CG Holdings (Gibraltar) Limited

Casualty & General Insurance Company (Europe) Limited

Solvency & Financial Condition Report

For year ended 31st December 2016

Contents

Executive Summary

HIGHLIGHTS

- Strong underwriting performance in the year despite headwinds from the UK Lord Chancellor's personal injury rate decision, with recorded profits by Casualty and General Insurance Company (Europe) Limited ('CGICE' or 'the Company') of £3.0m.
- Considerable focus by the Board during the year and to date on streamlining the lines of business in which the Company is operating.
- Company Solvency II ratio ('SCR ratio') of 111% as at 31 March 2017, increasing from 107% as at 31 December 2016.
- CG Holdings (Gibraltar) Limited ('CGH') and its subsidiaries (together, 'the Group') continue to avail transitional measures provided for under legislation.

The Group is an insurance group made of up of CGH as an insurance holding company, CGICE as an insurance company, and various other entities which operate businesses which are ancillary to the insurance operations. The purpose of this report is to satisfy the public disclosure requirements under the Financial Services (Insurance Companies) (Solvency II Directive) Act (the Solvency II Act in Gibraltar) including the Delegated Regulations of the European Parliament. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management.

CGICE is the main driver of the Group's performance. The Board is satisfied with the performance of the Company during the year, which has achieved strong underwriting profits - particularly in the lines of business in which the Company continues to be active – as well as positive results arising from a combination of asset sales and a commutation with a reinsurer. During the year, the Group identified an opportunity to grow the UK/ROI liability lines through establishing a UK MGA with access to A rated capacity. It therefore incorporated Corin Underwriting Limited, which obtained UK regulatory approval and commenced trading in January 2017. As a result, the Company ceased offering insurance capacity in this line of business. The Board, following a review of the underwriting risk profile of the Company, took the decision to cease writing French dommages ouvrages and decennial business once existing renewal quotes cease. In respect of its UK motor business, the Company decided to cease writing new business in March 2017 as a result of the volatility created by the UK Lord Chancellor's decision to decrease the personal injury discount rate from 2.5% to minus 0.75%, but the Board continues to monitor future developments as the business environment settles down from this economic shock.

Over the past few years, the respective Boards in the Group put in place significant measures to strengthen the corporate governance framework, including the risk management function, in readiness for Solvency II, which was effective from 1 January 2016. The governance and risk frameworks are detailed in this report. There have been no significant changes in the reporting period.

The Company has continuously complied with all aspects of the Solvency II regulations from the date of first implementation on 1 January 2016 and the most recent solvency position of the Company is presented above. The Group continues to take advantage of the transitional measures available and expects to exit transitional provisions during 2017 as a result of actions taken to reduce the risk profile of the Group and through retention of profits. The Group's SCR ratio was 92% as at 31 December 2016. During the reporting period there have been no changes to the capital structure.

Daniel Gibson — **Date: 19th May 2017**
Chief Executive Officer
Casualty & General Insurance Company (Europe) Limited

A. Business & Performance

1. Business

1.1. This report relates to CG Holdings (Gibraltar) Limited (‘CGH’) and its subsidiary companies (collectively ‘the Group’), specifically Casualty and General Insurance Company (Europe) Limited (‘CGICE’ or ‘the Company’), an insurance company licenced in Gibraltar and limited by shares.

1.2. CGH is a non-regulated holding company domiciled in Gibraltar. Group supervision is carried out by CGICE’s regulator:

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

1.3. CGH and CGICE’s external auditor is:

EY
Regal House
Queensway
GX111AA
Gibraltar
http://www.ey.com/gi/en/home

CGH and CGICE prepare their audited financial statements in accordance with Generally Accepted Accounting Principles in the United Kingdom (‘GAAP’).

