MONUMENT
Life Insurance dac

Monument Life Insurance DAC

Solvency and Financial Condition Report
at 31st December 2021

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Executive Summary

Introduction and Purpose

This is the Solvency and Financial Condition Report ("**SFCR**") for Monument Life Insurance DAC ("**MLIDAC**" or "the Company") for the year ended 31st December 2021. 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 ("**Delegated Regulation**").

This report quotes all nominal amounts in thousands of euro (€ '000), unless otherwise stated, as per Article 2 of ITS 2015/2452.

Business Information

MLIDAC is authorised and regulated by the Central Bank of Ireland ("CBI"). Since 2000, MLIDAC has held a Class I license that allowed the Company to underwrite life assurance and contracts to pay annuities on human life, but excluding contracts written in Classes II and III. In February 2019, the Company received authorisation to transact Class III and Class IV business. In October 2019, the Company received authorisation to transact Class 1, Class 2 and Class 16 non-life business with respect to the then-proposed and subsequently completed transfer of payment protection insurance ("PPI") portfolios held by Monument Insurance DAC ("MIDAC") and Monument Assurance DAC ("MADAC") to the Company.

At its establishment in September 2000, the Company launched its Spanish term life product. The Company first accepted business in the UK in April 2003 and continued to issue policies until May 2007 when it closed to new business. The Company continued issuing new policies in Spain until November 2009 when the decision was made to close to new business and put the company into run-off. Policies were issued on a regular premium, level or decreasing term assurance, non-linked, single life basis.

The Company was sold by Laguna Life Holding Limited, a subsidiary of Enstar Group Limited, to MADAC, a subsidiary of Monument Re Limited ("Monument Re" or "MRE") on 29th August 2017. Ownership of the Company transferred to Monument Re on 30th June 2020.

In 2018, Monument Re completed the acquisition of a run-off portfolio of flexible premium retail life insurance contracts from Ethias S.A. ("Ethias"), known as the FIRST A Portfolio. In accordance with the authorisation by the National Bank of Belgium, the portfolio transferred into the Company.

On 1st April 2018, Monument Re signed an agreement to reinsure a portfolio of business from MetLife Europe Insurance Designated Activity Company ("MetLife"), an Irish incorporated entity domiciled in Ireland. Following high court approval, the majority of these policies were transferred to MLIDAC in April 2019. A small number of UK policies did not transfer in 2019, however these transferred on 31st March 2021.

In March 2019, the Company entered into an agreement to purchase Inora Life DAC ("Inora") from Société Générale S.A. as a wholly owned subsidiary. The transfer was subsequently approved by the Central Bank of Ireland and High Court with an effective date of 16th September 2019. The portfolio was transferred from Inora to MLIDAC on 31st December 2020 and consists of unit-linked investment products written in France, Germany, Belgium, Italy and Austria from 2001 until its closure to new business in 2012.

The Company entered into an agreement to purchase a portfolio of annuities from Rothesay Life Plc during 2019. Following approval by Central Bank of Ireland and the UK High Court the portfolio transferred to the Company on 7th September 2020.

Zurich Life Assurance plc transferred a portfolio of unit-linked investment business to the Company on 30th November 2020 which was approved by Central Bank of Ireland and the High Court in November 2020 .

On 31st December 2021, MLIDAC completed the acquisition of a closed-block portfolio of variable annuity policies from Athora Ireland plc.

The business continues to perform in line with the expected run-off of the business across all portfolios. The business strategy of the Company is focused on running off the existing closed book of policies and ensuring that high quality customer service remains a priority whilst seeking opportunities to grow the Company, through the acquisition of other insurers or the purchase of portfolios of insurance liabilities from other insurers, in line with the Monument Re Limited group strategy.

The Company retains very limited exposure to mortality and morbidity risks, with longevity exposure on annuity business providing a useful diversification of insurance risk. The largest insurance exposure is in relation to the PPI portfolio. This book initially experienced an increase in claims registered in the early part of the pandemic but claim numbers have since returned to pre-Covid levels. The Company, through its parent, continues to actively seek opportunities within the run-off space.

The ownership structure and qualifying holdings are shown in more detail in Section A.1(d) and A.1(e), respectively (all participations are 100% unless otherwise stated).

Performance

The current accounting year end date of the Company is 31st December. This report is for the year ended 31st December 2021 with prior year comparatives for the 12-month statutory period ending 31st December 2020. Copies of the Company's financial statements may be obtained from the Companies Registration Office in Ireland.

The Company's results for the year are shown below in Section A. Business and Performance. The statutory profit after tax for the reporting year is €11,664k (2020: €5,560k). The 2021 profits increased when compared to the prior year due to the take-on of closed-block portfolio of variable annuity policies from Athora Ireland.

No dividends were proposed or paid by the Company in 2021 (2020: €0k proposed and paid).

The Company's Own Funds measured on a Solvency II ("SII") valuation basis increased from €29,112k at 31st December 2020 to €40,662k at 31st December 2021. The main drivers of the movement of €11,550k are the following:

- Portfolio transfers over the year, the largest of which was the transfer of a portfolio of variable annuity policies from Athora on 31 December 2021.
- Profits generated by the pre-existing portfolios, driven by positive claims experience and investment return on linked and non-linked portfolios.
- Updates to actuarial lapse and expense assumptions following the annual experience review.

System of Governance

The Company has established a system of governance which is appropriate for the Company's business strategy and operations. There is a clear delegation of responsibilities, reporting lines and allocation of functions prescribed by 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. During the period the Company outsourced a significant portion of its operations and governance arrangements to the services company, Monument Insurance Services Limited ("MISL"). The key executives are employed directly by the company.

The Company's Board of Directors ("The Board") is comprised of a combination of executives, non-executives, and independent non-executives as per the requirements of the Corporate Governance Code in Ireland. All directors are selected based on their skills, competence and experience.

Further details of the Company's system of governance are provided below in ***Section B. System of Governance***.

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 Company's business activities give rise primarily to life and non-life underwriting risks, operational risk, market risk and credit risk. Further details of the Company's risk profile are provided below in ***Section C. Risk Profile*****.**

Valuation for Solvency Purposes

The Company's SII Balance Sheet values the Company's assets, technical provisions, and other liabilities in accordance with the SII Directive and related guidance. At 31st December 2021, the Company's excess of assets over liabilities was €40,662k on a SII basis which is is €1,125k higher than the value under Irish GAAP. The difference is driven mainly by the valuation of technical provisions net of reinsurance with a smaller offsetting impact arising from the difference in the deferred tax asset and the elimination of deferred acquisition costs under Solvency II. Further details of the methods used in the valuation of balance sheet items are provided in Section D along with an explanation of the material differences between the Irish GAAP and SII valuation bases.

Further details of the Company's valuation for Solvency Purposes are provided below in ***Section D. Valuation for Solvency Purposes***.

Capital Management

The structure of the Company's Own Funds comprises share capital and reconciliation reserve (including 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 Capital Requirement

("**SCR"**) is calculated using the Standard Formula set by the European Insurance and Occupational Pension Authority ("**EIOPA"**). As outlined in Table EX1 below, using this methodology, the Company's SCR is calculated to be €19,860k (2020: €15,997k). This represents a material change over the year. The increase primarily driven by a portfolio transfer during the 2021 year, as the transfer of the Athora Life annuity portfolio has increased exposure to lapse and longevity risk.

The Inora DAC dividend has reduced the market risk SCR as a result of lower strategic participation in the Inora entity.

Table EX1: Breakdown of SCR by risk module as at 31st December 2021 and 2020

€000s	31st December 2021	31st December 2020
Market	5,374	5,025
Counterparty default	6,138	2,339
Life underwriting	5,344	3,530
Health Underwriting	212	241
Non-life underwriting	4,670	5,747
Diversification	(7,343)	(5,731)
Basic Solvency Capital Requirement	**14,395**	**11,151**
Operational Risk	5,465	4,846
Solvency Capital Requirement	**19,860**	**15,997**

Table EX2 below summarises the Company's Own Funds and solvency position at 31st December 2021, with prior year comparatives (in € '000, except for percentages):

Table EX2: Summary of Own Funds and Solvency Position as at 31st December 2021 and 2020

	31st December 2021	31st December 2020
Eligible Own Funds to cover Solvency Capital Requirement	40,662	29,112
Eligible Own Funds to cover Minimum Capital Requirement	40,315	29,112
Solvency Capital Requirement	**19,860**	**15,997**
Minimum Capital Requirement	**8,937**	**6,200**
Ratio of Own Funds to SCR	205 %	182 %
Ratio of Own Funds to MCR	451 %	470 %

Further details of the Company's Own Funds and SCR are provided in ***Section E. Capital Management***.

Overall, the Company is committed to adhere to the Solvency II principles.

A. Business and Performance

A.1 Business

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

Monument Life Insurance DAC is a designated activity company incorporated in the Republic of Ireland in 2000 as a private limited company. The Company changed its name from Laguna Life DAC on the 2 April 2020. In August 2017 the Company was sold by Laguna Life Holdings Limited, a subsidiary of Enstar Group Limited, to MADAC, a company domiciled in Republic of Ireland. In June 2020 the ownership of the Company was transferred to Monument Re. The Company acquired Inora in September 2019. In December 2020 Inora transferred its insurance portfolio to the Company and Inora has commenced the process of liquidation. The ultimate parent of the Company is Monument Insurance Group Limited ("MIGL"), a company domiciled in Bermuda.

Name and registered office of the Company is:

Monument Life Insurance DAC
Two Park Place
Upper Hatch Street
Dublin 2
Republic of Ireland

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

Local Supervisors:

Central Bank of Ireland
Insurance Supervision Division
Spencer Dock
North Wall Quay
Dublin 1
Republic of Ireland

Group supervisor of the Group to which the Company belongs:

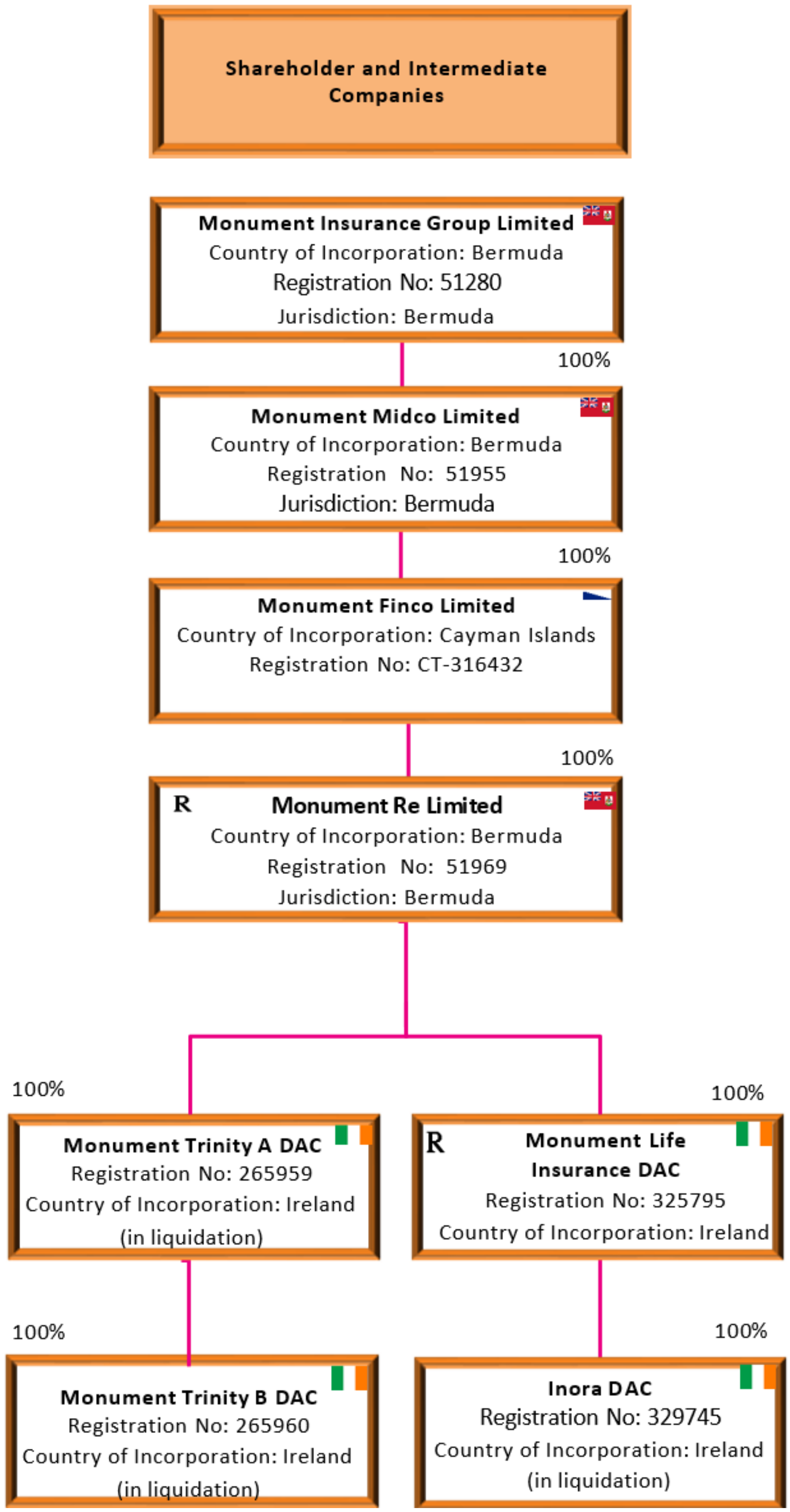
Bermuda Monetary Authority
BMA House
43 Victoria Street
Hamilton
Bermuda

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

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Republic of Ireland

A.1 (d) Description of the holders of qualifying holdings in the Group

The ownership structure of MLIDAC as at 31st December 2021 is set out in the following chart:



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

Monument Re Limited

Monument Re is a Bermuda based reinsurance company established to provide solutions for asset intensive portfolios through reinsurance or acquisition. In executing this dual insurance and reinsurance strategy, the Company 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 in-force blocks of long-dated, asset intensive liabilities, typically with guarantees.

