in the UK.

Morbidity risk

This relates to the risk of loss from higher than expected levels of illness or injury, or lower than expected rates of recovery from illness or injury. The Company is exposed to Morbidity Risk through the provision of AS, CI and PTD benefits under PPI and Income Protection policies to policyholders in the UK.

Lapse Risk

Lapse risk arises from unanticipated (higher or lower) rate of policy lapses or cancellations. The Company is exposed to the risk of lapse rates being higher than expected.

Expense Risk

Expense risk is the risk of loss arising from an increase in the Company's expense levels, or expense inflation over time. Fixed expense risk against policy volumes is a significant risk for the Company, and one which it must accept as part of the run-off strategy of the Company.

C.1 (b) Mitigating Actions and Controls

The Company monitors and controls underwriting risks using the following methods:

- Regular monitoring of actual versus expected claims and expenses.
- Regular review of actuarial assumptions.
- Management of persistency through high quality customer service.
- Risk is measured principally in terms of SCR, supplemented by sensitivity tests to key assumptions. .

C.1 (c) Material Risk Concentrations

The Company provides cover largely related to one product in the UK market which has been distributed by one service provider.

C.1 (d) Sensitivity and Stress Testing

Underwriting risk consists of the following risks:

Sensitivity	MIDAC SCR 31 Dec 2019 £'000	MADAC SCR 31 Dec 2019 £'000
Mortality	0	3
Life Lapse	0	59
Life Expense	0	25
Life Catastrophe	0	11
Health SLT	177	0
Health Catastrophe	131	0
Non-Life Premium and Reserve	4,542	0
Non-Life Catastrophe	2,969	0
Diversification	(1,558)	(19)
SCR Underwriting Risk	6,261	79

C.2 Market Risk

C.2 (a) Risk Exposure

Market risk means the risk of loss or other adverse financial impact on the Company arising from movements in markets. This risk category comprises equity risk, interest rate risk and currency risk, which are material for the Company. The Solvency II Standard Formula also assigns credit spread risk (including an allowance for ratings migrations and cost of defaults on corporate bonds) to market risk.

The Company has low appetite for market risk. The Company is willing to take on some risk, through an allocation to non-government credit investments with a view to generating additional returns, subject to specific limits in its Investment Policy as set by the Board. These limits are designed to keep the Company's market risk within the risk tolerances set out in the Risk Management Framework.

The Company's objective in managing its market risk, is to ensure risk is managed in a sound and prudent manner in line with the Company's risk profile and risk appetite. The Company does not hold any complex financial instruments such as derivatives or swaps and has no off-balance sheet positions.

MIDAC's holding of MADAC and MADAC's holding of MLIDAC are treated as strategic equity investments on the parent balance sheet with the value of the investment being set to excess of assets over liabilities of the respective subsidiary, under Article 169 of the Delegated regulation.

C.2 (b) Mitigating Actions and Controls

The Company monitors and controls financial market risks using the following methods:

- Investment Policy imposing close matching of assets to insurance liabilities and imposing credit ratings limits for investment counterparties and concentration limits to avoid excessive risk concentrations.
- Regular monitoring of exposures relative to market risk limits, supplemented by stress and scenario testing.
- Risk is measured using standard metrics such as "DV01", the sensitivity of asset and liability values to small changes in market variables.

The Company adheres to the prudent person principle in the implementation of its investment strategy. This is accomplished through an investment framework focused on governance, risk assessment and portfolio diversification.

A key part of the implementation is the use of third party investment service providers who can provide expertise for their appointed mandates.

The Company governance structure is outlined in Section B.1 of this report.

The Company continually assesses the risks associated with its business objectives, particularly those related to the investment portfolio, and determines which risks to accept and which to mitigate.

This is encompassed within the risk management framework, as outlined in Section B.3, and is manifested in the Company's risk policies. This risk assessment has led the Company to structure the investment portfolios primarily in investment grade, fixed income assets with a closely matched duration and cash flow profile to the liabilities that they support.

One of the key risk mitigants is to diversify the investment portfolios. This is achieved through documentation of guideline limits in the investment policies and ensuring that third party investment service providers adhere to these limits. Specific exposure limits are established for investment sector, issuer and credit ratings. For each mandate, the Company oversees compliance of the service providers against the limits through a regular review of each portfolio. As noted above, the governance framework establishes reporting protocols for policy compliance.

C.2 (c) Risk Concentration

The Company is exposed to two money market funds. Concentration risk is mitigated by the establishment of sector and issuer limits and minimum credit ratings as outlined in the investment policy. Market risk concentration arises from MIDAC's strategic holding in MADAC and MADAC's strategic holding in MLIDAC.

C.2 (d) Sensitivity and Stress Testing

The exposures are examined on an annual basis through the ORSA process.

The assets in the portfolio includes government bonds, corporate bonds, investment in subsidiary, collective investment undertakings and bank deposits.

The Solvency Capital Requirement (SCR) for market risk consist of the following components:

Stress	MIDAC SCR 31 Dec 2019 £'000	MADAC SCR 31 Dec 2019 £'000
Interest rate	30	15
Equity	6,079	5,587
Property	0	0
Spread	71	38
Concentration	129	33
Currency	162	6,176
Diversification	(279)	(2,517)
SCR Market Risk	6,192	9,332

C.3 Credit Risk

C.3 (a) Risk Exposure

Credit risk means the risk of loss or other adverse impact on the Company arising from one party to a financial instrument failing to discharge an obligation.

The Company's exposure to credit risk is derived from assets such as debt securities and from cash. The Company is also exposed to reinsurance counterparties through its ownership of MLIDAC. The Company has low credit exposure with respect to receivables due from other counterparties.

C.3 (b) Mitigating Actions and Controls

In order to mitigate its counterparty exposure towards banks, the Company has defined minimum standards for creditworthiness and has set banking counterparty exposure limits. Credit ratings for the relevant financial institutions are regularly monitored.

Mitigation of credit risk arising from investments is further promulgated through adherence to the concentration limits set out in the Investment Risk Policy (see Section C.2).

C.3 (c) Risk Concentration

The Company is exposed to two money market funds.

C.3 (d) Sensitivity and Stress Testing

As measured using the Standard Formula SCR, counterparty default risk capital is £127k in MIDAC and £89k in MADAC. This amount is sensitive to the credit rating of the Company's counterparties.

C.4 Liquidity Risk

C.4 (a) Risk Exposure

Liquidity risk means the risk of loss or other adverse impact on the Company arising from insufficient liquidity resources being available to meet obligations as they fall due. Sources of liquidity risk include:

- Higher than expected claims or expenses.
- An inability to sell investments within the required timescale.