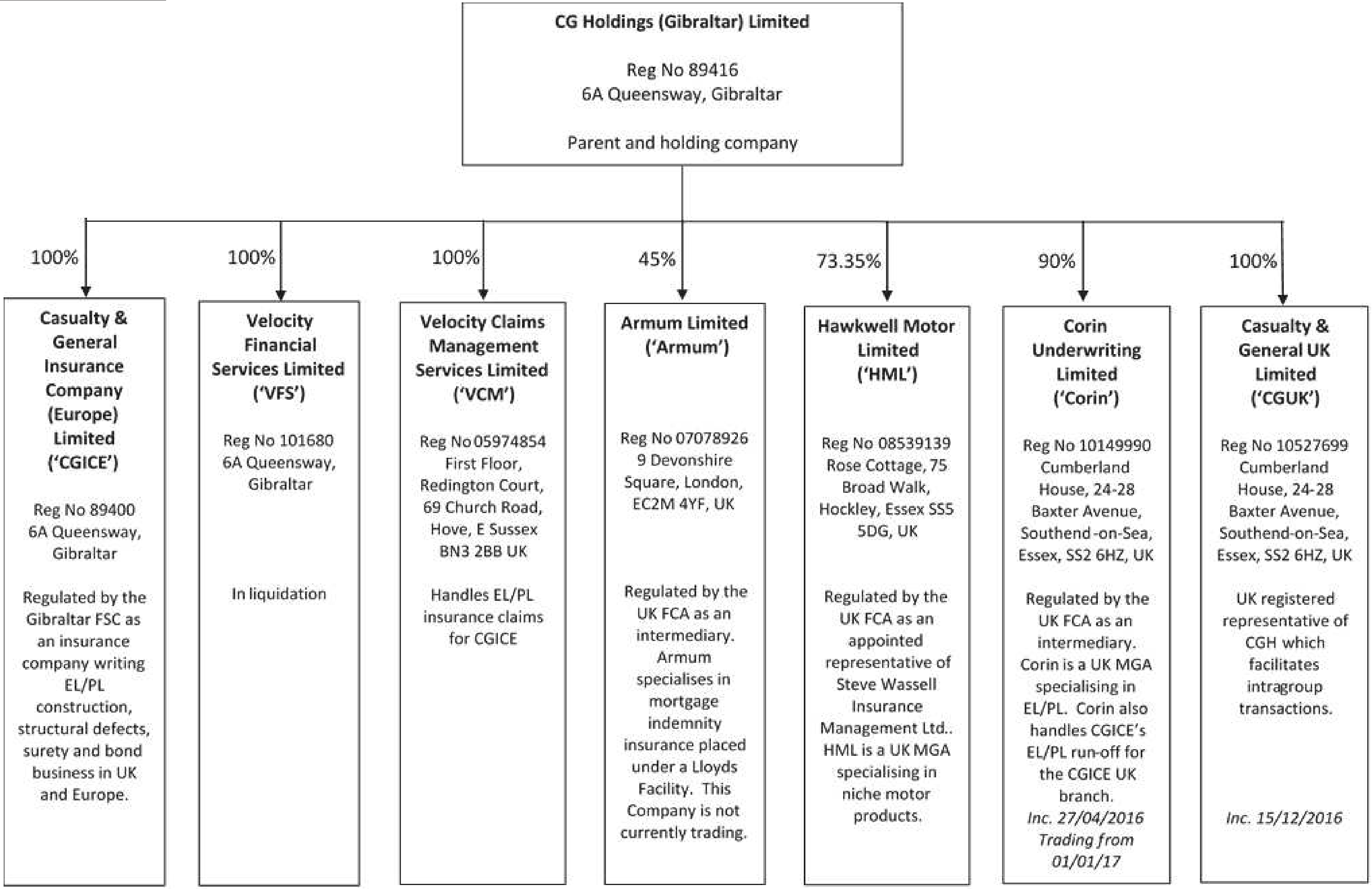
1.4. CGH shareholders with qualifying holdings:

Daniel Gibson
Anthony McCallum
George Lloyd-Roberts

CGICE is 100% owned by CG Holdings (Gibraltar) Limited.

1.5. The CGH Group of companies is shown overleaf.

<u>CGH Group Structure</u>



1.6. CGICE is authorised to carry out insurance business in the following jurisdictions:

Class	Type of insurance business	Jurisdiction
3	Land vehicles	UK
7	Goods in transit	France, Germany, Ireland, Netherlands
8	Fire and natural forces	Belgium, France, Germany, Ireland, Netherlands, UK
9	Damage to property	Belgium, France, Germany, Ireland, Netherlands, UK
10	Motor vehicle liability	UK
12	Liability for ships	France, Germany, Ireland, Netherlands
13	General liability	Belgium, France, Germany, Ireland, Netherlands, UK
15	Suretyship	France, Ireland, Italy, Norway, Spain, UK
16	Miscellaneous financial loss	France, Germany, Ireland, Netherlands, UK
17	Legal expenses	UK

The majority of business written in other EU jurisdictions is via freedom of services, except for classes 8, 9, 13, 15 and 16 in France, and 8, 9, 13, 15 and 17 in the UK, which are written via branches in France and the UK respectively.