Monument Re is a Class E reinsurer and holding company of other European insurance entities. It is subject to Group Supervision by the BMA through Solvency II Equivalence attained on a permanent basis from the European Commission.

Monument Re has an established track-record of acquiring life insurance portfolios across Europe. Since incorporation, twenty-four (24) transactions have been signed. These transactions support the Company's strategy to build and grow the Ireland, Benelux and Crown Territories platforms as well as demonstrating the capacity to develop and transact on opportunities in other territories.

Over 2021, Monument Re built upon the success of 2020 with the completion of five transactions. There were also three further transactions that remained subject to regulatory approval at 31st December 2021.

Monument Life Insurance Designated Activity Company

On 29th August 2017, Monument Re completed the acquisition of Monument Life Insurance Designated Activity Company (formerly Laguna Life Designated Activity Company, "Laguna"), an insurance undertaking, authorised in Ireland and regulated by the Central Bank of Ireland, and which holds the following licenses:

- Life Insurance Class I and III (with connected Class IV), IV and VI licenses; and
- Non-Life Insurance Class 1, 2 and 16 (for in-force non-life business only).

Laguna was acquired from Enstar Group Limited, a leading global insurance run-off consolidator and also a minority shareholder of Monument Re. At the time, the entity comprised of a closed book of term life protection risks within the UK and Spain and voluntarily ceased to underwrite new business in 2007 and 2009 respectively.

On 2nd April 2020, by a Special Resolution of the Company, and with the approval of the Registrar of Companies, Laguna changed its name to Monument Life Insurance Designated Activity Company ("Monument Life" or "MLIDAC" or "MLI").

A number of further transactions have completed into Monument Life, as set out below.

On 28th September 2018, Monument Re completed the acquisition of a run-off portfolio of flexible premium retail life insurance contracts from Ethias S.A. ("Ethias"), known as the FIRST A Portfolio. In accordance with the authorisation by the National Bank of Belgium, the FIRST A portfolio transferred into Laguna in Ireland with the terms and conditions unchanged except for the loss of Belgian state guarantee. Ireland does not maintain an equivalent system of guarantee.

On 1st April 2018, Monument Re signed an agreement to reinsure a portfolio of business from MetLife Europe Insurance Designated Activity Company ("MetLife"), an Irish incorporated entity domiciled in Ireland. Following high court approval, these policies were transferred to Monument Life.

On 29th March 2019, Monument Re signed a business transfer agreement with Rothesay Life in relation to a portfolio of annuities. Following completion of the Part VII transfer, this business was portfolio transferred into Monument Life in September 2020.

On 30th June 2020, the insurance business of Monument Insurance Designated Activity Company ("MIDAC") and Monument Assurance Designated Activity Company ("MADAC") transferred into Monument Life. This transfer consisted of a portfolio of Payment Protection Insurance ("PPI"). In July 2020, the Companies names were changed to Monument Trinity A DAC and Monument Trinity B DAC and post delicencing were subsequently placed into liquidation. Trinity B DAC was formally dissolved on 10th March 2022.

On 30th November 2020, following approval of the Irish High Court, the Company completed a portfolio transfer of unit-linked international Portfolio Bond policies from Zurich Life Assurance plc into Monument Life.

On 31st December 2021, following approval of the Irish High Court, Monument Life completed the acquisition of a closed-block portfolio of variable annuities from Athora Ireland plc.

Inora Life Designated Activity Company

Inora Life Designated Activity Company ("Inora") is an Irish unit-linked assurance company established in 2001 and which closed to new business in 2012. Monument Re signed a Share Purchase Agreement in relation to Inora on 27th March 2019. The transaction received regulatory approval and completed in September 2019 and subsequently became a subsidiary of Monument Life.

On 31st December 2020, the insurance business of Inora transferred into Monument Life. The Inora entity subsequently surrendered its life license and is now subject to liquidation

Service Companies

Monument Insurance Services Limited / Monument Insurance European Services SRL.

MLIDAC is serviced by an intra-group services company based in Ireland. The principal drivers of establishing a services company were achieving cost-efficiency through integration of required services into one entity and to provide increased mobility of talent, allowing employees to work on other Monument related activity. During 2021 the MLIDAC services company, Monument Insurance Services Limited ("MISL"), was merged into Monument Insurance Belgium Services ("MIBS") creating a new entity, Monument Insurance European Services SRL ("MIES"). The Irish branch of MIES will be the main service company for MLIDAC. As was the case with MISL, MIES is supported by Monument Re.

Significant Events

In February 2022, a conflict between Russian and Ukrainian has led to further escalation in energy inflation. While MLIDAC has no direct holdings in Russian, Ukrainian or Belarusian investments, it is to some degree impacted by negative stock market returns through the loss of future management charges. Widening corporate spreads, as seen recently, can also have a negative impact but this is mitigated through intra-group reinsurance. To date, we have not seen any impact of the conflict on persistency rates. The wider economic impacts on the business environment are yet to be assessed.

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 a number of countries.

Table A1: Breakdown of gross earned premium by geographical segment

Gross Earned Premium – by geographical segment	2021 €'000	2020 €'000
United Kingdom	1,061,681	402,754
Belgium	9	3,130
France	11,756	44,067
Germany	87,070	6,541
Greece	0	0
Ireland	68	153,191
Italy	5	0
Netherlands	1,086	1,046
Norway	14	10
Spain	844	1,019
Non-EEA(excluding UK)	0	0
Total	**1,162,533**	**611,758**

Premiums above in 2021 and 2020 are largely reflective of acquisitions as the portfolios are generally closed to new business. The increase in 2021 premiums in the UK and Germany is mainly due to the take-on of a portfolio of variable annuity business from Athora in December 2021. In the 2020 the largest part of the increase in UK premiums arose from the Zurich portfolio transfer, with contributions also from the PPI book transferred from MIDAC and MADAC during the year.

Table A2 below summarises how the benefits provided under policies issued by the Company are classified as Solvency II Lines of Business.

Table A2: Solvency II Lines of Business

SII Line of Business MLIDAC	Benefits Provided under Policies
16. Miscellaneous Financial Loss	Employment risks and other forms of financial loss
29. Health insurance	Accident and Sickness benefits
30. Insurance with profit participation	Life and potential for a minimum rate of interest
31. Index-linked and unit-linked insurance	Investment return, guaranteed withdrawal value,
32. Other Life Insurance	Life benefit
36. Life Reinsurance	Reinsurance of life risks and products

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

As described in more detail Section A.1(e) the Company completed the acquisition at the end of the year, of a closed-block portfolio of variable annuities from Athora Ireland plc, a wholly-owned subsidiary of Athora Holding Ltd.

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 with the implementation period ceasing on 31 December 2020. The Company entered the Temporary Permissions Regime (TPR) on 1 January 2021. The TPR allows firms to continue operating in the UK within the scope of their current permissions for a limited period after 31 December 2020.

A.2 Underwriting Performance

The Company's financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland ("**GAAP**").

Qualitative and Quantitative information regarding the material line of business and material geographical area can be found above in ***Section A.1 (f) Material lines of business and material geographical areas.***

The following Table A3 presents the underwriting performance on a GAAP basis for the year ended 31st December 2021. Prior year comparatives are for the year ended 31st December 2020, both on an aggregate level and by Solvency ll line of business.

Table A3: Underwriting Performance for the Years Ended 31st December 2021 and 2020

2021 €'000	Health insurance	Insurance with profit participation	Index-linked and unit linked insurance	Other life insurance	Life Reinsurance	Miscellaneous financial loss	Total
Net earned premium	6,815	1	796,375	4,517	1,803	7,462	816,973
Net claims paid	(3,683)	(221)	(6,236)	(3,280)	0	(3,680)	(17,098)
Net change in technical provisions	541	1,336	(799,237)	7,001	(1,573)	2,534	(789,398)
Net operating expenses	(4,161)	(24)	(1,042)	(3,253)	0	(4,265)	(12,745)
Investment return	(150)	(811)	8,629	(484)	0	95	7,279
Net underwriting performance	**(638)**	**281**	**(1,510)**	**4,501**	**229**	**2,146**	**5,011**

2020 €'000	Health insurance	Insurance with profit participation	Index-linked and unit linked insurance	Other life insurance	Life Reinsurance	Miscellaneous financial loss	Total
Net earned premium	8,257	0	49,241	17,598	0	10,647	85,743
Net claims paid	(2,076)	(315)	(1,650)	(3,098)	0	(2,208)	(9,347)
Net change in technical provisions	(3,590)	(867)	(42,971)	(13,091)	0	(6,030)	(66,551)
Net operating expenses	(1,643)	(19)	(530)	(2,760)	0	(1,824)	(6,776)
Investment return	0	1,594	2,091	1,093	0	4	4,782
Net underwriting performance	**948**	**393**	**6,180**	**(258)**	**0**	**589**	**7,852**

The acquisition of the variable annuity portfolio from Athora in December 2021 included a book of inward reinsurance policies.

It should be noted that underwriting performance is net of reinsurance and excludes expenses unallocated by line of business of €630k.

The portfolio transfer completed during the year contributed significantly to the increases to the linked insurance line of business making up the underwriting performance.

A.3 Investment Performance

A.3 (a) Income & expenses

The Company’s investment income as reported in the Financial Statements for the year end December 2021 was € 7,952 (December 2020: €2,105) which is analysed in Table A4 below:

Table A4: Investment Performance by Asset Class for the Years Ended 31st December 2021 and 2020

2021 €'000	Net Investment income	Net Investment expense	Net realised losses and gains	Changes in Fair value	Net Investment return
Bonds	1,090	(53)	(1,585)	(374)	(922)
Dividend	5,000	0	0	0	5,000
Impairment	0	0	(4,485)	0	(4,485)
Derivatives	3	(167)	(35)	(325)	(524)
Insurance Linked Funds	88	(213)	(4,069)	5,033	839
Investment Linked Funds	514	(139)	3,449	4,220	8,044
Total	**6,695**	**(572)**	**(6,725)**	**8,554**	**7,952**

2020 €'000	Net Investment income	Net Investment expense	Net realised losses and gains	Changes in Fair value	Net Investment return
Bonds	1,249	(51)	759	292	2,249
Dividend	5,500	0	0	0	5,500
Impairment	0	0	(7,630)	0	(7,630)
Derivatives	0	(2)	55	571	624
Insurance Linked Funds	2	(240)	120	149	31
Investment Linked Funds	160	(255)	216	1,210	1,331
Total	**6,911**	**(548)**	**(6,480)**	**2,222**	**2,105**

At the end of 2021, the Company's own investments comprise mainly corporate and government bonds with a substantial of collective investment undertakings and a small net exposure to interest rate swaps. The majority of the Company's investment return relates to unit-linked policies and for these lines of business investment performance is effectively passed on to our policyholders. The dividend income in the table above relates to the investment result from an investment in a subsidiary.

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

A.4 (a) Performance of other activities

Operating expenses during the year were €15,942 (2020 €10,668k) and comprise mainly management fees for outsourcing arrangements, actuarial, audit and other professional fees. These fees have increased as a result of the endeavours involved in sourcing and on-boarding new business as well as servicing an increased portfolio.

A.5 Any other information

The Company paid an interim dividend in 2021 of nil (2020: €nil). The directors do not propose an additional distribution for the year 2021 (2020: €nil).

The Company applied to the Companies Registration Office to change its legal name from Laguna Life DAC to Monument Life Insurance DAC. The Companies Registration Office approved the change and issued an updated Certificate of Incorporation with an effective date of 2 April 2020. The company has a subsidiary Inora DAC which commenced the voluntary liquidation process on 23 December 2021.