C.4 (b) Expected profit included in future premiums

As of 31 December 2019, the Company's Expected Profit Included in Future Premiums was £150k for MIDAC and £108k for MADAC (2018: £156k for MIDAC and £103k for MADAC).

C.4 (c) Mitigating Actions and Controls

The Company monitors and controls liquidity risk using the following methods:

- Liquidity Policy imposing close matching of asset and liability cash flows and prudent restrictions on investment in illiquid assets.
- Liquidity Framework requiring forward-looking assessment of liquidity requirements and maintenance of a liquidity buffer to cover severe market and demographic stress.

C.4 (d) Risk Concentration

There are no material liquidity risk concentrations in MIDAC and MADAC.

C.4 (e) Sensitivity and Stress Testing

The Company projects its liquidity position over short, medium and long time horizons and considers a range of stress scenarios to determine an appropriate liquidity buffer.

C.5 Operational Risk

C.5 (a) Risk Exposure

Operational risk means the risk of loss or other adverse impact on the Company arising from inadequate or failed internal processes, personnel or systems or external events. Operational risk is measured principally through scenario analysis.

C.5 (b) Mitigating Actions and Controls

The Company monitors and controls operational risks using the following methods:

- Regular Risk and Control Self-Assessment process.
- Event and issue management process, root cause analysis and learning from adverse experience.
- Oversight exercised by Internal Audit, Risk Management and Compliance functions.
- Key person risk is mitigated by succession planning.

- Technical measures such as firewalls and access restrictions have been established in order to protect systems and are periodically tested. A business continuity plan is in place and tested annually for effectiveness.

C.5 (c) Material risk concentrations

Key person risk owing to the relatively small size of the Company is mitigated as described above.

C.5 (d) Sensitivity and Stress Testing

Size and complexity of the business are drivers of risk. As a run-off business, sensitivity is somewhat limited. Operational risk capital on the Solvency II Standard Formula basis is £642k in MIDAC and £269k in MADAC.

C.6 Other material risks

C.6 (a) Group risk

Group risk means the risk of loss or other adverse impact on the Company arising from financial or non-financial relationships between entities within the Group. This includes reputational, contagion, accumulation, concentration and intra-Group transactions risk.

Mitigating Actions and Controls

The Company monitors and controls group risks using the following methods:

- Group Risk Policy imposing requirements for group risk management.
- Significant commonality of Board composition across the Group and its subsidiaries.
- Close scrutiny of intra-group transactions including external specialist input where appropriate.
- Reputational Risk policy and escalation process.
- Risk is measured qualitatively and quantitatively e.g. via stress and scenario testing of adverse scenarios across the Group and Company as part of the solvency self-assessment process.

C.6 (b) Strategic Risk

Strategic risk means the risk of loss or other adverse impact on the Company arising from failing to identify and react appropriately to opportunities and/or threats arising from changes in the market, some of which may emerge over a number of years.

MADAC plans to sell its shares in MLIDAC in Q2 of 2020 to Monument Re Limited after which both MIDAC and MADAC intend to transfer their insurance liabilities and associated assets to MLIDAC by way of a portfolio transfer. This transaction is subject to approval of the Central Bank of Ireland and the High Court. Once this has been finalised, MIDAC and MADAC will be wound up and liquidated.

The main strategic risk is that the sale and portfolio transfers do not proceed as expected. Risks associated with the sale, portfolio transfers and winding up of the companies are mitigated by obtaining professional and legal advice, regulatory engagement and change management expertise.

Strategic risk includes Brexit risk. The Company underwrites insurance policies under the ‘freedom of services’ directive, otherwise referred to as ‘passporting’. The UK left the EU on 31 January 2020 and has entered into an implementation period, which is due to operate until the end of December 2020. During this period the passporting regime between the UK and the EEA will continue. As noted above, MIDAC and MADAC have applied to the High Court and Central Bank of Ireland for permission to transfer their insurance liabilities to MLIDAC in advance of the end of the implementation period.

Mitigating Actions and Controls

The Company monitors and controls strategic risks using the following methods:

- Strategic Risk Policy imposing requirements for strategic risk management.
- Board members and executive committee members with broad experience and deep industry knowledge.
- Rigorous due diligence process led by internal experts with support from external specialists as required.
- Tried-and-tested integration approach and experienced, skilled integration team.
- Emerging risk analysis and reporting.
- Strategic risks are measured qualitatively.

Material risk concentrations

Emerging risk analysis highlights potential sensitivity to unexpected regulatory, legal or fiscal change. A reduction in opportunities for further market consolidation would also be detrimental from a strategic perspective.

C.6 (c) Sustainability risk

Sustainability risk means the risk of loss or other adverse impact on the Company arising from environmental, social and governance risks, or the risk of adverse social or environmental externalities arising from the activities of the Company.

The Company adopts sustainable business practices and provides opportunities for and promotes community investment. The Company is considering further opportunities to embed sustainability considerations into its investment strategy and supplier decisions.

C.6 (d) COVID-19

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections reported across a wide range of countries and regions. At the date of signing this report the ultimate economic and social consequences of the COVID-19 outbreak are uncertain. A pandemic may increase insurance claims, cause investment losses and disrupt business operations. Measures taken by various governments to contain the virus have also affected economic activity. Counterparty credit risk and liquidity risk may also increase.

At the date of signing this report:

- Business continuity plans are in place with employees engaged in home working, collaborating via videoconference and other electronic means.
- Whilst uncertain, the Company does not believe that COVID-19 results in a materially adverse effect on its ability to maintain operations and meet obligations as they fall due.

C.6 (e) Mitigating actions and controls

The Company has a number of risk mitigations, as part of the general management of the business, which can be utilised to mitigate the potential impact of COVID-19. The Company is resilient to stress across each of these areas of risk.

While it is not possible to identify the financial impact of COVID-19, the Company maintains excess capital above its regulatory capital requirements, which are calibrated to a one in 200 year stress event.

D. Valuation for Solvency Purposes

D.1 Assets

The following table summarises the valuation of the Company's assets for Solvency II purposes and the valuation used in the Company's financial statements ("Statutory Basis") at the reporting date. All amounts are presented in the reporting currency of the Company, which is British Pounds Sterling.

The Company's financial statements have been prepared in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014).