1.7. The material undertakings in the Group are CGH, as the insurance holding company, and CGICE, as the insurance company. The results and net assets of each of the material undertakings are as follows:

Undertaking	Profit/(Loss) (£'000)	Net Assets (£'000)
CGH	(88)	2,047
CGICE	2,989	12,004

The activities and sources of profit for each of these entities is covered further below:

1.7.1. CGH is a non-trading insurance holding company.
1.7.2. CGICE's source of profit is from underwriting activities and investment income, which is explained in further detail in this report.

1.8. In addition to the above material undertakings, whose contribution to the achievement of the Group strategy is via their core roles in the provision of insurance related undertakings, the Group also has VFS, VCM and Armum as operating subsidiaries. All three provide ancillary insurance services to the Group.

1.9. The Group incorporated Corin and CGUK in 2016 and neither entity undertook any operating activities to 31 December 2016. Subsequent to this date, Corin commenced intermediary services in respect of UK liability business, and CGUK represents CGH in the UK to facilitate intragroup transactions.

1.10. While the Group holds the majority of shares in HML, this is not a subsidiary due to veto rights over the operating and financial decisions in the company, and instead is recognised as an investment in a joint venture. HML is an insurance intermediary in relation to the Company's UK motor book and therefore HML's source of profit is from intermediary services with CGICE being it's only capacity provider. However, CGICE ceased writing UK motor with effect from 1 April 2017 subsequent to a review following the UK Lord Chancellor's decision to adjust the personal injury discount rate in the UK to minus 0.75%.

1.11. There have been no significant events that have occurred in the reporting period that have had a material impact on the Company. However, on the 20th March 2017 a decrease to the personal injury discount rate from 2.5% to minus 0.75% was implemented. The rate is used in court cases in the UK to calculate settlements in personal injury and fatal accident claims, and therefore a decrease in the discount rate results in likely settlements increasing and the need to also increase gross claims reserves. Although this occurred outside the reporting period, the Group and Company have increased their claims reserves retrospectively, affecting the financial results at 31st December 2016. Due to the low excess of loss reinsurance retention level, the net impact on claims reserves was limited.

2. Underwriting Performance

2.1. CGH's underwriting performance follows CGICE's as the only insurance entity in the Group.

2.2. The premium written in the year ended 31 December 2016 is shown below by class of business and jurisdiction:

	France	Ireland	Italy	Norway	Spain	UK
	£'000	£'000	£'000	£'000	£'000	£'000
Motor	-	-	-	-	-	20,431,917
Fire and property	880,182	144,463	-	-	-	4,166,155
Liability	781,799	4,322,949	-	-	-	2,632,572
Credit & surety	2,497,049	-	292,902	537,788	394,782	-
Legal expenses	-	-	-	-	-	12,483

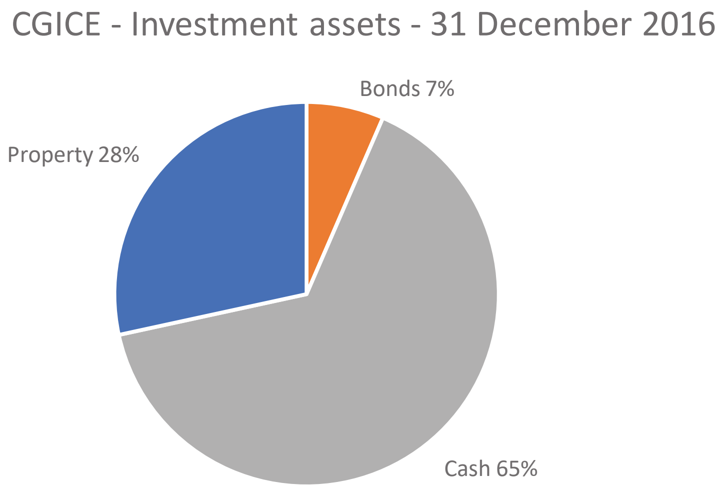
2.3. All premiums written are single premium policies (i.e. one single premium to cover the life of the policy).