Monument Insurance Services Limited ("MISL") which was the service company for MLIDAC for the majority of 2021, has merged into Monument Insurance Belgium Services ("MIBS") and MIBS has been renamed Monument Insurance Europe Services ("MIES"). In 2022, the Irish branch of Monument Insurance European Services SRL ("MIES") will be the main service company for MLIDAC.

Inflation has increased as a result of post-pandemic supply issues and energy price increases resulting from the conflict in Ukraine. The main direct impact for MLIDAC from inflation is on expenses. MLIDAC has a per policy tariff in place with MIES, reducing the impacts of expense risks in the short term. However, the tariff rate does increase in line with Irish inflation. Widening corporate spreads, as seen recently, can also have a negative impact but this is mitigated through intra-group reinsurance. The wider economic impacts on the business environment are yet to be assessed.

There is no other material information regarding the business and performance of the insurance undertaking other than what has been reported in this section**.**

B. System of Governance

B.1 General information on the system of governance

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

Board

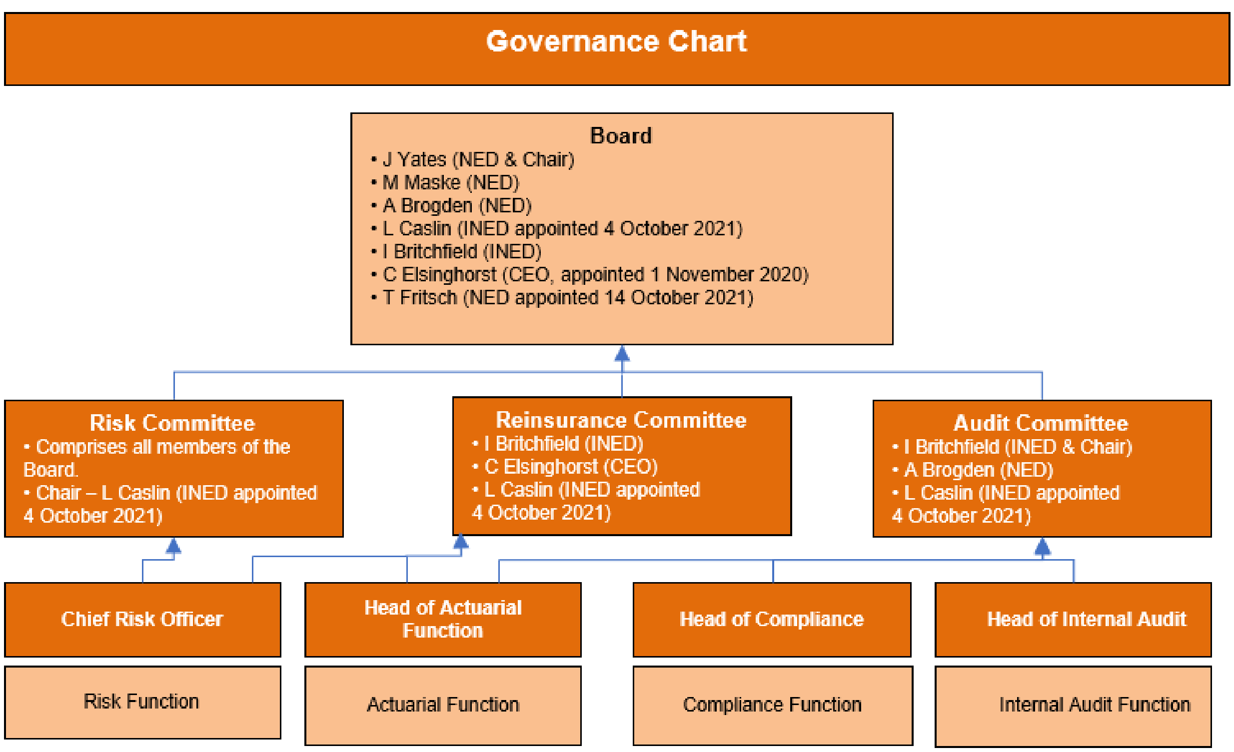
The Board represents the administrative, management and supervisory body of the Company.

The Board is comprised of the Chairman (a Non-Executive Director (NED)), two Independent NEDs (INEDs), the 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 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; its Risk Committee; and its Reinsurance Committee, to set the approach to internal controls and assist in its oversight of risk management respectively, 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, Head of Actuarial Function 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 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 meetings 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.

Reinsurance Committee

The Reinsurance Committee comprises two independent non-executive directors and the CEO with attendees including the Chief Risk Officer, the Head of Actuarial Function and group executives. The main responsibility of the Committee is to review proposed new inter-group reinsurance arrangements from the perspective of potential conflicts of interest.

Ongoing management of reinsurance agreements is the responsibility of the Risk Committee and the Board.

Management Committees

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

The Company has established a management Risk and Controls Committee to monitor the effectiveness of risk management and ensure key risks are identified and reported on so that business risks are managed appropriately.

The Company has established a management Outsourcing Committee which provides oversight of the service performance, cost, risk and control for all services delivered under the Company's outsourced arrangement with Outsourced Service Providers ("OSPs").

The Company has established a management Operations Committee which provides oversight and management of risk claims, complaint management, legal cases, restitution, and operational risk management.

The Company has established a management Change Committee which provides oversight and management of change projects.

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, 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. Under an outsourced arrangement, much of the risk management, actuarial, internal audit and compliance functions are outsourced to MIES. This arrangement is overseen and monitored by persons directly employed by the undertaking to ensure it is objectively monitored and challenged.

- 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

The Company has established two new committees, the Operations Committee and the Change Committee.

The Company has ceased the Unit-Linked Management Committee with its responsibilities now carried out by the Unit-Linked Working Group and the Executive Committee.

There were no other material changes in the system of governance during the year ended 31st December 2021 than those mentioned in this Section.

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 MLIDAC remuneration policy is designed to meet the Company's regulatory requirements.

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 Re values. The annual bonus is only in cash without options or shares. Identified staff of independent control functions are performance assessed for annual bonus against individual objectives only. Therefore their performance assessment is entirely separate from the performance of the business units and areas on which they exercise control. The bonus schemes for the Group entities are approved annually by the Remuneration Committee.

It should be noted that most staff were employed by Monument Insurance European Services ("MIES") which recharges all employment costs to the Company. A number of senior members of staff are employed directly by the Company.

Pension scheme

Employees are entitled to join a defined contribution pension plan provided through a related party. There is no supplementary pension or early retirement scheme for members of the Board and other key function holders.

B.1 (d) Material transactions executed with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

Material transactions executed with shareholders

No material transactions were executed during this period with the Board members, Senior Executives, or other individuals who exert significant influence over the Company.

B.2 *Fit and proper requirements*

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

The Central Bank Reform Act 2010 provides that a person performing a control function ("CF") must have a level of fitness and probity appropriate to the performance of that function. The Company's Fitness and Probity Policy, which is reviewed and approved by the Audit Committee at least annually, governs the Company's fitness and probity procedures. These procedures ensure that all relevant individuals meet and continue to meet the Standards and fulfil any training obligations.

Individuals undertaking CF roles must have relevant experience, sufficient skills, knowledge, integrity and soundness of judgement to undertake and fulfil the particular duties and responsibilities of his or her office. These considerations are summarised in three main Fit & Proper principles, each of which has been broken down further in detail, namely:

- Competence and Capability;
- Honest, Ethical and Acts with Integrity; and
- Financial Soundness.

B.2 (b) Process for assessing fitness and propriety

The process of assessment of a candidate for a Control Function role includes the following:

a. A written job description outlining the duties and responsibilities of the role;
b. An assessment of the level of fitness and probity required for the role, on the basis of the formally documented job description and role specification;
c. A process that matches the person with the requirements of the role;
d. Verification of identity, relevant qualifications, experience, references and professional memberships where required;

The due diligence undertaken requires the Company to analyse the competencies and the degree of probity required to undertake particular roles and to ensure the relevant expertise, qualifications and background of the individual meets this criteria. If deemed necessary, relevant and comprehensive training is carried out in conjunction with the PCF or CF appointment process to ensure that an individual is fit and proper to perform the role. There is also a re-assessment against Fit and Proper requirements in case of change in role or function and risk situations.

The Board approves the appointment of individuals performing Pre-Approved Control Function roles and those who may have a material impact on the risk profile of the Company.

Accordingly, the Company completes ongoing due diligence checks of individuals that carry out Pre-approval Controlled Functions (PCF's) and Controlled Function (CF's) roles. These checks include but are not limited to an annual certification that all CF's continue to meet the Fitness and Probity Standards. Re-assessments against Fit and Proper requirements are also undertaken in cases of change in role or function and risk situations.

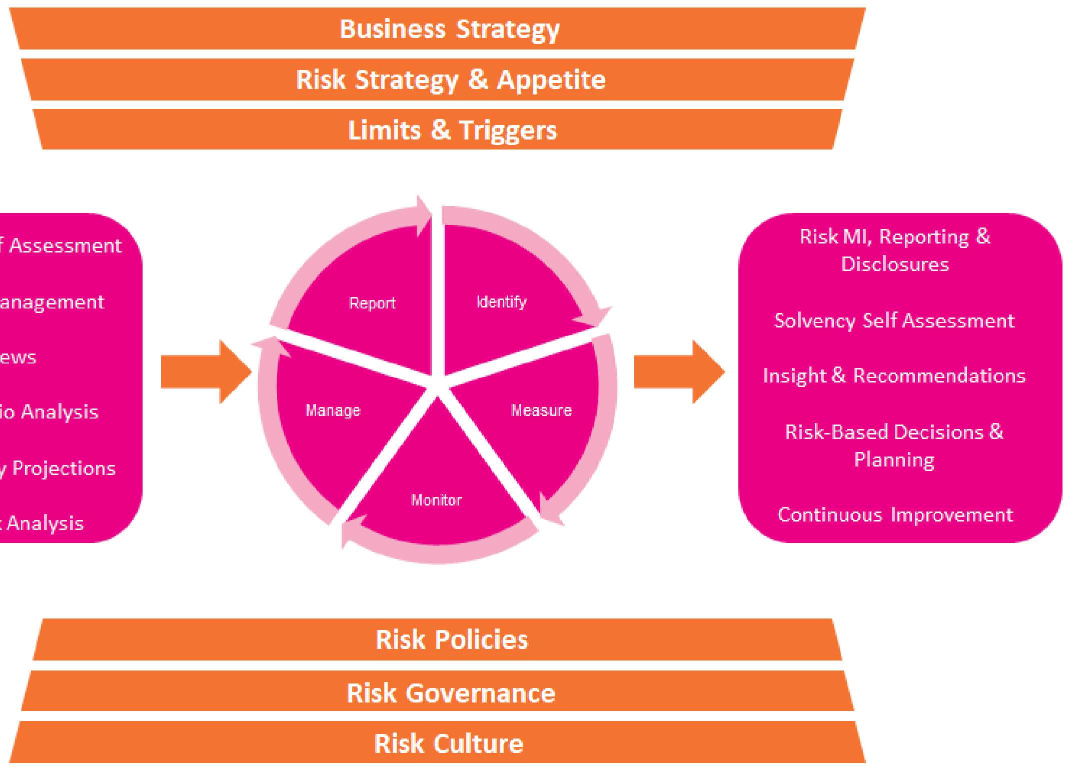
The relevant supervisory authority will be notified about any changes to controllers, officers and shareholder controllers.

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)

Risk Management Framework

The Company has adopted the Monument Re Group's Risk Management Framework, depicted below:



Strategy

The risk strategy and risk appetite of the Company are aligned to the Company's business strategy. Risk appetite statements express the Board's appetite across all categories of risk facing the business, those being:

- 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.

At least annually, the Board reviews and approves the Company's risk appetite statement, 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 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"**);
- Solvency Self-Assessment ("**SSA**");
- event and issue management;
- risk reviews;
- stress and scenario analysis;
- capital projections; and
- risk reporting, including quarterly risk Management Information ("**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 at least 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 Risk and Controls Committee and 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 provide the Risk Committee 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 ***Section B.3 (c) Own Risk and Solvency Assessment.***

Furthermore, risk exposures relative to the risk limits and early warning thresholds, specified in the Company's Risk Appetite Statement, are regularly monitored and reported to the Risk and Controls Committee and a summary is reported to the Risk Committee on at least a quarterly basis. Escalation guidelines are in place where risk exposures or risk events require urgent notification and decision-making, as outlined in the following table:

	Board	Risk Committee	Risk & Controls Committee	CRO	Risk Management Function
Expected or actual breach of Risk Tolerance	x	x	x	x	
Breach of Risk Trigger		x	x	x	
Breach of a Risk Limit		x	x	x	
Query regarding interpretation of Risk Management Policy					x

The Board must notify the Central Bank in writing within five business days of becoming aware of a material breach of Risk Tolerance. A material breach is considered to be one that has the potential to lead to an immediate breach of solvency capital requirements or to a significant breach of regulation or legislation.