	Solvency II Basis MIDAC £'000	Statutory Basis MIDAC £'000	Solvency II Basis MADAC £'000	Statutory Basis MADAC £'000
Holdings in related undertakings, including participations*	27,633	22,405	25,396	21,427
Bonds	5,152	5,061	2,021	1,990
Collective Investments Undertakings	1,308	1,308	1,808	1,808
Deposits other than cash equivalents	-	-	-	-
Total Investments	34,093	28,774	29,225	25,225
Cash and cash equivalents	1,744	1,744	107	107
Insurance and intermediaries receivables	1,576	1,579	502	403
Deferred acquisition costs	-	122	-	83
Other assets	125	216	2	132
Total assets	37,538	32,435	29,836	25,950

* also referred to as "investment in subsidiary"

D.1 (a) Description of the bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes

Overview

The Company's investments are held in four asset classes: subsidiaries, bonds, cash deposits and individually approved money-market funds of maximum duration of six months. These four asset classes, together with cash & cash equivalents, make up the vast majority of the Company's assets at the reporting date. The remaining assets comprise of amounts owed from intermediaries & policyholders and other trade assets. All of the Company's assets are valued using quoted market prices in active markets.

Investments and Cash & Cash Equivalents

The inputs used to value investments and cash and cash equivalents are based on observable data for each individual asset. All investments are initially valued at their fair value.

Insurance & Intermediaries' Receivables

Insurance & Intermediaries' Receivables are valued at their estimated transaction price i.e. the premium that is expected to be received from policyholders and intermediaries. The majority of these receivables are due from Barclays Bank PLC and are collected within five workings days of the reporting date.

Other Assets

Other assets consist of other trade debtors valued at their transaction price and due within one month of the reporting date.

D.1 (b) Material differences between the bases, methods and assumptions used by the undertaking for the valuation for solvency purposes and those used for valuation in financial statements

The financial statements include a deferred acquisition cost asset which was the cost of acquiring business and reflects any further commission to be received in respect of existing contracts. It is excluded from the Solvency II Balance Sheet. The investment in subsidiary is valued at the subsidiary's net assets within the financial statements and at the Own Funds within the Solvency II Balance Sheet. There are no other material differences in the bases, methods and assumptions used for the valuation for Solvency II purposes and those used in the financial statements.

Certain assets of the Company are reported in different asset categories on the SII Balance Sheet and in the financial statements. The Solvency II bond valuation includes accrued interest whereas this is shown under other assets in the statutory financial statements.

D.2 Technical provisions

Technical provisions represent the value of our liabilities under policies that we have written. We are required to calculate the value of the technical provisions in line with Articles 76 and 77 of the Solvency II Directive.

The technical provisions correspond to the current amount that we would have to pay another (re)insurance undertaking if we immediately transferred our insurance obligations to it. Technical provisions are calculated as the sum of the Best Estimate Liability and a risk margin, which are determined separately.

D.2 (a) Description of the bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes

The table below contains the technical provisions by line of business for the Company as of 31 December 2019.

	MIDAC Misc FL £'000	MIDAC Health SLT £'000	MIDAC Total £'000		MADAC Health SLT £'000	MADAC Life £'000	MADAC Total £'000
Best Estimate Liabilities	2,508	3,239	5,747		4	228	232
Risk Margin	417	41	458		-	22	22
Technical Provisions	**2,925**	**3,280**	**6,205**		**4**	**250**	**254**

The technical provisions have been valued using the methodology prescribed by the Solvency II Directive. The Best Estimate Liability ("BEL") is the expected present value of the probability-weighted average of future cashflows, using the relevant risk-free interest rates. Deterministic projections with best-estimate assumptions have been used when calculating the BEL.

The cashflow components are: claims, premiums, refunds, expenses, commission and profit share. Premiums are projected according to the number of policies in force at that time. As there are a large number of policies, model points are used. Claims are projected using recovery rates, paid delays and claim frequencies for the relevant product. Expenses and commissions are those expected to service the Company's financial obligations.

An annual review of the claims and policy experience of the Company is used to determine the appropriate demographic assumptions to use when calculating the BEL, for example, the rate at which policyholders get ill, recover, lapse their policies. We also carry out an investigation on our most recent expense experience when setting the expense assumptions, and we use the risk free yield curve specified by EIOPA to discount the value of future cashflows.

Given, under the terms and conditions of the underlying contracts, we retain the right to cancel the policies, the application of contract boundaries impacts the amount of premium and any associated cashflows that can be included in the calculation of the BEL.

The risk margin is the buffer that another insurer would require to acquire this business to allow for the cost of capital of setting up the business. The approach taken to calculate the risk margin is to apply contract boundaries to the projected future (non-hedgeable) Solvency Capital Requirement ("SCR"), and then discount these by the EIOPA prescribed cost of capital rate of 6%. The SCR was calculated using EIOPA's standard formula.

There has been no change to the approach used to calculate the technical provisions since 31 December 2018.

D.2 (b) Level of uncertainty associated with the value of technical provisions

Given the use of assumptions, there is inherent uncertainty. The level of uncertainty associated with the value of technical provisions has been estimated by examining how the technical provisions would change if certain material assumptions were to change. Such quantifications have been undertaken as part of the process of calculating the SCRs for the Company. In calculating certain components of the overall SCR, the Company is required to recalculate the BEL on the basis of certain changes to assumptions.

The following table shows these assumptions changes along with an additional stress that considers increasing unemployment risk claims frequencies.

Assumption	Stress
Disability risk	Morbidity experience turns out to be worse than expected e.g. critical illness. 35%/25% increase in morbidity rates in years 1/2+ and a 20% decrease in recovery rates. Stress applies to Health SLT benefits.
Unemployment risk	Increase of 40% in Miscellaneous financial loss claim frequencies above the base case for one year followed by a 20% increase in Miscellaneous financial loss claim frequencies above the base for one year, together with a 20% decrease in recovery rates.
Expense risk	Expenses and expense inflation are higher than expected (10% increase and additional 1% p.a. inflation).
Mortality catastrophe risk	Catastrophe i.e. one off large impact on mortality rates over a short time period (additional 1.5 per thousand deaths over next year) Stress applies to Life benefits only.

The following table shows the impact of the sensitivity as an amount of the SCR for that specific risk and as a percentage of the overall SCR ratio as at 31 December 2019.

	MIDAC Impact £'000	MIDAC Impact % of overall SCR ratio		MADAC Impact £'000	MADAC Impact % of overall SCR ratio
Mortality catastrophe risk	-	0%		11	0%
Disability risk	158	2%		-	0%
Expense risk	23	0%		25	0%
Unemployment risk	87	1%		-	0%

MIDAC's technical provisions are most sensitive to changes in claim rates (unemployment and disability) and are relatively insensitive to changes in other assumptions. Whereas, given the smaller size of the underlying book, MADAC's technical provisions are most sensitive to changes in expenses or a catastrophe that would materially increase life claims. The largest impact (albeit, it is still immaterial at c.2%) on the overall SCR for either entity stems from a worsening of disability claims experience in MIDAC.