2.4. Underwriting performance has been positive with technical profits reported in the management accounts for the year ended 31 December 2016 being £2,989k (compared to loss of £621k in 2015).

3. Investment Performance

3.1. CGH's investments comprise the equity holdings in subsidiaries and a joint venture only. There have been no distributions received from subsidiaries during the period of this report.

3.2. The investment assets held by the Company are as follows:



4. Performance of Other Activities

4.1. There have been no other significant activities undertaken by the Group or the Company other than its insurance and related activities.

5. Any Other Information

5.1. There are no other material matters in respect to the business or performance of the Group or the Company.

B. System of Governance

1. General Information on System of Governance

CG Holdings (Gibraltar) Limited

CGH retains ultimate responsibility for the governance of itself and its subsidiaries, however it is not prescriptive in how any subsidiary should meet its obligations. CGH takes a risk based approach to the system of governance it expects to be implemented, depending on the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group. The level of reporting required is also proportional to these factors.

Governance requirements are largely set by regulatory and legal requirements, however CGH also considers any additional measures it considers necessary to manage the risk of the subsidiary and will implement these on a case by case basis, for example establishing additional governance meetings, requesting additional reporting, or intervening by placing managers or directors in the subsidiary to further safeguard CGH's interests.

There are CGH directors on all subsidiary Boards. CGH has no Committees.

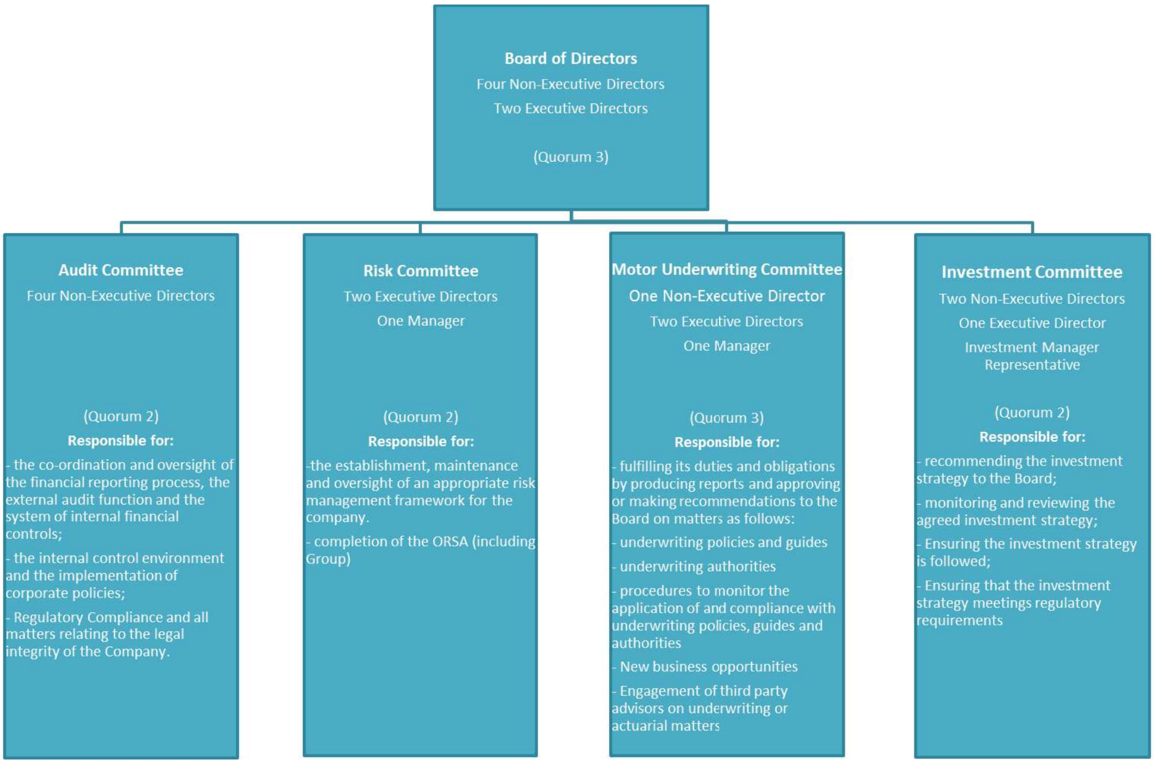
CGH has no employees. Directors' services are included in the fee paid by CGICE.