B.3 (b) Implementation and integration of the risk management system 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 risk management function operates with organisational authority and operational autonomy . The Company's Chief Risk Officer, and the risk management team (see above ***Section B.1 (a) Structure of administrative, management or supervisory body, Key functions roles and responsibilities: Operational structure)*** actively review and challenge all material risk-taking activities in an appropriate and balanced manner. Furthermore, they have the authority to perform monitoring reviews in all areas and attend any meetings relevant for the execution of the risk management responsibilities. They have direct access to all levels of management and the Board, and to all relevant documents. The risk management function keeps under review its level of resourcing to ensure that all requirements of the annual risk management plan are delivered.

The RCSA process ensures clear ownership of risks and controls, as described in ***Section B.3 (a) Description of risk management system (strategies, processes and reporting procedures)*** 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 (a) Description of Internal Control System.***

B.3 (c) Own Risk and Solvency Assessment Process

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 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 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 management function in producing various aspects of the ORSA, in particular the capital projections and stress testing which inform the Company's own solvency needs assessment.

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.

Frequency

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

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

Determination of own solvency needs

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 Company examines the appropriateness of the standard formula with reference to its own risk profile. It considers whether there are any significant risks that are not captured within the standard formula and whether there are any stress scenarios by which the standard formula may not adequately capture the Company's own solvency needs. At 31st December 2021, the Company concluded that the standard formula is an appropriate basis for the assessment of its own solvency needs.

B.4 Internal Control System

B.4 (a) Description of Internal Control System

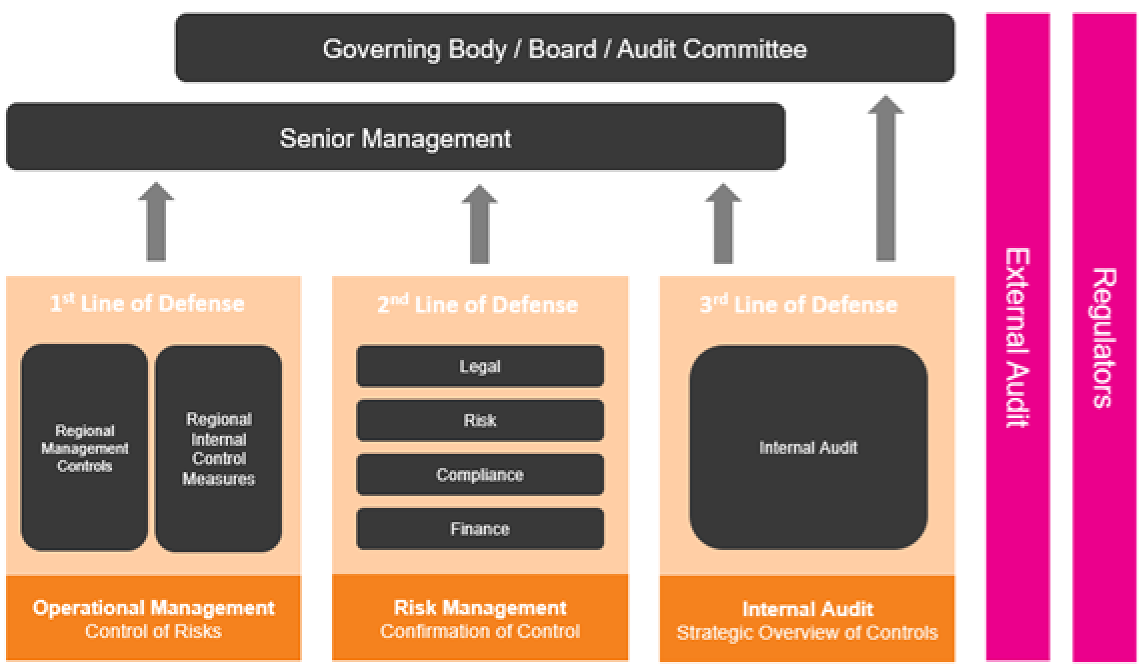
The internal control system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.

The Board 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;
- Internal control activities;
- Information; and
- Monitoring and reporting.

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:

- First line of defence:

  The First Line Defence has primary responsibility for the identification and management of risks. It is made up of Finance, Operations, Fund Administration, Actuarial, IT, Change and HR, which are the functions responsible for the day-to-day management of the business and ensuring that it is operating in line with approved procedures and controls. These functions report to the CEO who is responsible to the Board. Some first line activities are also performed by the Risk Function and the Compliance Function.

  Management controls and internal control measures are in place and are reported in the case of breaches.

  The first line has direct responsibility for the management, control and reporting of risk. It:

  – undertakes risk assessments to identify all material risks and key controls;

  – owns and maintains risk and control assessments to ensure they remain fit for purpose; and

  – ensures risk assessments conform to procedures and policy requirements.

- Second line of defence:

  The organizational structure of the Company ensures appropriate independent oversight by establishing a second line of defence which is composed primarily of the risk function, the compliance function, and the Risk Committee with a responsibility for the design, coordination, oversight of the effectiveness and integrity of the Company's risk management and internal control framework.

  The second line:

  – sets and communicates the risk and control assessment framework and procedures; and

  – provides independent oversight and challenge to risk and control assessments.

- Third line of defence:

  The third line of defence is comprised of the company's internal audit activities consisting of the Audit Committee supported by the internal audit team. The internal audit team is responsible for the periodic evaluation of the effective implementation of the Risk Management Framework across the organization, and of the control environment.

  The third line:

  – provides independent assurance; and

  – challenges the effectiveness and integrity of the Risk Management Framework.

The people working in the support functions of the Group are not part of the first line of defence but remain vigilant in their day to day job. Both of the company's first and second lines of defence are supported by these shared support functions.

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 Controls Self Assessment ("RCSA") 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 summarised 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 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 Policy" 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 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 MIES 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.

The internal audit function is included in the outsourcing diagram as provided below in ***Section B.7 Outsourcing.***

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. Moreover, the internal audit function shall disclose any impairments to the objectivity or independence to the Board as soon as identified. It shall also put procedures in place for oversight by a party outside Internal audit in relation to any function for which the Head of Internal audit has direct responsibility. 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 led by Monument Life Insurance's Head of Actuarial Function. The roles and responsibilities of the function are described in an Actuarial Function Charter and the CBI's Domestic Actuarial Regime and include:

- Co-ordinate the calculation of Technical Provisions
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of Technical Provisions
- Assess the sufficiency and quality of the data used in the calculation of Technical Provisions
- Compare best estimates against experience
- Inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of Technical Provisions
- Oversee the calculation of Technical Provisions in the cases set out in Article 82 of the Solvency II Directive
- Express an opinion on the overall underwriting policy
- Express an opinion on the adequacy of reinsurance arrangements
- Contribute to the effective implementation of the risk-management system referred to in Article 44 of the Solvency II Directive

In meeting these responsibilities, the Head of Actuarial Function provides the following:

- An Actuarial Opinion on Technical Provisions ("AOTP") to the Central Bank on an annual basis
- An Actuarial Report on Technical Provisions (the "ARTP") to the Board on an annual basis, which supports the AOTP
- Annual actuarial opinions to the Board on the Company's Underwriting Policy and on the adequacy of its Reinsurance arrangements
- An actuarial opinion to the Board in respect of each own risk and solvency assessment ("ORSA") process (see section B3 for more information)

More generally, the Actuarial Function also plays a role in the review of new portfolio transfers, acquisitions and retrocession to ensure they meet financial and risk appetites, and the actuarial, capital and risk implications are well understood. It also provides information about the liability profile of the Company to the Chief Investment Officer in order to facilitate a robust asset liability matching framework that effectively manages investment risks within the risk appetites and tolerances of the Company.

The Actuarial Function reports to the Board, and is expected to provide its opinions and reports in an objective and independent fashion. In doing so, it can communicate on its own initiative with any staff member, or Board member, and obtain access to any records necessary to carry out its responsibilities. Reports presented to the Board by the Actuarial Function include the results of the tasks undertaken, including any deficiencies identified, together with recommendations as to how such deficiencies could be remediated. The Actuarial Function is outsourced to MIES.

B.7 Outsourcing

B.7 (a) Description of Outsourcing Policy

The purpose of the Outsourcing Policy is to outline the approach that has been developed and agreed by the Board for managing outsourcing arrangements of the Company. So, the principles set out in the Outsourcing Policy are intended to establish the governance over the initiation and management of outsourcing relationships across the Company. On the other hand, the Outsourced Service Provider (OSP) Framework provides guidance in relation to the outsourcing governance process and on-going management of OSP arrangements and it should be viewed in conjunction with the Outsourcing Policy. Ultimately, the OSP Procedure provides how the outsourcing process is conducted.

The OSP Framework, the Outsourcing Policy and the OSP Procedure put an emphasis on the assessment of critical or important functions. According to the Outsourcing Policy, the Board of Directors is responsible for reviewing and approving critical or important outsourced functions. Furthermore, the OSP Policy states that the Company must define a Criticality Assessment process to determine if an outsourced function is critical or important.

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 is not undertaken in such a way as to unduly increase the Company's exposure to Operational Risk. An appropriate level of due diligence is conducted prior to completing the selection process. The Company must notify the CBI in writing of any outsourcing of a critical or important function.

All outsourcing agreements are 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 are in place to ensure outsourcing performance is managed in line with the outsourcing policy, outsourcing agreements and the Company's strategy.

The Outsourcing Committee is the management committee responsible for the effective management of its Outsource Service Providers in line with the Outsource Framework and Policy.

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
Group	Insurance administration services, risk management function, compliance function, internal audit function, actuarial function, investment and asset management.	Ireland
Group	Policy administration	Belgium
Group	Policy administration	Luxembourg
Group	Policy administration	Isle of Man
External	Policy and fund administration	Ireland
External	Policy administration	UK
External	Policy administration	Belgium
External	Policy administration	Norway

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.

B.9 Assessment of the adequacy of the system of the governance

Based on the proportionality principle and taking into consideration the size of the Company; activities (closed books); and type of products, the Company maintains adherence to all local statutory and regulatory reporting requirements.

In general, the Company's system of governance is well-defined and fully in line with what is set forth in the relevant legal and regulatory requirements.

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 ***Sections B.3 Risk Management system including the own risk and solvency assessment and B.4 Internal Control system***.

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 material underwriting risks to which the company is exposed are outlined below:

- Exposure to non-life underwriting risk. This is the risk of loss arising through higher than expected claims from the PPI portfolio.
- Expense risk is the risk of loss arising through increases in the Company's expense levels, or expense inflation over time.
- Longevity risk is the risk of loss due to policyholders living longer than expected. The Company's material exposure to longevity risk is through annuity policies, savings policies with guaranteed benefits, and variable annuity policies with guaranteed lifetime income benefits;
- Lapse risk arises from unanticipated (higher or lower) rate of policy lapses, terminations, or changes to paid-up status (cessation of premium payment);
- Morbidity risk 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 income protection policies, accelerated serious policies and waiver of premium riders; and
- Mortality risk is the risk of loss due to an increase in mortality rates. The Company's material exposure to Mortality Risk is through whole of life policies, term assurance policies and variable annuity policies which pay benefits to insured policyholders on death.

2022 Inflation

Inflation has increased as a result of post-pandemic supply issues and energy price increases resulting from the conflict in Ukraine. CPI in Ireland increased by 5.6% in the year up to February 2022. According to Fitch Ratings world forecasts, Eurozone inflation is expected to average 5% in 2022.

The main direct impact for MLIDAC from inflation is on expenses. MLIDAC has a per policy tariff in place with MIES, reducing the impacts of expense risks in the short term. However, the tariff rate does increase in line with Irish inflation. The impact of increasing expenses and inflation was included in 2021 ORSA stress tests.

As part of its investment strategy, MLIDAC hedges some but not all of the inflation risk on investments. Increases in inflation has also led to corporate bond spreads widening and sovereign spreads tightening.

MLIDAC includes an inflation stress as part of its liquidity stress testing.

C.1 (b) Mitigating Actions and Controls

Intra-group and external reinsurance substantially mitigates underwriting risks.

Furthermore, the Company monitors and controls insurance risk 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;
- External reinsurance to mitigate mortality and morbidity risks;
- Risk is measured principally in terms of Solvency Capital Requirement ("SCR"), supplemented by sensitivity tests to key assumptions, and stress and scenario testing; and
- Lapse monitoring.