D.2 (c) Material differences between the bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes and those used for valuation in financial statements

The following table shows the movement from statutory basis valuation of insurance liabilities to the Solvency II Technical Provisions, split by line of business for the reporting period as at 31 December 2019:

	MIDAC Misc FL £'000	MIDAC Health SLT £'000	MIDAC Total £'000		MADAC Health SLT £'000	MADAC Life £'000	MADAC Total £'000
Statutory Technical Provisions	3,169	3,456	6,625		2	548	549
Adjustments to Solvency II Valuation Basis	(244)	(176)	(420)		2	(298)	(295)
Solvency II Technical Provisions	***2,925***	***3,280***	***6,205***		***4***	***250***	***254***

The main differences between the Solvency II and statutory basis insurance liabilities arise from:

- Solvency II technical provisions allow for expected future profits in respect of future risk coverage within the contract boundary;
- The Statutory technical provisions hold an explicit provision for unearned premiums.

D.2 (d) (e) Matching adjustment and volatility adjustment

Neither the matching adjustment nor the volatility adjustment referred to in Article 77 of Directive 2009/138/EC are used by the Company, nor were they used at 31 December 2018.

D.2 (f) (g) Transitional risk-free rate and transitional deduction

Both the transitional risk-free interest rate term-structure and the transitional deduction referred to in Article 308 of 2009 Solvency II Directive are not applied by the Company at 31 December 2019, and they were not applied at 31 December 2018.

D.2 (h) (i) Reinsurance recoverables and special purpose vehicles

There is no reinsurance in place and thus the recoverables are nil at 31 December 2019. This was also the case at 31 December 2018.

There are no Special Purpose Vehicles in place at 31 December 2019, nor at 31 December 2018 for both entities.

D.2 (h) (ii) Material changes to assumptions made in calculating technical provisions compared to previous reporting period

Following a review of the experience, it was proposed that the same demographic assumptions as used at year end 2018 be retained. The only exception to this was an update to the expenses assumption to reflect updated policy servicing costs and project costs. The net impact of these changes to expenses is an increase in the Best Estimate Liabilities of c. £0.2m.

D.3 Other liabilities

D.3 (a) Value of other liabilities plus a description of the bases, methods and main assumptions used for their valuation for solvency purposes

The following table summarises the valuation of the Company's liabilities (excluding technical provisions) for Solvency II purposes and the valuation used in the Company's financial statements ("Statutory Basis") at the reporting date.

	Solvency II Basis MIDAC £'000	Statutory Basis MIDAC £'000		Solvency II Basis MADAC £'000	Statutory Basis MADAC £'000
Insurance and intermediaries payables	2,022	2,022		1,381	1,381
Deferred tax liabilities	37	0		27	0
Other liabilities	1,106	1,106		542	542
Total liabilities (excl technical provisions)	**3,166**	**3,129**		**1,949**	**1,923**

Insurance & Intermediaries payable is mostly represented by commission and profit share payable to Barclays Bank PLC and is valued in accordance with the terms and conditions set out in the distribution agreement in place between the two companies. All data used in the valuation process is directly sourced from the underwriting results outlined in Section A.2 of this report and no material estimates or judgements are made for valuation purposes. Commission payable is accrued for on a quarterly basis and settled within 15 days of the quarter end. Profit share payable is also accrued for on a quarterly basis but is settled annually in January.

Deferred tax is recognised in respect of all timing differences that have originated, but not yet reversed, at the balance sheet date. This means where transactions or events have occurred at that date that will result in an obligation to pay more tax or a right to pay less tax.

When calculating a net deferred tax liability, deferred tax assets are offset only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The tax rate used to calculate the deferred tax balance is the rate that's expected to be in-force at the time the tax becomes payable. There is no expiry date of taxable temporary differences. There are no unused tax losses within the calculation of the deferred tax liability.

The other liabilities for both companies comprise of intercompany recharges with MISL, trade and other creditors, and are valued at their respective transaction price, and are payable at various dates in the three months after the reporting date.

D.3 (b) Material differences with the valuation bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes and those used for their valuation in financial statements

Other than the items mentioned above, there are no differences in the bases, methods and assumptions used for the valuation for Solvency II purposes and those used in the financial statements.

D.4 Alternative methods for valuation

Due to the nature of the Company's assets, Solvency II valuation principles based on quoted market prices for identical or similar assets are not relevant. As stated in D.1, the inputs used to value assets are based on observable data for each individual asset and is consistent with how these assets are valued in the Company's financial statements.

D.5 Any other information

Monument Re paid a capital contribution to MIDAC of £7,300k, and MIDAC paid a capital contribution to MADAC of £14,700k, and in turn MADAC paid a capital contribution of £17,500k to its subsidiary, MLIDAC (approved by the CBI on 27 March 2018).

E. Capital Management

E.1 Own Funds

E.1 (a) Objectives, policies and processes employed by the undertaking for managing its Own Funds

One of the core objectives of the Company's strategy is to maintain its financial strength. Capital is a resource that supports the risk bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers.

There were no material changes over the reporting period with regards to objectives, policies and processes employed by us for managing our Own Funds.

The Solvency Ratio for MIDAC stands at 271% at 31 December 2019, compared to the result at 31 December 2018, the Solvency ratio decreased by 12%. The Solvency Ratio for MADAC stands at 247% at 31 December 2019, compared to the result at 31 December 2018, the Solvency ratio decreased by 31%.

Summary of Solvency Ratio for MIDAC

	31/12/2019	31/12/2018	Change
Own Funds	28,167	33,499	(5,332)
Solvency Capital Requirement	10,397	11,832	(1,435)
Minimum Capital Requirement	2,622	3,148	(527)
Absolute Floor of Minimum Capital Requirement	2,153	2,236	(83)
Relevant Solvency Ratio	271%	283%	(12%)

The Own Funds of MIDAC reduced by £5,332k during 2019. The value of MIDAC's holding in MADAC reduced by £1,915k over the year whilst MIDAC paid a net dividend of £4,000k (c. £3,845k received from MADAC and c. £7,845k paid to Monument Re); the remaining change reflects profits in MIDAC. The SCR reduced by £1,435k over the year due to the reduced value in MADAC and due to the run-off of the business.