There have been no dividends paid to the shareholders during the reporting period.

The CGH Board of Directors is comprised of two executive directors and three non-executive directors (one of which is the Chair).

CGICE System of Governance

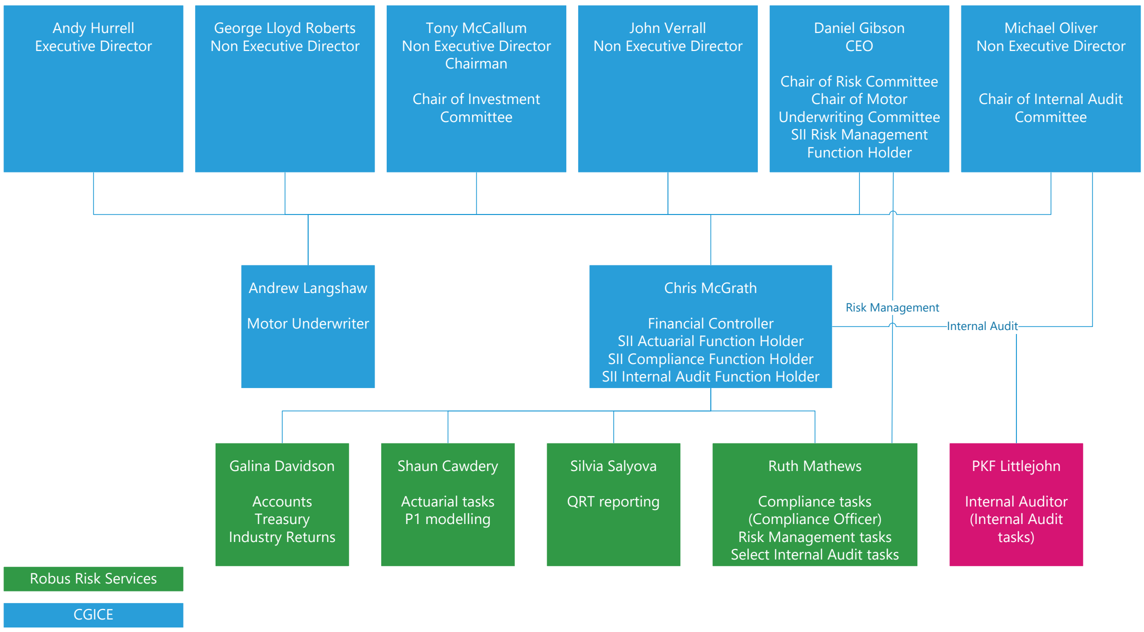
Board and Committee Structure



Terms of Reference describe the purpose, responsibilities, membership and authority delegated from the Board for each Committee. Relevant attendees are invited to Committees as determined by the Committee.

There were no material changes to the system of governance structure during 2016.

Roles and Responsibilities



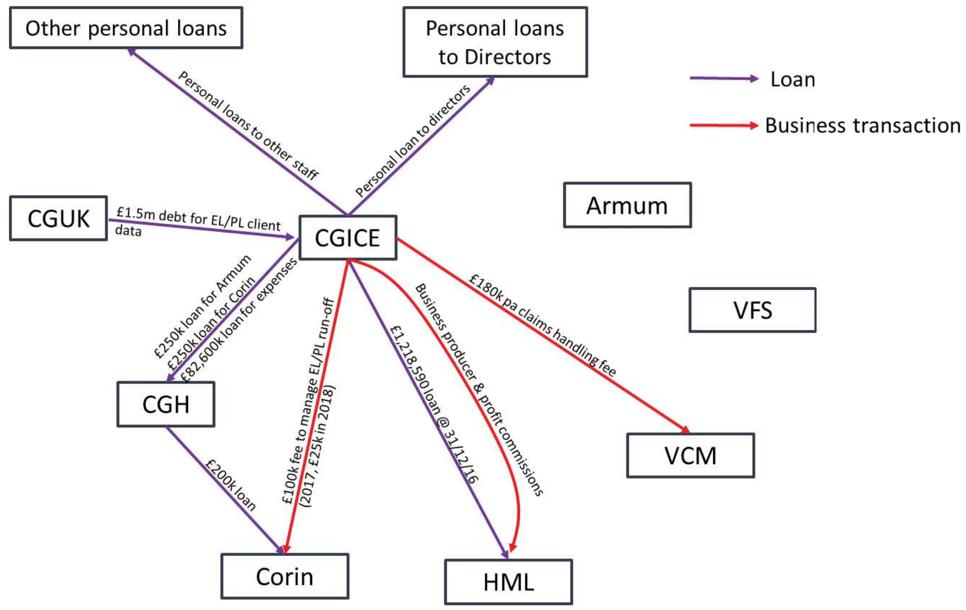
CGICE has four employees including the CEO. Employees' remuneration (bar the CEO's) is set by the CEO, and approved by the Board as part of the budget. At least three Directors approve the remuneration of any other Director; no Director is involved in decisions relating to their own remuneration. The Company has a Remuneration Policy.