C.1 (c) Material risk concentrations

The Company's underwriting risk is diverse both geographically and by type of risk. The following table shows the geographical analysis of insurance as of 31st December 2021 and 2020:

Country	2021 Best Estimate Liability (€'000)	2020 Best Estimate Liability (€'000)
Ireland	128,854	149,576
UK	1,495,405	490,295
Belgium	106,676	119,554
France	60,524	44,458
Germany	114,569	37,380
Greece	37,553	40,400
Italy	10,404	12,968
Norway	36	8
Poland	4,417	4,413
Spain	45,382	47,673
Netherlands	791	0
Non-EEA	103,188	96,039
Total	**2,107,798**	**1,042,766**

C.1 (d) Sensitivity and stress testing

The table below contains the Solvency Capital Requirement (SCR) for underwriting risk at 31st December 2021, which demonstrates the sensitivity of the Company's capital requirement if a 1-in-200 year event (as measured by the standard formula) happened in each risk category:

Sensitivity - Life	SCR €'000
Mortality	99
Longevity	3,559
Disability-Morbidity	0
Life Expense	1,977
Lapse	1,581
Life Catastrophe	54
Diversification	(1,926)
SCR Underwriting Risk	**5,344**

Sensitivity - Health	SCR €'000
Health SLT (similar to life techniques)	146
Catastrophe Risk	121
Diversification	(55)
SLT Health SCR	**212**

Sensitivity - Non-Life	SCR €'000
Non Life Premium	3,667
Non Life Lapse	0
Non Life CAT	2,116
Diversification	(1,113)
Non Life SCR	**4,670**

Sensitivity analyses are used by the Company to identify areas of risk and to inform decision making. They form part of the overall stress and scenario testing which is a core element of the Company's Risk Management Framework. The exposures are examined on an annual basis through the ORSA process. The outcome of the latest sensitivity and stress testing illustrates that the Company is resilient to a wide range of potential events and has a range of plausible management actions that could be executed in a timely manner to mitigate the potential impacts.

Methods used and main assumptions

The Company has produced projections of the Solvency II position over a five-year period. This provides a five-year view of a range of possible outcomes and therefore of the capital needs of MLIDAC today. MLIDAC believes a projection period of five years is sufficient as the solvency position is expected to be relatively stable given the run-off nature of the business. All underlying cashflows are projected to the end of the appropriate policy term. The main assumptions are as follows:

- The demographic assumptions used are based on best estimate assessment of historic data.
- The interest rates used are the risk free rates as prescribed by EIOPA.
- Following the establishment of a shared services company in 2017, MLIDAC's expenses comprise mainly of this cost of services and some smaller direct costs.
- The SCR is calculated in accordance with the rules underlying Solvency II.
- Various other assumptions have been used for the dynamic solvency testing to examine MLIDAC's ability to withstand changes to the assumptions.
- All Board approved transactions have been completed and their portfolios transferred to MLIDAC, and no further new business is accepted.

C.2 Market risk

General

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 and accepts credit spread risk given the long-term nature of its assets and liabilities. 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.

Mitigating Actions and Controls

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

- Investment Policy imposing close matching of assets, by both duration and currency, to insurance liabilities and imposing credit ratings limits for investment counterparties and concentration limits to avoid excessive risk concentrations.
- Hedging of residual interest rate exposure using interest rate derivatives, managed according to the requirements of the Company's Derivatives and Hedging Policy.
- 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.
- Intra-group reinsurance reduces MLIDAC's exposure to market risks.

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 General information on the system of governance*** 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 Risk Management System including the own risk and solvency assessment***, 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.

Material risk concentrations
Market risk concentrations are limited, as illustrated by concentration risk capital in the table below.

Sensitivity
The assets in the portfolio consists primarily of government bonds, corporate bonds, investment in mortgage loans via a fund structure, bank deposits, and cash. The SCR for market risk net of reinsurance consists of the following components:

Risk	SCR € '000
Interest rate	1,301
Equity	735
Property	0
Spread	3,864
Concentration	188
Currency	1,622
Diversification	(2,336)
SCR Market risk	**5,374**

Methods used and main assumptions

The Company has produced projections of the Solvency II position over a five-year period. This provides a five-year view of a range of possible outcomes and therefore of the capital needs of MLIDAC today. MLIDAC believes a projection period of five years is sufficient as the solvency position is expected to be relatively stable given the run-off nature of the business. All underlying cashflows are projected to the end of the appropriate policy term. The main assumptions are as follows:

- The demographic assumptions used are based on best estimate assessment of historic data.
- The interest rates used are the risk free rates as prescribed by EIOPA.
- Following the establishment of a shared services company in 2017, MLIDAC's expenses comprise mainly of this cost of services and some smaller direct costs.
- The SCR is calculated in accordance with the rules underlying Solvency II.
- Various other assumptions have been used for the dynamic solvency testing to examine MLIDAC’s ability to withstand changes to the assumptions.
- All Board-approved transactions have been completed and their portfolios transferred to MLIDAC, and no further new business is accepted.

C.3 Credit risk

General
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. Credit risk comprises the spread risk as well as the risk of downgrade of issuer credit rating.

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

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.

The credit risk resulting from the investment in residential mortgage loans is largely mitigated by collateral.

Where material, credit risk arising from reinsurance arrangements is mitigated by collateral.

Mitigation of credit risk arising from investments is further promulgated through adherence to the concentration limits set out in the Investment Risk Policy (see above ***Section C.2 Market risk, mitigating actions and control***).

Material risk concentrations
Exposure in respect of single term deposits can be materially concentrated. Monitoring of counterparty credit ratings is in place as described above.

Exposure towards Monument Re in respect of the Company's intra-group reinsurance represents a material concentration of risk, that is mitigated as described above.

Sensitivity

As measured using the Standard Formula SCR, counterparty default risk capital is €6,138k. This amount is sensitive to the credit rating of the Company's counterparties. The level of collateralization on the reinsurance arrangement with Monument Re is sufficient to fully mitigate counterparty default risk on this basis. As part of the ORSA process, the Company carried out stress and scenario testing including testing of credit risks.

C.4 Liquidity risk

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

- Higher than expected claims or expenses;
- Future acquisitions; and
- An inability to sell investments within the required timescale, or a forced sale in an illiquid market or during a financial crisis; and
- Reinsurer default on reinsurance payments due.

Mitigating Actions and Controls

The Company monitors liquidity risks using the following methods:

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

Material risk concentrations

The Company has a €36m investment in a mortgage fund, which has monthly liquidity subject to discretion on the part of the asset manager.

The Company has €22.4m invested in an infrastructure debt fund which has lower liquidity compared to other asset classes.

Investments in private credit and trade finance are also considered illiquid in the short term. The Company has €14.3m invested in private credit. The Company has €12.0m invested in trade finance.

Sensitivity

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. This liquidity planning process takes into account expected future acquisitions, which can be a key driver of future liquidity needs.

Expected profit included in future premiums

Expected profit in future premiums (EPIFP) is potentially an illiquid asset. As at 31 December 2021, EPIFP was limited to €671k. (2020: €907k).

C.5 Operational risk

General

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.

Mitigating Actions and Controls

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

- Regular Risk and Control Self-Assessment process;
- Outsourcing risk is monitored in accordance with the Company's Outsourcing Framework and Outsourcing Policy. This includes monitoring outsourcer performance, carrying out oversight and reporting to the Outsourcing Committee and the Board of Directors;
- Risk 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 and notice periods in employment contracts, cross-training within teams; clear documentation of procedures and processes; as well as oversight of MIES;
- Regular reporting at management committee and board committee level;
- Technical measures such as firewalls and access restrictions have been established in order to protect systems and are periodically tested; and
- A business continuity plan and disaster recovery plan are in place and tested annually for effectiveness.

Material risk concentrations

The Company's operating model involves the outsourcing of various functions as described in ***Section B.7 Outsourcing*****.** This represents a concentration of risk and oversight measures are in place as set out above. Exit plans are required for each critical or important outsourcer/outsourcee. Performance updates of relevant outsource providers, particularly the third-party administrators and any associated risks or actions, are provided to the Board quarterly.

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

Sensitivity

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 €5,465k.

C.6 Other material risks

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 Monument Group. This includes reputational, contagion, accumulation, concentration and intra-group transactions risk.

Mitigating Actions and Controls

- Group Risk Policy imposing requirements for the management of 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 Monument Group and Company as part of the solvency self-assessment process; and,
- Collateral and monitoring arrangements to mitigate credit risk towards Monument Re in respect of intra-group reinsurance and intra-group outsourcing (see Sections C.3 Credit Risk and C.5 Operational Risk). A reinsurance policy and strategy is in place, and the Company monitors the solvency and liquidity position of Monument Re on an ongoing basis.

Material risk concentrations
The intra-group reinsurance with Monument Re represents a material concentration of risk. Within the Solvency II Standard Formula, reinsurance counterparty risk is included within credit risk (see ***Section C.3 Credit risk***).

Operational issues could arise as the Company sources services from a number of other group entities.

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.

The Monument Group's strategy is to acquire and consolidate books of life assurance operations in the European market and the Company plays an active role in this. Risks associated with acquisitions are mitigated by due diligence, capitalisation and change management.

Mitigating Actions and Controls

- 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 an experienced, skilled integration team;
- Emerging risk analysis and reporting; and
- Strategic risks are measured qualitatively.

Material risk concentrations

The principle risk is in the execution of the strategy. This includes funding risks, risks of changes to the legal, regulatory or fiscal environment, the risk of adverse interpretation of existing legislation and regulation, the risk of regulatory intervention preventing, delaying or otherwise adversely impacting the progress of transaction activity, external market shocks and the action of competitors.

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.

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.

Climate Transition Risk is the rapid devaluation of assets, particularly where value is attributed to assets (including physical, financial or intangible assets) regarded as unsustainable, including those at risk of becoming stranded assets.

Stranded Assets refers to assets that suffer from unanticipated or premature write-downs, de-valuations or conversion to liabilities.

Physical Risk refers to climate-related physical risks. For example, geographical concentration of physical collateral in areas of high flood risk.

Mitigating Actions and Controls

- Sustainability Risk Policy imposing requirements for sustainability risk management;
- Maintenance of a well-diversified investment portfolio;
- Horizon scanning to identify upcoming changes in relevant regulation;
- Providing opportunities for and promoting community investment;
- ESG is to be taken into consideration in the selection and retention of third party providers such as fund managers of shareholder funds and critical outsource providers;
- Monitoring against the ESG limits is carried out and reported to the Board of Directors as part of portfolio compliance; and
- Promoting low carbon practices e.g. video-conferencing in preference to business travel.

Material risk concentrations

The Company has an investment in DRM loans via a QIAF. These DRMs are secured against Dutch residential property collateral. Climate change could result in a rise in sea-levels that could result in a devaluation of properties in higher risk areas. The Dutch government has invested heavily in flood management, and has committed to taking further measures as appropriate over the coming years. The existing measures are expected to remain effective over the duration of the DRM investments.

In 2021 the Board approved its first Sustainability Policy.

Emerging Risks

Emerging risk refers to an issue that is perceived to be potentially significant but which may not be fully understood or allowed for in insurance terms and conditions, pricing, reserving or capital setting.

Mitigating Actions and Controls

- On a biannual basis, the Company takes part in an emerging risks forum, facilitated by the risk management function. The profile of emerging risks is reviewed and updated as necessary. Matters arising from previous forums, which may include research on specific risks. Focus areas for further analysis are agreed;
- The profile of emerging risks is discussed at the Risk and Controls Committee biannually;
- The profile of emerging risks is reported to the Risk Committee and the Board on a quarterly basis;
- Where emerging risks threaten business continuity, these are dealt with in accordance with the Company’s Business Continuity Plan.

Material risk concentrations

Unexpected regulatory, legal or fiscal change could adversely affect the Company. It would generally be anticipated that wide-scale, material change of this nature would be managed over a period of time and include industry consultation, in order for insurers to respond and plan appropriately.

Mitigating Actions and Controls

Tolerance testing is performed by our administration services providers, who also operate detailed investment cycle controls.

Policyholder liabilities are independently calculated by the Actuarial Function using the number of units provided by the policy administration system and unit prices provided by the investment manager.

C.7 Other Relevant Information

The COVID-19 outbreak developed rapidly in 2020 and has continued into 2022. The ultimate economic and social consequences of the COVID-19 outbreak remain uncertain. The pandemic has led to an increase in insurance claims; caused investment volatility and disrupted some business operations. Measures taken by various governments to contain the virus have both reduced economic activity and limited the impact from inactivity. Counterparty credit risk and liquidity risk are also more volatile.

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

The Company retains very limited mortality and morbidity exposure.

The financial statements have been prepared on a going concern basis. At the date of signing this report:

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

During 2019, the Company made a commitment of €15,000k as a limited partner of a bank revolver opportunity fund. The fund has an investment term of seven years. This commitment was transferred into the Monument Private Credit Irish Collective Asset-management Vehicle ("ICAV") in January 2021. As a result, any commitments are made by the ICAV and no longer made directly by the Company. In addition, the Company's exposure to this investment has been diluted.