Summary of Solvency Ratio for MADAC

	31/12/2019	31/12/2018	Change
Own Funds	23,789	29,547	(5,758)
Solvency Capital Requirement	9,645	10,656	(1,011)
Minimum Capital Requirement	3,187	3,310	(123)
Absolute Floor of Minimum Capital Requirement	3,187	3,310	(123)
Relevant Solvency Ratio	247%	277%	(31%)

The Own Funds of MADAC reduced by £5,758k during 2019. The value of MADAC's holding in MLIDAC reduced by £2,100k over the year whilst MADAC paid a net dividend of £700k (c. £3,145k received from MLIDAC and c. £3,845k paid to MIDAC). There is also an allowance for a foreseeable dividend of £3,843k allowed for in the Own Funds as at 31 December 2019. The remaining change reflects profits in MADAC. MADAC's overall SCR has reduced by c. £1,011k mainly due to the reduction in its equity holdings (i.e. the value of MLIDAC).

The structure of the Company's Own Funds comprises of share capital and retained earnings, including in the case of MIDAC its investment in MADAC and in the case of MADAC, its investment in MLIDAC, as per the organisational structure outlined in Section A.1. (e). The capital management policy focuses on ensuring that there is sufficient capital at all times to meet the regulatory solvency requirements.

E.1 (b) (c) (d) Information on Own Funds and the amount eligible to cover the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The Eligible Own Funds to meet the SCR is obtained from Basic Own Funds, to which Ancillary Own Funds are added that are recognised and approved by the regulator and subject to eligibility constraints. Neither MIDAC, nor MADAC have any Ancillary Own Funds at 31 December 2019, or at 31 December 2018.

Solvency II defines Basic Own Funds as the sum of:

- The excess of assets over liabilities as defined in Section D;
- Less deduction for foreseeable dividends and distributions;

The following table shows the make-up of the Solvency II Basic Owns Funds, all own fund items are available to meet and what is eligible to cover the Solvency Capital Requirement and Minimum Capital Requirement.

	MIDAC Own Funds 2019 £'000	MIDAC Own Funds 2018 £'000		MADAC Own Funds 2019 £'000	MADAC Own Funds 2018 £'000	Tier
Ordinary Share Capital	8,100	8,100		21,500	21,500	1
Reconciliation reserve	20,067	25,399		2,289	8,047	1
Total Basic Own Funds	***28,167***	***33,499***		***23,789***	***29,547***	

All Basic Own Funds items are fully subordinated to all other liabilities and there are no conditions attached that would prevent any of these items from absorbing losses.

E.1 (e) Material differences between equity as shown in the undertaking's financial statements and the excess of assets over liabilities as calculated for solvency purposes

The following table summarises the differences between shareholders equity reported in the Company's financial statements and the excess of assets over liabilities for solvency purposes. Further details on asset differences are outlined under Section D.1 (b) of this report and under Section D.2 (c) for technical provision differences.

	MIDAC £'000		MADAC £'000	
	2019	2018	2019	2018
Shareholder Equity per financial statements	**22,683**	**26,054**	**23,478**	**23,238**
Difference in the valuation of assets	5,101	6,990	3,887	5,999
Difference in the valuation of technical provisions	420	497	295	339
Difference in the valuation of other liabilities	(37)	(42)	(27)	(29)
Solvency II Excess of Assets over Liabilities	**28,167**	**33,499**	**27,633**	**29,547**

E.1 (f) Basic Own Fund item subject to the transitional arrangements

Not applicable.

E.1 (g) Ancillary Own Funds

This section is not applicable as MIDAC and MADAC do not have any ancillary Own Funds at 31 December 2019 and nor did they as at 31 December 2018.

E.1 (h) Material items deducted from Own Funds

There are no material items deducted from Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2 (a) Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) at the end of the reporting period

We now present the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR") for the companies as at 31 December 2019. The SCR is calculated at the Value at Risk of the Own Funds subject to a confidence interval of 99.5% over a one-year period. The SCR is calculated using the Standard Formula approach as defined under Solvency II. The following table shows the Company's SCR and MCR requirements at the reporting date.

	MIDAC £'000		MADAC £'000
SCR	10,397		9,645
MCR	2,622		3,187

E.2 (b) The amount of the undertakings SCR split by risk module

The SCR breakdown is provided as follows, highlighting the contribution of the risks to the total SCR and the impact of the diversification among risks.

	MIDAC £'000		MADAC £'000
Market risk	6,192		9,333
Counterparty default risk	127		89
Life underwriting risk	-		79
Health underwriting risk	245		-
Non-life underwriting risk	6,016		-
Diversification	(2,825)		(125)
Intangible asset mix	-		-
Basic Solvency Capital Requirement	*9,755*		*9,375*
Operational risk	642		269
Solvency Capital Requirement	**10,397**		**9,645**

E.2 (c) Information on if using simplified calculations

There are no simplifications employed by MIDAC or MADAC in the calculation of the SCR.

E.2 (d) (e) (f) Information on undertaking specific parameters and capital add-ons

The undertaking specific parameters referred to in Article 104(7) of Directive 2009/138/EC are not used by the Company.

The capital add-on as per sub paragraph of Article 51(2) of Directive 2009/138/EC does not apply.

E.2 (g) Information on inputs used to calculate the MCR

The following table summarises the inputs used by the Company to calculate the MCR as at the reporting date. The MCR calculation is required to determine the minimum level of capital under which companies would be exposed to an unacceptable level of risk when allowed to continue their operations. For the purposes of the MCR calculation, premiums and reserves (net of reinsurance) are used for MIDAC, as it is a non-life entity, while only reserves are used for MADAC.

EIOPA defines a minimum monetary amount for which the MCR is expected to be held. For non-life companies, this is set at €2,500k (or £2,153k) and €3,700k (or £3,187k) for life companies as at 31 December 2019. As can be seen in the table below, this applies in the case of MADAC.

	MIDAC £'000		MADAC £'000
AMCR	2,153		3,187
SCR	10,397		9,645
MCR	2,622		3,187

E.2 (h) Material changes to SCR and MCR over the reporting period

MIDAC's SCR reduced by £1,435k over the year. The main reasons for the reduction are that the Equity SCR reduced due to the lower valuation of MADAC and also due to the run-off of the business which led to a reduction to the non-life SCR in particular.

MADAC's SCR reduced by £1,011k over the year. The main reason for the reduction is that both the Equity and Currency SCRs reduced due to the lower valuation of MLIDAC.

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

This section is not applicable.

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

This section is not applicable.

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

This section is not applicable.

E.6 Any other information

This section is not applicable.

Glossary

Absolute Minimum Capital Requirement: This is an amount of money that a company is obliged to hold as capital as an absolute floor. This is defined as €3,700k for MADAC, as it is a life assurance company, under Regulation 140 of Statutory Instrument 485/2015. This is defined as €2,500k for MIDAC, as it is a non-life company.