Directors fees or salaries were paid to the Non-Executive and Executive Directors during the reporting period.

There have been no dividends paid to the parent company during the reporting period.

Material Intra-Group Transactions

Material intra-group transactions are described by the diagram below:



2. Fit and Proper Requirements

The Group recognises the value of the fit and proper requirements in that a company run in a fit and proper manner, by fit and proper directors and other individuals holding key functions or roles, will benefit from the knowledge and experience brought to the company and is more likely to be successful. In addition, the risks associated with a badly run business (largely regulatory, financial or reputational risks) will be diminished.

There is no definition for 'fit and proper', however the term includes amongst other considerations the concepts of honesty, solvency and competence.

The basic elements of the fit and proper assessment are:

- honesty, integrity and reputation (e.g. treating customer fairly, proper respect of legal, regulatory and professional obligations, prudent approach to business);
- competence, ability to conduct business and organisation (e.g. adherence to 'four-eyes' principle, having a robust corporate governance structure, declaration of conflicts of interest, Directors having appropriate skills, knowledge and experience);
- financial position (e.g. ensuring the Company has sufficient financial resources to meet commitments on a continuous basis, and is robust enough to withstand business risks)

The Group Boards ensure that any candidates for a position on a Board, or for other key functions or roles, shall be assessed to ensure that they fulfil fit and proper requirements. This includes reviewing the CV of the candidate, an in-depth interview, obtaining references (both personal and professional), and carrying out due diligence checks. Due diligence checks include verification of identification and address, and searches on due diligence databases. The candidate is also asked to declare any interests so the relevant Board can review whether they conflict with the Company's interests. All conflicts of interest identified are recorded on a Log and reviewed at each board meeting.

3. Risk Management System including ORSA

CG Holdings (Gibraltar) Limited

CGH delegates day to day responsibility for Group Risk Management to the CGICE Risk Committee (‘RC’), while retaining ultimate responsibility. Two directors and shareholders of CGH are members of the Risk Committee, ensuring that CGH is represented and Group aspects considered.

CGICE has a risk management framework which is used for the Group, and this is described in some detail below. It is implemented within each subsidiary at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group.

As a minimum, all regulated companies will have a Risk Register which the CGICE Risk Committee will review and consider. CGH will also identify any risks specific to Group or aggregated at Group level through the interdependencies between the subsidiaries including intra-group transactions, and considering risk concentration, through the Own Risk and Solvency Assessment (‘ORSA’) process.

CGICE completes the Group solvency calculation and monitors Group solvency on behalf of CGH and will liaise with the Group Board as necessary to ensure that the Group SCR is met and that risks to Group solvency are monitored and managed.

CGICE is responsible for completing an Own Risk Solvency Assessment (‘ORSA’) for the Group, incorporating CGH and a solo ORSA on CGICE. One supervisory report on both ORSAs is collated.

CGICE Risk Management System

Risk Management Roles and Responsibilities

The CGICE Board delegates its risk management function to the risk management key function holder and to the Risk Committee, which oversee all risk related activity and ensure the Board is kept informed or is consulted as required.

Should any risk management tasks be outsourced, the function holder is also responsible for the outsourced relationship, including monitoring the scope of work, service levels and for challenging the results.

The key function holder and RC review, monitor and update as required, all the components of the Framework, engaging other members of the Board, key function or key role holders, as necessary, and oversee the ORSA process. However, the Board collectively are responsible for the implementation of the Frameworks components.