Longevity risk exposure has increased due to the new annuity portfolio. Longevity risk is mitigated via reinsurance.

There is no other relevant information regarding the risk profile of the Company other than what has been reported in this Section.

D. Valuation for Solvency Purposes

This section is about the Company's valuation of each asset and liability used for Solvency II purposes. The methods and assumptions used for the valuation of assets, technical provisions and other liabilities follow the approaches prescribed under Solvency II valuation rules and Irish GAAP, as appropriate. Table D1 below provides for each major balance sheet category a comparison of the amounts reported in the Company's annual report which are reported under Irish GAAP principles and the amounts reported in the Solvency II balance sheet as at 31 December 2021:

Table D1: Comparison of Irish GAAP and Solvency II Balance Sheets as at 31st December 2021

€000s	Irish GAAP	Classification Differences	Valuation Differences	Solvency II
Assets				
Deferred acquisition costs	84	0	(84)	0
Deferred tax assets	490	0	(143)	347
Holdings in related undertakings	1,035	0	0	1,035
Investments – Bonds	313,734	4,204	0	317,938
Collective Investments Undertaking	463,447	0	0	463,447
Derivatives	(2,544)	219,534	0	216,990
Deposits other than cash equivalents	0	5,569	0	5,569
Asset held for linked contracts	1,496,585	0	0	1,496,585
Reinsurance recoverable	1,209,882	0	(5,018)	1,204,864
Insurance and intermediaries receivables	3,430	0	0	3,430
Reinsurance receivables	1,032,087	0	0	1,032,087
Cash and cash equivalents	48,106	(5,569)	0	42,537
Any other assets	5,223	(4,235)	0	988
Total Assets	**4,571,559**	**219,503**	**(5,245)**	**4,785,817**
Liabilities				
Technical Provisions - non-life	3,341	0	(89)	3,252
Technical Provisions - life - non-linked	310,465	0	(815)	309,650
Technical Provisions – linked	1,810,801	0	(5,466)	1,805,335
Deposits from reinsurers	1,247,094	0	0	1,247,094
Derivatives	0	219,503	0	219,503
Insurance Payables	33,326	0	0	33,326
Reinsurance payables	1,124,219	0	0	1,124,219
Other payables	196	0	0	196
Any other liabilities	2,580	0	0	2,580
Total Liabilities	**4,532,022**	**219,503**	**(6,370)**	**4,745,155**
Excess of assets over liabilities	**39,537**	**0**	**1,125**	**40,662**

The different accounting rules result in a higher value of assets on a Solvency II basis compared to an Irish GAAP basis primarily due to the inclusion of margins for prudence within the Irish GAAP figures.

D.1 Assets

D.1 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

Investment in subsidiary

The investment in subsidiary relates to the purchase of Inora Life DAC ("Inora") in 2019. The insurance portfolio was transferred into MLIDAC on 31/12/2020. Inora paid a dividend of €5m to its parent MLIDAC during the year, resulting in a reduction in the value of the asset. This brought both the Irish GAAP and Solvency carrying value to €1,035k at 31st December 2021. In December 2021 Inora commenced a liquidation process which is expected to complete during 2022.

Investments

Investments consist of liquid, fixed maturity securities of various durations, an ICAV (Irish Collective Asset-management Vehicle), money market funds and derivatives,. FRS102 requires the Company to classify financial instruments measured at fair value into the following hierarchy:

1. Instruments fair valued using a quoted price for an identical asset or liability in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.
2. Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
3. Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Government bonds at year-end 2021, issued by sovereign states were deemed to be valued in line with Level 1 and other regional government, local authorities and government controlled entities bonds were categorised as level 2. All corporate bonds and collateralised securities were deemed Level 2. Table D2 below summarises bond valuations including accrued interest by Level.

Table D2: Bonds Classified by Level

€000s	Level 1	Level 2	Total	Total
	31st December 2021	31st December 2021	31st December 2021	31st December 2020
Government Bonds	93,177	76,924	**170,101**	**91,402**
Corporate Bonds		144,641	**144,641**	**168,370**
Collateralised Securities		3,196	**3,196**	**3,146**
Total	**93,177**	**224,761**	**317,938**	**262,918**

The ICAV and derivatives are classified as level 3 and the money market funds as level 2. The Company recognises and measures financial assets and financial liabilities in accordance with IAS 39 as permitted by FRS 102.

a. Classification

The Company has designated its investments into the "financial assets at fair value through profit or loss" category.

The category of "financial assets and financial liabilities at fair value through profit or loss" comprises:

- Financial instruments held for trading which include Bonds.
- Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes.

Financial liabilities that are not at fair value through profit or loss include accounts payable and claims payable.

b. Recognition and measurement

Purchases and sales of investments are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in fair value recognised in the profit and loss account.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

c. Fair value measurement principles.

The fair value of the financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Where quoted market prices are not available, valuation techniques are used to value financial instruments and investment property. These include broker quotes and models using both observable and unobservable market inputs.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the Profit and Loss Account in the period in which they arise.

d. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the

Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Investments in the Solvency II balance sheet include accrued interest which represents interest earned since the last coupon or interest payment date. Accrued interest is reported as a separate category in the Irish GAAP balance sheet. In all other respects, the amounts reported in the Solvency II balance sheet are the same as the Irish GAAP balance sheet.

Collective Investments Undertaking

The Company has invested in a number of collective investment undertakings. These relate to portfolios of money market funds, bonds, residential mortgages, structured finance, trade finance,a private credit fund of funds and an infrastructure debt fund. The money market funds are priced on a daily basis using market prices.

For the year ended 31st December 2021 all money market funds were deemed to be valued in line with Level 2 and all the ICAV funds as Level 3.

There is no difference between the valuation on an Irish GAAP and Solvency II basis.

Derivatives

The Company holds a number of interest rate swaps to help with interest rate management. The company values derivatives based on a counterparty valuation which is verified by an independent third-party valuation service. The company obtains fair values from quoted prices prevailing in active markets, where available. Otherwise, the company values the instruments using valuation techniques including discounted cash-flow analysis and option pricing models.

Derivatives were valued in line with Level 3 for the year ended 31st December 2021 and in line with Level 3 for the prior year. Derivatives are a net liability at end of the year and the asset and liability are shown in the Solvency II Balance sheet. In the statutory accounts the derivatives are e included within the investments at their net valuation and exclude any interest accrued.

Reinsurance recoverable

Reinsurance recoveries are calculated on a basis consistent with the technical provisions. They are equal to the present value of the projected amounts of claims recovered from reinsurers minus the present value of the reinsurance premiums paid with an allowance for expected reinsurer default .

Reinsurance receivable

The Company cedes insurance premiums and risk to a number of reinsurers in the normal course of business. Outwards reinsurance premiums are accounted for in the same accounting period as the related premiums for the direct insurance business being reinsured. Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses, ceded unearned premiums and ceded future life policy benefits. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. The company has reinsurance agreements underwritten on modified coinsurance basis whereby the Company retains the assets with respect to all the policies reinsured. For these agreements a reinsurance receivable and payable balance is created to the value of the underlying reserves

Receivables

Amounts relating to other non-insurance debtors and prepayments reported in the Solvency II balance sheet are the same as the Irish GAAP balance sheet.

Cash & cash equivalents

This relates to deposits exchangeable for currency on demand at par and which can be used for making payments without penalty or restriction. The valuation of such deposits is equal to the actual amounts deposited with the bank. Cash with restriction is shown in the category; Deposits other than cash equivalents, under Solvency II reporting and with cash & cash equivalents in the Irish GAAP reporting.

Deferred Acquisition Costs

In line with Article 12 of the Delegated Acts, Deferred Acquisition Costs have been valued at zero for solvency purposes.

Other Assets

Other assets in the Irish GAAP balance sheet consist of prepayments, receivables, and interest accrued on Bonds.

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

Valuation differences between GAAP and Solvency II are shown in Table D1 above.

D.2 Technical provisions

D.2 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

The following table contains the technical provisions for the Company as of 31st December 2021:

Table D3: Comparison of technical provisions on Irish GAAP and Solvency II basis as at 31st December 2021

€000s	Solvency II	Irish GAAP	Difference
Best Estimate Liabilities	2,110,845	2,117,216	(6,371)
Risk Margin	7,391	7,391	0
Total	**2,118,236**	**2,124,607**	**(6,371)**

The difference in the Best Estimate Liabilities reflects that not all profits expected on the book are accounted for on an Irish GAAP basis. This creates an explicit margin of prudence on an Irish GAAP basis in addition to the allowance for a risk margin.

D.2 (b) Assumptions

The key assumptions underlying the calculation of the technical provisions fall into three broad categories:

- **Demographic assumptions:** These include assumptions about when policyholders are likely to die, become ill or surrender their policies. These have been set by reference to analysis of past experience.
- **Economic assumptions:** These include discount rates and investment return assumptions (which have been set in accordance with EIOPA risk free yields), inflation (which has been considered relative to market data), and stochastic model inputs.
- **Expense assumptions:** These include per policy costs (which are in line with the service level agreement in place with another group entity), direct costs, and project costs.

D.2 (c) Methodology

The technical provisions for the Company equal the sum of the Best Estimate Liability ("**BEL**") and the Risk Margin ("**RM**"). The BEL is the present value of the future cashflows of the business calculated on a deterministic basis for most lines of business. A stochastic approach is used for the Variable Annuity portfolios due to the presence of financial guarantees, as the value of such guarantees would not be fully captured using a deterministic approach. The cashflows allow for premiums and claims on the business, policy lapses, and the Company's expenses.

The BEL calculation is carried out on a gross of reinsurance basis. However, the cashflows related to the reinsurance treaties are modelled so that the reinsurance recoverable can also be calculated.

The BEL is calculated on a policy-by-policy basis for all business except the PPI policies (which are modelled using Homogeneous Risk Groups), for all contracts in force at the valuation date that are within the definition of contract boundaries under Solvency II. The discount rate is the risk-free interest rate term structure for the relevant currency plus the Volatility Adjustment where appropriate (see section D.2 (f)).

The RM is the cost of holding the non-hedgeable components of the SCR over the lifetime of the obligations (as defined in Solvency II). The cost of capital rate is specified in the regulations and is currently set to 6%. The RM is calculated according to the Solvency II cost-of-capital approach. The Company uses a risk driver approach as a full projection of the applicable components of the SCR for each year in the future is not feasible given the long-term nature of the liabilities.

D.2 (d) Indication of the level of uncertainty

There is inherent uncertainty in any estimate of technical provisions, as the ultimate cost of claims is subject to the outcome of events which are yet to occur.

The main sources of uncertainty with regard to the future cost of claims include the following:

- Actual claims levels may increase
- The future economic environment may cause claims to increase
- Additional uncertainty stems from future expenses and premiums

An active approach is taken by management to identify sources of uncertainty, quantify them and take actions to mitigate their potential impact in line with the Company's Risk Management Framework.

D.2 (e) Matching adjustment

A matching adjustment was not applied to the valuation of the technical provisions at year-end 2021 and was not applied at year-end 2020.

D.2 (f) Volatility adjustment

The company applied to the CBI for the use of the Volatility Adjustment in respect of its Euro denominated liabilities and approval was granted on the 22nd April 2020. As at year end 2021 the (Euro) Volatility Adjustment (as specified by EIOPA) has been applied to all Euro denominated liabilities.

The impact of applying the Volatility Adjustment is set out in the table below.

€000s	With Volatility Adjustment	No Volatility Adjustment	Impact
TPs as a Whole	1,758,708	1,758,708	0
Non-linked TPs	359,528	361,315	1,787
TOTAL:	2,118,236	2,120,023	1,787

D.2 (g) Transitional risk-free interest rate-term structure

The transitional risk-free interest rate-term structure was not applied to the valuation of the technical provisions at year-end 2021 and was not applied at year-end 2020.

D.2 (h) Transitional deduction

The transitional deduction was not used by the Company at year-end 2021 and was not used at year-end 2020.

D.2 (i) Change in assumptions

Assumptions are reviewed regularly and updated as required based on an analysis of past experience and approved by the Board.

D.2 (j) Special Purpose Vehicle

There were no special purpose vehicles at 31st December 2021, and this was the case at the previous year-end.

D.3 Other liabilities

D.3 (a) Bases, methods and main assumptions used for the valuation for solvency purposes

Any other liabilities consist primarily of accruals for expenses. Expenses are recorded for on an accrual basis in the period in which they are incurred.

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

There are no differences between the GAAP and Solvency II valuation of other liabilities.

D.4 Alternative methods for valuation

Due to the nature of the Company's assets, SII 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 material information

D.5 (a) Going Concern

The directors have a reasonable expectation that the Company will continue in operational existence for twelve months from the date of approval of the financial statements ('the period of assessment') and have prepared the financial statements on a going concern basis.