Basic Own Funds: According to article 88 of Solvency II Directive 2009/138/CE, Basic Own Funds are defined as the sum of the excess of assets over liabilities measured on market consistent principles in accordance with article 75 of Solvency II Directive 2009/138/CE and reduced by the amount of own shares held by the insurance or reinsurance undertaking, and subordinated liabilities.

Best estimate liability: The best estimate liability represents the expected present value of future cash-flows related to insurance and reinsurance obligations in force at the valuation date. The best estimate liability is calculated on a gross of reinsurance basis, i.e. without any deduction of the amounts recoverable from reinsurance contracts and special purpose vehicles.

Brexit: portmanteau for "British exit," referring to the UK's decision in a June 23, 2016 referendum to leave the European Union (EU).

Cash and cash equivalents: the item includes cash and highly-liquid short-term financial investments (readily convertible in specific amounts of cash which are subject to an irrelevant risk of change in value). Furthermore this asset class includes also short term deposits and money-market investment funds, which are included in the Group liquidity management.

Chief Risk Officer (CRO): Chief Risk Officer of the Company, outsourced to Monument Insurance Services Limited.

Compliance Function Charter: The responsibilities of the compliance function are described in the Compliance Function Charter.

Contract boundaries: This is the limit beyond which relevant cash flows are excluded from the calculation of technical provisions. It is defined in line with Article 18 of the Delegated Acts, and refers to future dates where the insurance undertaking has a unilateral right either to terminate the contract, or to reject payable premiums or to amend the payable premiums or the benefits in such a way that the premiums fully reflect the risks.

Control function (CF): A control function is a function in relation to the provision of financial services which is prescribed by the Central Bank of Ireland as a control function.

Counterparty default risk adjustment: The counterparty default adjustment is the amount of recoverables that the Company expects not to be able to recover as a consequence of the possible default of the counterparty at any point in time in the future.

Delegated act: As part of the Lisbon Treaty, the EU created a tool to put a law in place. They used an 'implementing act' for ruling on procedure and on how to follow legislation that already exists and use a delegated act for ruling on the content of legislation. The Solvency II requirement includes various implementing acts and delegated acts.

Expected Profit Included in Future Premiums (EPIFP): it is the expected present value of future cash flows, if positive, which results from the inclusion in technical provisions of premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future, but that may not be received for any reason, other than because the insured event has occurred, regardless of the legal or contractual rights of the policyholder to discontinue the policy.

Fixed income instruments: direct investments in government and corporate bonds, loans, term deposits other than those presented as cash and cash equivalents, and reinsurance deposits. Moreover, this asset class includes also investments funds mainly exposed to investments or risks similar to direct investments presented within this asset class.

Gross written premiums: Equal to gross written premiums of direct business and accepted by third parties.

Gross direct premiums: Equal to gross written premiums of direct business.

Insurance contracts: a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary [Appendix A, IFRS4].

Key Risk Indicators (KRI): is a measure used in management to indicate how risky an activity is. Key risk indicators are metrics used by organisations to provide an early signal of increasing risk exposures in various areas of the enterprise.

Long term guarantee adjustments and transitional measures: This expression refers to the matching adjustment (as set out in article 77b of Solvency II Directive 2009/138/EU), the volatility adjustment (as set out in article 77d of Solvency II Directive 2009/138/EU), the transitional measure on the risk-free interest rates (as set out in article 308c of Solvency II Directive 2009/138/EU) and the transitional measure on technical provisions (as set out in article 308d of Solvency II Directive 2009/138/EU).

Master Services Agreement (MSA): A master service agreement, or MSA, is a contract reached between parties, in which the parties agree to most of the terms that will govern future transactions or future agreements.

Minimum Capital Requirement (MCR): The Minimum Capital Requirement corresponds to an amount of eligible basic Own Funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk were insurance and reinsurance undertakings allowed to continue their operations. It corresponds to the Value-at-Risk of the basic Own Funds subject to a confidence level of 85% over a one-year period (Solvency II Directive 2009/138/CE, Art. 129).

Net cash inflows: it is an indicator of cash flows generation of the life segment. It is equal to the amount of premiums collected net of benefits paid.

Other investments: includes participations in non-consolidated Group companies, derivative investments and receivables form banks and customers, the latter mainly related to normal banking operations.

Outstanding Claims Reserves: The Outstanding Claims Reserves (or Claims Provisions) are reserves for the outstanding claims, whether reported or not, occurred before the evaluation date whose costs and related expenses have not been completely paid by that date.

Own Funds: According to article 87 of Solvency II Directive 2009/138/EU, Own Funds are defined as the sum of basic Own Funds and ancillary Own Funds.
Per policy fee: Administration fees charges by Monument Insurance Services Limited are charged monthly. The fee is a function of the number of policies and the agreed policy administration fee.

Pre-approved Control Function (PCF): Persons performing PCF roles must be pre-approved by the Central Bank of Ireland in order to take up the role.

Premiums Reserves: The Premiums Reserves (or Premium Provisions) are reserves for contracts that are either in force at the valuation date or for which a legal obligation exists to provide coverage.

Reinsurance recoverables: Reinsurance recoverables represent the amount of best estimate liability expected to be recovered via reinsurance treaties or special purpose reinsurance vehicles and correspond to the expected present value of the future cash flows referring to the in force reinsurance agreements.

Risk Appetite Framework (RAF): The Risk Appetite Framework sets the overall risk strategy in terms of aggregate level of risk that the Board is willing to accept or avoid in order to achieve its business objectives.

Risk Control Self-Assessment (RCSA): is the process of identifying, recording and assessing potential risks and related controls.

Risk Management Framework (RMF): The Risk Management Framework is the structured process used to identify potential threats to an organisation and to define the strategy for removing or minimising the impact of these risks as well as the mechanisms to effectively control and evaluate actions.

Risk Margin: The risk margin is the part of technical provisions that should ensure that the overall value of the technical provisions is equivalent to the amount a third party would theoretically require in order to take over and meet the insurance liabilities, taking into account the cost of capital required to support those liabilities over their remaining future lifetime and regarding non-hedgeable risks such as underwriting and operational risks.

Solvency II ratio: defined as the ratio between the Eligible Own Funds and the Solvency Capital Requirement, both calculated according to the definitions of the Solvency II regime. The ratio has to be intended as preliminary since the definitive Regulatory Solvency Ratio will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

Solvency Capital Requirement (SCR): The Solvency Capital Requirement is determined as the economic capital to be held by insurance and reinsurance undertakings in order to ensure that ruin occurs no more often than once in every 200 cases or, alternatively, that those undertakings will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months (Solvency II Directive 2009/138/EU).