The Risk Register is a central log of all risks identified in the business. It is owned by and is the responsibility of the RC and risk management key function holder to maintain and review the document. It includes the risk owner, risk description, risk factors, mitigating controls and measures and risk appetite.

The Board sets its risk appetites and tolerances; the actual risk in the business, compared to risk appetite and tolerance, is monitored by the RC and escalated to the Board if required.

The Risk Management Process
The process of risk management is a continuous and systematic one, comprising 5 elements:

Own Risk Solvency Assessment ('ORSA') Policy
The ORSAs' main purpose is to ensure that the Group and CGICE assess all the risks inherent to their businesses and determine the corresponding capital needs, or identify other means needed to mitigate these risks. The Boards are responsible for conducting the ORSA.

In particular the ORSA considers situations in which the Group or Company may be stressed, and the capital needs and mitigation measures necessary in these scenarios, to ensure that the business is prepared for, and robust enough to weather, adverse conditions without detriment to stakeholders.

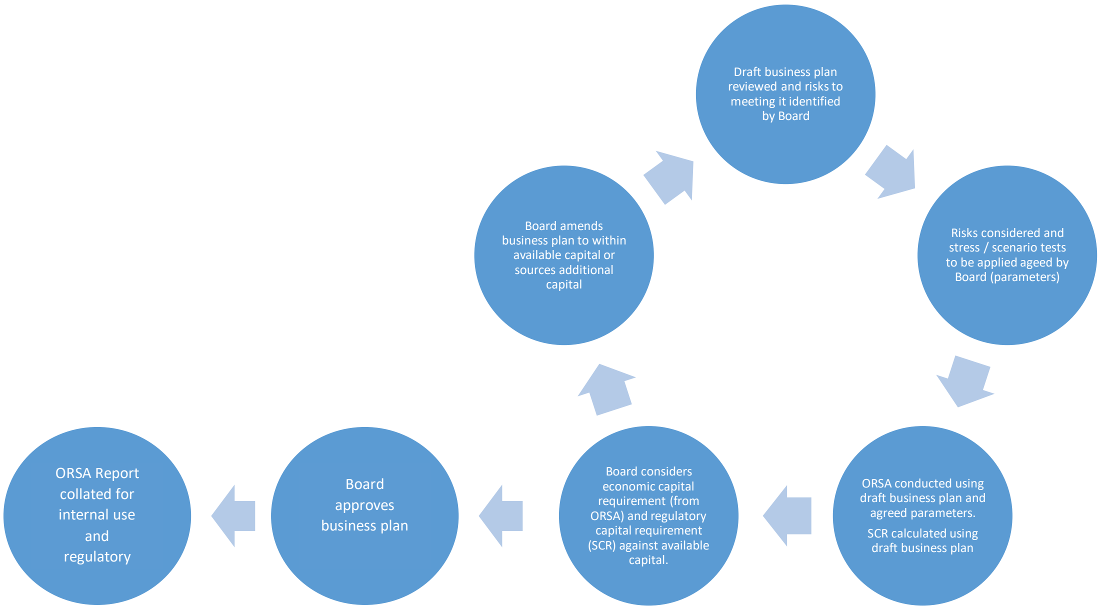
While the Risk Register focusses on risks from a bottom-up viewpoint, the ORSA takes a top-down approach, linking business objectives, business risks, business planning and capital planning. The results of the ORSA also feed back into the risk management process, ensuring that all risks identified are incorporated into the assessment, management, monitoring and reporting cycle.

The Boards will also use the output of the ORSA to review its overall risk profile, and whether the profile exceeds or approaches the risk tolerance limits set by the Boards.

The Boards carry out an ORSA at least annually; however, they will also carry out an ORSA if there is any material change to the risk profile or business plan, in particular:

- Cessation of a class or entering into a new class worth >£2.5m GWP
- If the SCR changes by >10% (which includes the impact of changes to investments)
- If there are any significant changes to Group structure e.g new subsidiaries/liquidation of subsidiaries

ORSA Process



4. Internal Control System

<u>CG Holdings (Gibraltar) Internal Control System</u>

CGH Board is responsible for the Group Internal Control System. Internal controls are implemented within each subsidiary at a level proportionate to the complexity, nature, size of the business, whether it is subject to regulation, and the level of risk it presents to Group.