In making this assessment the directors have considered;

(a) the Company's capital position and the surplus over its required solvency capital ratio and minimum capital ratio;

(b) the Company's assessment of the impact on its business, claims and investments;

(c) the level of reinsurance;

(d) the credit rating of Company's reinsurance counterparties;

(e) the Company's liquidity position; and

(f) the potential range of impact that Covid-19 may have on this surplus taking account of the Company's ORSA stress testing where appropriate;

On the basis of the above, the directors have concluded that the Company has no material uncertainties which would cast a significant doubt on the Company's ability to continue as a going concern over the period of assessment.

D.5 (b) Other material information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. Capital Management

Capital management and allocation is a key driver of the Company’s success. 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.

E.1 Own funds

‘Own Funds’ refers to the excess of the value of the Company’s assets over the value of its liabilities, where the value of its liabilities includes technical provisions and other liabilities. Own Funds are divided into three tiers based on their permanence, and how well they can absorb losses. Tier 1 are of the highest quality.

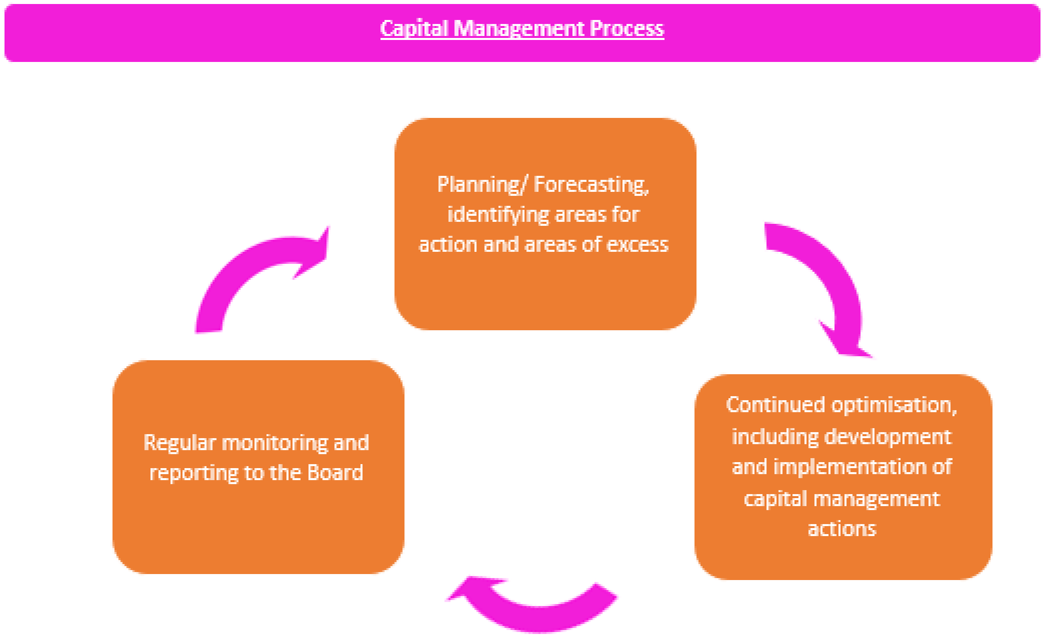
E.1 (a) Objectives, policies and processes for managing Own Funds

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 the Company for managing its Own Funds. The capital management policy sets out the objectives of the Company in this regard. The key objective of this policy is to ensure that the regulatory requirement for the Solvency Coverage is met by at least 100% on an ongoing basis. Processes and reporting are in place to meet this objective. The capital management policy outlines the actions available to the management and the Board at different levels of the reporting solvency ratio.

The Own Funds for the Company are calculated quarterly through the production of the technical provisions and a valuation of the Company’s balance sheet. The technical provisions are valued using the policyholder information at the end of the quarter and included in the valuation of the balance sheet. The value of the Own Funds is calculated and reviewed on a quarterly basis, whilst annually, the Own Funds is approved by the Board in the annual filings to the CBI. The level of Own Funds is monitored on a regular basis.

The primary objectives of the Company's Capital Management Policy are to maintain capital at a level that will ensure solvency cover requirements are not breached, set out the approach to allocating capital across the Company, and set out the considerations to be taken into account prior to dividend payments.

The process followed for capital management is depicted below:



A capital management plan is prepared annually with the business planning period covering five years. This process culminates in an assessment of the capital necessary to maintain solvency at the threshold targeted by senior management and the firm's risk profile. This plan is reviewed and updated on a regular basis to reflect the actual performance of the business. The policy is reviewed annually with the results of the annual ORSA process taken into consideration.

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

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

Table E1: Breakdown of Own Funds as at 31st December 2021 and 2020

€000s	Total Own Funds	Total Own Funds	Tier	Eligible Own Funds to cover SCR	Eligible Own Funds to cover SCR	Eligible Own Funds to cover MCR	Eligible Own Funds to cover MCR
	31st December 2021	31st December 2020		31st December 2021	31st December 2020	31st December 2021	31st December 2020
Ordinary Share Capital	635	635	1	635	635	635	635
Net Deferred tax asset	347	0	3	347	0	0	0
Reconciliation reserve	(2,498)	(13,701)	1	(2,498)	(13,701)	(2,498)	(13,701)
Other Own Funds	42,178	42,178	1	42,178	42,178	42,178	42,178
Total Basic Own Funds	**40,662**	**29,112**		**40,662**	**29,112**	**40,315**	**29,112**

Solvency II defines Basic Own Funds as the sum of

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

The Eligible Own Funds value to meet the SCR is obtained from Basic Own Funds, to which Ancillary Own Funds that are recognised and approved by the regulator and subject to eligibility constraints are added. There are no restrictions on the availability of the Company's Own Funds other than to meet the MCR and SCR dictated by the Directive and subsequent Delegated Acts and implementing technical standards issued by EIOPA.

The Company's Equity as reported in its audited financial statements was €39,537k compared to Own Funds on a Solvency II basis of €40,662k.

During the year the Company's Own Funds have increased by €11,550k to €40,662k. No dividends were proposed or paid during 2021 by the Company to its parent. There are no foreseeable dividends as at 31 December 2021.

E.1(c) Material differences between equity in the financial statements and the excess of assets over liabilities for solvency purposes

Table E2 below summarises the differences between Shareholders Equity reported in the Company's financial statements and the excess of assets over liabilities for solvency purposes. The difference in the value of the technical provisions arises from additional margins of prudence in the methodology applied to the provisions in the financial statements, which does not hold any additional capital buffers. The difference in asset valuations is primarily driven by reinsurance balances in respect of technical provisions and in smaller part by differences in the valuation of the deferred acquisition costs and the deferred tax asset for solvency purposes.

Table E2: Breakdown of differences between Equity in the financial statements and the excess of assets over liabilities under Solvency II

	31st December 2021 € '000	31st December 2020 € '000
Shareholder Equity per financial statements	**39,537**	**27,873**
Difference in the valuation of net assets	(5,245)	(3,567)
Difference in the valuation of technical provisions	6,370	4,806
Solvency II Excess of Assets over Liabilities	40,662	29,112

E.1 (d) Basic own fund item subject to the transitional arrangements

Not applicable.

E.1 (e) Ancillary Own Funds

The Company did not have any ancillary own fund items at 31st December 2021.

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

No material items have been deducted from the Own Funds at 31st December 2021.

E.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

E.2 (a) Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The Company calculates the SCR using the standard formula. The SCR is the modelled value of a 1-in-200 year loss of Own Funds occurring in the next year. The SCR includes the Basic Solvency Capital Requirement, together with an SCR component in respect of operational risk. No adjustment is made for the loss-absorbing capacity of deferred taxes and technical provisions.

Table E3 below shows the Company's SCR and MCR requirements as of 31st December 2021, with prior year comparatives:

Table E3: SCR and MCR Requirements

	31st December 2021 € '000	31st December 2020 € '000
SCR	19,860	15,997
MCR	8,937	6,200

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

The Basic Solvency Capital Requirement is calculated using a set of EIOPA defined stresses given by the Standard Formula approach. The SCR is calculated separately for each of the following risk modules:

- Market risk
- Counterparty default risk
- Life underwriting risk
- Non-life underwriting
- Health underwriting

These modules are then combined using correlation factors as defined by EIOPA, with an allowance for operational risk. Table E4 below shows the split of the SCR as of 31st December 2021, with prior year comparatives:

Table E4: Breakdown of SCR by risk module as at 31st December 2021 and 2020

	31st December 2021 € '000	31st December 2020 € '000
Market	5,374	5,025
Counterparty (default)	6,138	2,339
Life underwriting	5,344	3,530
Health underwriting	212	241
Non-life underwriting	4,670	5,747
Diversification	(7,343)	(5,731)
Basic Solvency Capital Requirement	**14,395**	**11,151**
Operational Risk	5,465	4,846
Solvency Capital Requirement	**19,860**	**15,997**

E.2 (c) Use of simplified calculations

The Company did not use any simplified calculations to arrive at its SCR as of 31st December 2021 or 31st December 2020.

E.2 (d) Undertaking specific parameters and capital add-ons

Undertaking specific parameters as 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 37 of Directive 2009/138/EC does not apply.

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

In line with EIOPA requirements, the calculation of the MCR combines a linear formula (“Linear MCR”) with a floor of 25% and a cap of 45% of the SCR. The MCR is subject to an absolute floor (“AMCR”). Table E5 below outlines the inputs to the calculation of the MCR.

Table E5: Inputs used to calculate the MCR

	31 December 2021 (€000)			31 December 2020 (€000)		
	Non-Life	Life	TOTAL	Non-Life	Life	TOTAL
Linear MCR	1,451	7,939	9,390	2,054	2,607	4,661
SCR	3,068	16,792	19,860	7,048	8,948	15,997
MCR Cap	1,381	7,556	8,937	3,172	4,027	7,198
MCR Floor	767	4,198	4,965	1,762	2,237	3,999
MCR Combined	1,381	7,556	8,937	2,054	2,607	4,661
Absolute Floor MCR	2,500	3,700	6,200	2,500	3,700	6,200
MCR	**2,500**	**7,556**	**8,937**	**2,500**	**3,700**	**6,200**
Own Funds for MCR	**7,323**	**32,992**	**40,315**	**5,503**	**23,609**	**29,112**
MCR Coverage	**293 %**	**437 %**	**451 %**	**220 %**	**638 %**	**470 %**

The AMCR is set separately for Life and Non-Life risks.

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

The MCR has increased to €8,937k as at year end 2021 primarily as a result of the Athora transaction. As year end 2020 the calculated MCR was less than the Absolute Minimum Capital Requirement, as prescribed by EIOPA is applied leading to an MCR of €6,200k at year-end 2020.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

Not applicable.

E.4 Differences between the Standard Formula and any internal model used

Not applicable.

E.5 Non-compliance with the MCR and non-compliance with the SCR

The Company remained compliant with the MCR and the SCR throughout the reporting period.

E.6 Any other information

No other items to note.

Appendix 1 – Glossary

CBI	Central Bank of Ireland
CRA	Credit Risk Adjustment
CRO	Chief Risk Officer
DRM	Dutch Residential Mortgages
ED	Executive Director
EIOPA	European Insurance and Occupational Pension Authority
EPIFP	Expected profit included in future premiums
Group	Monument Re Group presented in Section A.1(e) Position within the legal structure of the Group
HoAF	Head of Actuarial Function
HoIA	Head of Internal Audit
IC	Investment Committee
ICAV	Irish Collective Asset-management Vehicle
IGAAP	Generally Accepted Accounting Practice in Ireland
IGR	Intra-group reinsurance
Inora	Inora Life Designated Activity Company
Laguna	Laguna Life Designated Activity Company
MADAC	Monument Assurance Designated Activity Company
MC	MLIDAC's Management Committee
MCR	Minimum Capital Requirement
MI	Management Information
MIDAC	Monument Insurance Designated Activity Company
MIES	Monument Insurance European Services SRL
MISL	Monument Insurance Service Limited
MLIDAC	Monument Life Insurance Designated Activity Company
Monument Re	Monument Re Limited
NED	Non-Executive Director
ORSA	Own Risk and Solvency Assessment
OSP	Outsourced Service Provider
Own Funds	According to art. 87 of Solvency II Directive 2009/138/EU, Own Funds are defined as the sum of basic Own Funds and ancillary Own Funds.
PPI	Payment Protection Insurance
Private credit	Debt issued by companies/entities privately to banks or other investors. It is generally unrated, and it is considered for SII-purposes between a BBB and B
QIAF	Qualifying Irish Alternative Fund is a regulated collective investment scheme designed for professional investors
RC	Risk Committee

RCSA	Risk and Control Self-Assessment
Rem Comm	The Monument Re Group Board Remuneration Committee
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 Management Framework	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.
RSR	Regular Supervisory Report
SCR	See: Solvency Capital Requirement
SII	Solvency II
Solvency Capital Requirement	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).
Statutory Basis	The valuation of the Company's assets for Solvency II purposes and the valuation used in the Company's financial statements at the reporting date.
The Board	MLIDAC's board of directors
The Company	Monument Life Insurance DAC
Three Lines of Defence	In the Three Lines of Defence model, management control is the first line of defence in risk management, the various risk control and compliance over-sight functions established by management are the second line of defence, and internal auditor is the third.
UFR	Ultimate Forward Rate
VA	Volatility Adjustment

Appendix 2 - 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;

- 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.22.01.21 of Annex I, specifying information on the impact of the long term guarantee and transitional measures, following the instructions set out in section S.22.01 of Annex II;

- 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.28.02.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in both life and non-life insurance or reinsurance activity, following the instructions set out in section S.28.02 of Annex II.