Standard formula: The standard formula is a standard method defined by Solvency II Directive for the calculation of the Solvency Capital Requirement. The standard formula covers the following risks: non-life underwriting risk, life underwriting risk, health underwriting risk, market risk, counterparty default risk and operational risk.

Technical provisions: The technical provisions correspond to the sum of the best estimate liability and risk margin.

List of public QRTs to be disclosed

Article 4 - Templates for the solvency and financial condition report of individual undertakings.

- Template S.02.01.02 of Annex I, specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in section S.02.01 of Annex II to this Regulation;

- Template S.05.01.02 of Annex I, specifying information on premiums, claims and expenses using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.01 of Annex II to this Regulation, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

- Template S.05.02.01 of Annex I, specifying information on premiums, claims and expenses by country using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in section S.05.02 of Annex II of this Regulation;

- Template S.12.01.02 of Annex I, specifying information on the technical provisions relating to life insurance and health insurance pursued on a similar technical basis to that of life insurance ('health SLT') for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35, following the instructions set out in section S.12.01 of Annex II to this Regulation;

- template S.17.01.02 of Annex I, specifying information on non-life technical provisions, following the instructions set out in S.17.01 of Annex II for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

- template S.19.01.21 of Annex I, specifying information on non-life insurance claims in the format of development triangles, following the instructions set out in S.19.01 of Annex II for the total non-life business ;

- Template S.23.01.01 of Annex I, specifying information on own funds, including basic own funds and ancillary own funds, following the instructions set out in section S.23.01 of Annex II;

- Template S.25.01.21 of Annex I, specifying information on the Solvency Capital Requirement calculated using the standard formula, following the instructions set out in section S.25.01 of Annex II;

- Template S.28.01.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or only non-life insurance or reinsurance activity, following the instructions set out in section S.28.01 of Annex II.

Appendix 1

Monument Insurance Designated Activity

Solvency and Financial Condition Report

Disclosures

31 December

2019

(Monetary amounts in GBP thousands)

General information

Undertaking name	Monument Insurance Designated Activity
Undertaking identification code	635400VKGCSQJ4CCZV89
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	GBP
Accounting standards	Local GAAP
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.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.05.02.01 - Premiums, claims and expenses by country
S.12.01.02 - Life and Health SLT Technical Provisions
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)	34,092
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	27,633
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	5,152
R0140	*Government Bonds*	1,231
R0150	*Corporate Bonds*	3,920
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	1,308
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:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	1,576
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	125
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	1,744
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	37,538

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	2,925
R0520	*Technical provisions - non-life (excluding health)*	2,925
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	2,508
R0550	*Risk margin*	417
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	3,280
R0610	*Technical provisions - health (similar to life)*	3,280
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	3,239
R0640	*Risk margin*	41
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	0
R0680	*Risk margin*	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	37
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	2,022
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	777
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	329
R0900	**Total liabilities**	9,371
R1000	**Excess of assets over liabilities**	28,167

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												9,763					9,763
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share																	0
R0200	Net												9,763					9,763
	Premiums earned																	
R0210	Gross - Direct Business												9,803					9,803
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share																	0
R0300	Net												9,803					9,803
	Claims incurred																	
R0310	Gross - Direct Business												2,973					2,973
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net												2,973					2,973
	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
R0550	**Expenses incurred**												6,568					6,568
R1200	**Other expenses**																	-178
R1300	**Total expenses**																	6,390

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	8,657								8,657
R1420	Reinsurers' share									0
R1500	Net	8,657								8,657
	Premiums earned									
R1510	Gross	8,687								8,687
R1520	Reinsurers' share									0
R1600	Net	8,687								8,687
	Claims incurred									
R1610	Gross	3,483								3,483
R1620	Reinsurers' share									0
R1700	Net	3,483								3,483
	Changes in other technical provisions									
R1710	Gross									0
R1720	Reinsurers' share									0
R1800	Net	0								0
R1900	**Expenses incurred**	5,146								5,146
R2500	**Other expenses**									-157
R2600	**Total expenses**									4,989

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			GB					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business		9,763					9,763
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share							0
R0200	Net	0	9,763					9,763
	Premiums earned							
R0210	Gross - Direct Business		9,803					9,803
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share							0
R0300	Net	0	9,803					9,803
	Claims incurred							
R0310	Gross - Direct Business		2,973					2,973
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	0	2,973					2,973
	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
R0550	**Expenses incurred**		6,568					6,568
R1200	**Other expenses**							-178
R1300	**Total expenses**							6,390

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400			GB					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross		8,657					8,657
R1420	Reinsurers' share							0
R1500	Net	0	8,657					8,657
	Premiums earned							
R1510	Gross		8,687					8,687
R1520	Reinsurers' share							0
R1600	Net	0	8,687					8,687
	Claims incurred							
R1610	Gross		3,483					3,483
R1620	Reinsurers' share							0
R1700	Net	0	3,483					3,483
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0	0					0
R1900	**Expenses incurred**		5,146					5,146
R2500	**Other expenses**							-157
R2600	**Total expenses**							4,989

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**																0
R0020	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																
R0030	**Gross Best Estimate**												3,239	0			3,239
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																0
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re												3,239	0			3,239
R0100	**Risk margin**											41					41
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole											0					0
R0120	Best estimate																0
R0130	Risk margin											0					0
R0200	**Technical provisions - total**											3,280					3,280

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
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												-89					-89
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0150	**Net Best Estimate of Premium Provisions**												-89					-89
	Claims provisions																	
R0160	Gross												2,597					2,597
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0250	**Net Best Estimate of Claims Provisions**												2,597					2,597
R0260	**Total best estimate - gross**												2,508					2,508
R0270	**Total best estimate - net**												2,508					2,508
R0280	**Risk margin**												417					417
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**												2,925					2,925
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**												0					0
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**												2,925					2,925

S.19.01.21

Non-Life insurance claims

Total Non-life business

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

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	**Development year**											**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	-9	4,270	6,913	1,932	199	39	3	1	1	0	2		2	13,360
R0170	-8	4,627	8,457	2,054	143	13	3	0	0	7			7	15,305
R0180	-7	5,680	6,501	1,428	76	2	1	0	0				0	13,690
R0190	-6	3,603	4,514	1,068	36	7	4	9					9	9,241
R0200	-5	2,217	2,701	741	66	6	10						10	5,741
R0210	-4	1,672	2,428	596	26	11							11	4,733
R0220	-3	1,536	2,162	503	45								45	4,247
R0230	-2	1,133	1,828	545									545	3,507
R0240	-1	959	1,491										1,491	2,450
R0250	2019	931											931	931
R0260												**Total**	3,052	73,204