Monument Life Insurance DAC

List of reported templates

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business - Non-Life
S.05.01.02 - Premiums, claims and expenses by line of business - Life
S.05.02.01 - Premiums, claims and expenses by country - Non-Life
S.05.02.01 - Premiums, claims and expenses by country - Life
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.22.01.21 - Impact of long term guarantees measures and transitionals
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.02.01 - Minimum Capital Requirement - Both life and non-life insurance activity

(Monetary amounts in EUR thousands)

S.02.01.02

Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	347
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,004,978
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	1,035
Equities	R0100	0
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	317,938
Government Bonds	R0140	170,101
Corporate Bonds	R0150	144,641
Structured notes	R0160	0
Collateralised securities	R0170	3,196
Collective Investments Undertakings	R0180	463,447
Derivatives	R0190	216,989
Deposits other than cash equivalents	R0200	5,569
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	1,496,585
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	1,204,864
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding index-linked and unit-linked	R0310	269,135
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	269,135
Life index-linked and unit-linked	R0340	935,729
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	3,430
Reinsurance receivables	R0370	1,032,086
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	42,537
Any other assets, not elsewhere shown	R0420	989
Total assets	R0500	**4,785,817**

S.02.01.02

Balance sheet

Liabilities		Solvency II value
		C0010
Technical provisions - non-life	R0510	3,252
Technical provisions - non-life (excluding health)	R0520	3,252
TP calculated as a whole	R0530	0
Best Estimate	R0540	2,932
Risk margin	R0550	320
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	309,650
Technical provisions - health (similar to life)	R0610	3,060
TP calculated as a whole	R0620	0
Best Estimate	R0630	3,047
Risk margin	R0640	14
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	306,589
TP calculated as a whole	R0660	0
Best Estimate	R0670	303,597
Risk margin	R0680	2,992
Technical provisions - index-linked and unit-linked	R0690	1,805,334
TP calculated as a whole	R0700	1,758,708
Best Estimate	R0710	42,561
Risk margin	R0720	4,065
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	1,247,094
Deferred tax liabilities	R0780	0
Derivatives	R0790	219,503
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	33,326
Reinsurance payables	R0830	1,124,219
Payables (trade, not insurance)	R0840	196
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	2,580
Total liabilities	R0900	**4,745,155**
Excess of assets over liabilities	R1000	**40,662**

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																		
Gross - Direct Business	R0110												7,426					7,426
Gross - Proportional reinsurance accepted	R0120																	0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140																	0
Net	R0200												7,426					7,426
Premiums earned																		
Gross - Direct Business	R0210												7,462					7,462
Gross - Proportional reinsurance accepted	R0220																	0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240																	0
Net	R0300												7,462					7,462
Claims incurred																		
Gross - Direct Business	R0310												1,146					1,146
Gross - Proportional reinsurance accepted	R0320																	0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340																	0
Net	R0400												1,146					1,146
Changes in other technical provisions																		
Gross - Direct Business	R0410																	0
Gross - Proportional reinsurance accepted	R0420																	0
Gross - Non-proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440																	0
Net	R0500												0					0
Expenses incurred	R0550												4,265					4,265
Other expenses	R1200																	0
Total expenses	R1300																	4,265

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										
Gross	R1410	6,788	9	1,124,898	5,349				17,955	1,154,999
Reinsurers' share	R1420	0	8	328,522	876				16,153	345,560
Net	R1500	6,788	1	796,376	4,472				1,803	809,439
Premiums earned										
Gross	R1510	6,815	9	1,124,898	5,393				17,955	1,155,071
Reinsurers' share	R1520	0	8	328,522	876				16,153	345,560
Net	R1600	6,815	1	796,376	4,517				1,803	809,511
Claims incurred										
Gross	R1610	3,142	-9,164	1,087,757	-8,993				33,086	1,105,828
Reinsurers' share	R1620	0	-8,049	290,500	-5,271				31,513	308,693
Net	R1700	3,142	-1,115	797,257	-3,722				1,573	797,135
Changes in other technical provisions										
Gross	R1710			62,707						62,707
Reinsurers' share	R1720			54,492						54,492
Net	R1800	0	0	8,215	0				0	8,215
Expenses incurred	R1900	4,161	24	1,042	3,267				0	8,494
Other expenses	R2500									630
Total expenses	R2600									9,124

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								
Gross - Direct Business	R0110	0	7,426					7,426
Gross - Proportional reinsurance accepted	R0120	0	0					0
Gross - Non-proportional reinsurance accepted	R0130	0						0
Reinsurers' share	R0140	0	0					0
Net	R0200	0	7,426					7,426
Premiums earned								
Gross - Direct Business	R0210	0	7,462					7,462
Gross - Proportional reinsurance accepted	R0220	0	0					0
Gross - Non-proportional reinsurance accepted	R0230	0						0
Reinsurers' share	R0240	0	0					0
Net	R0300	0	7,462					7,462
Claims incurred								
Gross - Direct Business	R0310	0	1,146					1,146
Gross - Proportional reinsurance accepted	R0320	0	0					0
Gross - Non-proportional reinsurance accepted	R0330	0						0
Reinsurers' share	R0340	0	0					0
Net	R0400	0	1,146					1,146
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0					0
Gross - Proportional reinsurance accepted	R0420	0	0					0
Gross - Non-proportional reinsurance accepted	R0430	0						0
Reinsurers' share	R0440	0	0					0
Net	R0500	0	0					0
Expenses incurred	R0550	0	4,265					4,265
Other expenses	R1200							0
Total expenses	R1300							4,265

S.05.02.01

Premiums, claims and expenses by country - Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400	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
			GB					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	68	1,043,266					1,043,334
Reinsurers' share	R1420	10	310,041					310,051
Net	R1500	58	733,225					733,283
Premiums earned								
Gross	R1510	68	1,043,294					1,043,362
Reinsurers' share	R1520	10	310,041					310,051
Net	R1600	58	733,253					733,310
Claims incurred								
Gross	R1610	-19,459	989,557					970,098
Reinsurers' share	R1620	-6,226	290,926					284,700
Net	R1700	-13,233	698,631					685,399
Changes in other technical provisions								
Gross	R1710	6,363	67,925					74,288
Reinsurers' share	R1720	3,726	61,132					64,859
Net	R1800	2,637	6,792					9,429
Expenses incurred	R1900	1,116	4,703					5,819
Other expenses	R2500							
Total expenses	R2600							5,819

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
Technical provisions calculated as a whole	R0010		1,758,708							0	1,758,708						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020		897,390							0	897,390						0
Technical provisions calculated as a sum of BE and RM																	
Best estimate																	
Gross Best Estimate	R0030	105,099		-2,569	12,851		198,499			32,279	346,158		3,047				3,047
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	94,589		-2,321	9,147		174,546			31,513	307,474						0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	10,510		-248	3,703		23,953	0		766	38,684		3,047	0			3,047
Risk margin	R0100	1,608	3,246			1,384				819	7,057	14					14
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110										0						0
Best estimate	R0120										0						0
Risk margin	R0130										0						0
Technical provisions - total	R0200	106,707	1,772,236			199,883				33,098	2,111,924	3,060					3,060

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Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		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	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010												0					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060												46					46
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140																	0
Net Best Estimate of Premium Provisions	R0150												46					46
Claims provisions																		
Gross	R0160												2,886					2,886
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240																	0
Net Best Estimate of Claims Provisions	R0250												2,886					2,886
Total best estimate - gross	R0260												2,932					2,932
Total best estimate - net	R0270												2,932					2,932
Risk margin	R0280												320					320
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	0
Best estimate	R0300																	0
Risk margin	R0310																	0
Technical provisions - total	R0320												3,252					3,252
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330												0					0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340												3,252					3,252

S.19.01.21

Non-Life insurance claims

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

Gross Claims Paid (non-cumulative)

(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
R0100	Prior											0	0	0
R0160	2012	6,963	7,809	1,734	95	2	2	0	0	0	0		0	16,606
R0170	2013	4,282	5,366	1,269	43	9	5	10	0	0			0	10,984
R0180	2014	2,635	3,210	881	79	7	12	0	0				0	6,824
R0190	2015	1,988	2,886	708	30	14	1	0					0	5,627
R0200	2016	1,826	2,570	598	54	7	1						1	5,055
R0210	2017	1,347	2,173	648	57	4							4	4,229
R0220	2018	1,142	1,772	469	24								24	3,407
R0230	2019	1,108	1,794	595									595	3,498
R0240	2020	1,613	2,380										2,380	3,993
R0250	2021	728											728	728
R0260												Total	3,733	60,951

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
R0100	Prior											0	0
R0160	2012	0	0	0	0	0	0	0	0	0	0		0
R0170	2013	0	0	0	0	0	0	0	0	0			0
R0180	2014	0	0	0	0	0	0	0	0				0
R0190	2015	0	125	0	0	0	0	0					0
R0200	2016	6,229	124	0	0	0	0						0
R0210	2017	4,153	117	0	0	0							0
R0220	2018	3,395	77	0	0								0
R0230	2019	3,031	34	0									0
R0240	2020	5,067	62										62
R0250	2021	2,853											2,824
R0260												Total	2,886

S.22.01.21

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	2,118,236	0	0	1,787	0
Basic own funds	R0020	40,662	0	0	-114	0
Eligible own funds to meet Solvency Capital Requirement	R0050	40,662	0	0	-114	0
Solvency Capital Requirement	R0090	19,860	0	0	14	0
Eligible own funds to meet Minimum Capital Requirement	R0100	40,315	0	0	-114	0
Minimum Capital Requirement	R0110	8,937	0	0	6	0

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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
Ordinary share capital (gross of own shares)	R0010	635	635		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	-2,498	-2,498			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	347				347
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	42,178	42,178	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	40,662	40,315	0	0	347
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	40,662	40,315	0	0	347
Total available own funds to meet the MCR	R0510	40,315	40,315	0	0	
Total eligible own funds to meet the SCR	R0540	40,662	40,315	0	0	347
Total eligible own funds to meet the MCR	R0550	40,315	40,315	0	0	
SCR	R0580	19,860				
MCR	R0600	8,937				
Ratio of Eligible own funds to SCR	R0620	204.74%				
Ratio of Eligible own funds to MCR	R0640	451.09%				

Reconcilliation reserve		C0060
Excess of assets over liabilities	R0700	40,662
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	43,160
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	-2,498
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	671
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	671

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	5,374		
Counterparty default risk	R0020	6,138		
Life underwriting risk	R0030	5,344		
Health underwriting risk	R0040	212		
Non-life underwriting risk	R0050	4,670		
Diversification	R0060	-7,343		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	14,395		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	5,465
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	19,860
Capital add-ons already set	R0210	0
Solvency capital requirement	R0220	19,860
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate		C0109
Approach based on average tax rate	R0590	0

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

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

S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		$MCR_{(NL,NL)}$ Result	$MCR_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	1,451	0

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030				
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050				
Other motor insurance and proportional reinsurance	R0060				
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080				
General liability insurance and proportional reinsurance	R0090				
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2,932	7,420		
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

		$MCR_{(L,NL)}$ Result	$MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	0	7,939

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210			10,510	
Obligations with profit participation - future discretionary benefits	R0220			0	
Index-linked and unit-linked insurance obligations	R0230			865,540	
Other life (re)insurance and health (re)insurance obligations	R0240			27,000	
Total capital at risk for all life (re)insurance obligations	R0250				1,321,147

Overall MCR calculation		C0130
Linear MCR	R0300	9,390
SCR	R0310	19,860
MCR cap	R0320	8,937
MCR floor	R0330	4,965
Combined MCR	R0340	8,937
Absolute floor of the MCR	R0350	6,200
Minimum Capital Requirement	R0400	8,937

Notional non-life and life MCR calculation		C0140	C0150
Notional linear MCR	R0500	1,451	7,939
Notional SCR excluding add-on (annual or latest calculation)	R0510	3,068	16,792
Notional MCR cap	R0520	1,381	7,556
Notional MCR floor	R0530	767	4,198
Notional combined MCR	R0540	1,381	7,556
Absolute floor of the notional MCR	R0550	2,500	3,700
Notional MCR	R0560	2,500	7,556