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	**Development year**											**Year end (discounted data)**
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0
R0170	-8	0	0	0	0	0	0	0	0	0			0
R0180	-7	0	0	0	0	0	0	0	0				0
R0190	-6	0	0	0	0	0	0	0					0
R0200	-5	0	0	0	0	0	0						0
R0210	-4	0	0	0	0	0							0
R0220	-3	0	105	0	0								0
R0230	-2	3,494	98	0									0
R0240	-1	2,856	65										64
R0250	2019	2,550											2,533
R0260												**Total**	2,597

S.23.01.01

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	8,100	8,100		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	20,067	20,067			
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	0	0	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**	28,167	28,167	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	28,167	28,167	0	0	0
R0510	Total available own funds to meet the MCR	28,167	28,167	0	0	
R0540	Total eligible own funds to meet the SCR	28,167	28,167	0	0	0
R0550	Total eligible own funds to meet the MCR	28,167	28,167	0	0	
R0580	**SCR**	10,397				
R0600	**MCR**	2,622				
R0620	**Ratio of Eligible own funds to SCR**	270.92%				
R0640	**Ratio of Eligible own funds to MCR**	1074.44%				

		C0060
	Reconcilliation reserve	
R0700	Excess of assets over liabilities	28,167
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable 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
R0760	**Reconciliation reserve**	20,067
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	61
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	89
R0790	**Total Expected profits included in future premiums (EPIFP)**	150

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	6,192		
R0020	Counterparty default risk	127		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	245		
R0050	Non-life underwriting risk	6,016		
R0060	Diversification			
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**			

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	642
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**	
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	
	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	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	0
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	1,656

		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	0	
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	0	
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	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	2,508	9,747
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	966

		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	3,239	
R0250	Total capital at risk for all life (re)insurance obligations		1,282,753

	Overall MCR calculation	C0070
R0300	Linear MCR	2,622
R0310	SCR	10,397
R0320	MCR cap	4,679
R0330	MCR floor	2,599
R0340	Combined MCR	2,622
R0350	Absolute floor of the MCR	2,153
R0400	**Minimum Capital Requirement**	2,622

Appendix 2

Monument Assurance Designated Activity Company

Solvency and Financial Condition Report

Disclosures

31 December

2019

(Monetary amounts in GBP thousands)

General information

Undertaking name	Monument Assurance Designated Activity Company
Undertaking identification code	6354004XVNV6MTYIGS82
Type of code of undertaking	LEI
Type of undertaking	Life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	GBP
Accounting standards	Local GAAP
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.12.01.02 - Life and Health SLT Technical Provisions
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)	29,225
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	25,396
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	2,021
R0140	*Government Bonds*	826
R0150	*Corporate Bonds*	1,195
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	1,808
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:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	
R0300	*Health similar to non-life*	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	0
R0330	*Life excluding health and index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	502
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	2
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	107
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	29,836

S.02.01.02
Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	0
R0520	*Technical provisions - non-life (excluding health)*	0
R0530	*TP calculated as a whole*	
R0540	*Best Estimate*	
R0550	*Risk margin*	
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	
R0580	*Best Estimate*	
R0590	*Risk margin*	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	254
R0610	*Technical provisions - health (similar to life)*	4
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	4
R0640	*Risk margin*	0
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	250
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	228
R0680	*Risk margin*	22
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	27
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	1,381
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	289
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	253
R0900	**Total liabilities**	2,204
R1000	**Excess of assets over liabilities**	27,633

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	0			6,683					6,683
R1420	Reinsurers' share									0
R1500	Net	0			6,683					6,683
	Premiums earned									
R1510	Gross	0			6,732					6,732
R1520	Reinsurers' share									0
R1600	Net	0			6,732					6,732
	Claims incurred									
R1610	Gross	-38			625					587
R1620	Reinsurers' share									0
R1700	Net	-38			625					587
	Changes in other technical provisions									
R1710	Gross									0
R1720	Reinsurers' share									0
R1800	Net	0			0					0
R1900	**Expenses incurred**	43			4,999					5,042
R2500	**Other expenses**									
R2600	**Total expenses**									5,042

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400			GB					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross		6,683					6,683
R1420	Reinsurers' share							0
R1500	Net	0	6,683					6,683
	Premiums earned							
R1510	Gross		6,732					6,732
R1520	Reinsurers' share							0
R1600	Net	0	6,732					6,732
	Claims incurred							
R1610	Gross		587					587
R1620	Reinsurers' share							0
R1700	Net	0	587					587
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0	0					0
R1900	**Expenses incurred**		5,042					5,042
R2500	**Other expenses**							0
R2600	**Total expenses**							5,042

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**					0					0	0					0
R0020	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					0	0					0
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**						228	0			228		4	0			4
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						0	0			0		0	0			0
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re						228	0			228		4	0			4
R0100	**Risk margin**					22					22	0					0
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole					0					0	0					0
R0120	Best estimate						0	0			0		0	0			0
R0130	Risk margin					0					0	0					0
R0200	**Technical provisions - total**					250					250	4					4

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)	21,500	21,500		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	2,289	2,289			
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	0	0	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**	23,789	23,789	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	23,789	23,789	0	0	0
R0510	Total available own funds to meet the MCR	23,789	23,789	0	0	
R0540	Total eligible own funds to meet the SCR	23,789	23,789	0	0	0
R0550	Total eligible own funds to meet the MCR	23,789	23,789	0	0	
R0580	**SCR**	9,645				
R0600	**MCR**	3,187				
R0620	**Ratio of Eligible own funds to SCR**	246.66%				
R0640	**Ratio of Eligible own funds to MCR**	746.47%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	27,633
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	3,843
R0730	Other basic own fund items	21,500
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	2,289
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	108
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	108

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	9,333		
R0020	Counterparty default risk	89		
R0030	Life underwriting risk	79		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	0		
R0060	Diversification	-125		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	9,375		

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	269
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**	9,645
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	9,645
	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	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	0
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	0

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

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	115

		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	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	232	
R0250	Total capital at risk for all life (re)insurance obligations		156,854

	Overall MCR calculation	C0070
R0300	Linear MCR	115
R0310	SCR	9,645
R0320	MCR cap	4,340
R0330	MCR floor	2,411
R0340	Combined MCR	2,411
R0350	Absolute floor of the MCR	3,187
R0400	**Minimum Capital Requirement**	3,187