As a minimum, all companies will have sound reporting and accounting procedures to enable the respective Boards to adequately monitor their business. The majority of subsidiaries are subject to statutory audit which independently reviews their internal control systems.

<u>CGICE Internal Control System</u>

The Company's internal controls are part of its compliance framework, being the first line of defence in the 'three lines of defence' model the Company has implemented.

The Company has implemented policies which describe the Board's approach to key areas of the business, and procedures, where appropriate, which describe how the Board fulfils its policies. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control system, however day-to-day oversight is provided by the compliance key function holder and the Compliance Officer. In practice, the Audit Committee ('AC'), other Directors and key role holders also necessarily participate in the management of the system.

The Compliance Officer is responsible for ensuring that all company policies are reviewed at least annually to make certain that they are still fit for purpose, in liaison with the Directors as appropriate. The relevant area of the business is responsible for ensuring that their procedure(s) are up to date and reflect how the business operates.

There is a risk based Compliance Monitoring Programme ('CMP') in place to check that CGICE fulfills all its legislative and regulatory requirements. This is completed by the Compliance Officer on a quarterly basis and forms part of the Compliance Report to the AC.

Compliance Function

The Compliance key function holder is responsible for the completion of compliance tasks, although the tasks are delegated to the Compliance Officer ('CO'). Both the key function holder and the Compliance Officer have direct access to both the Board and the AC.

The CO is responsible for identifying and evaluating compliance risk, overseeing the implementation of controls for the risks identified, and monitoring their efficacy through the Compliance Monitoring Programme. The CO reports to the key function holder and AC at each meeting and will provide advice to the business when requested.

The Compliance Function also liaises with regulatory bodies and authorities and provides updates on changes in legislation and regulatory requirements.

The Board supports the Compliance Function and shall make available such resource as is necessary, and provide access to all relevant documentation and information from the business, for the Compliance Function to fulfil its aims.

5. Internal Audit Function

CGH Internal Audit Function

All high risk Group companies are service providers to CGICE, and are therefore considered by CGICE's internal audit function and included in CGICE's internal audit activity, which is described below.

CGICE Internal Audit Function

Internal Audit exists to provide the Company with independent assessments of the quality of internal controls and administrative processes, and provide recommendations and suggestions for continuous improvement. It provides advisory services to management, will conduct investigations on an ad hoc basis as requested by management, and has responsibility for assisting in the development and operation of the risk management framework. It will also audit providers of material services to ensure that the agreements governing these relationships are being adhered to.

The Board appointed Internal Audit Key Function Holder has responsibility for the internal audit function and reports into the AC. Internal audit tasks are outsourced to a third-party provider selected by the AC; the key function holder also has responsibility for co-ordinating this outsourcing and challenging the results.

The third-party provider prepares an internal audit plan for the following year which is based on a three-year plan, and is developed using a risk based approach to prioritise high risk areas and the extent and frequency of audits. The plan is approved by the AC and provided to the Board for information. The plan is subject to change throughout the year depending on the business and changing risk environment.

Audit reports are produced after each internal audit and provided to the AC for review with management responses. Any actions coming out of the audits are monitored to completion by the AC.

Internal Audits will be conducted by appropriately skilled, experienced and independent persons to carry out the audit to the AC's standards.

To carry out its work effectively and to retain integrity of the function, Internal Audit acts independently of line management. The internal audit function holder is responsible to the AC for the planning, management and performance of Internal Audit; the AC consists of Non-Executive Directors.

The AC provides a quarterly report to the Board.

Internal Audit reports may be requested by appointed External Auditors, these requests are considered by the AC for approval.

6. Actuarial Function

CGICE is the only insurance entity in the Group and therefore the only one for which it is relevant to have an actuarial function, however CGICE's actuarial function supports Group activity where required, for example the Group solvency calculation and ORSA.

CGICE's actuarial function is the responsibility of the key function holder, who reports directly to the Board.

The actuarial function is responsible for:

a) Coordination of the calculation of technical provisions;
b) ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
c) assessing the sufficiency and quality of the data used in the calculation of technical provisions;
d) comparing best estimates against experience;
e) informing the Board of the reliability and adequacy of the calculation of technical provisions;
f) expressing an opinion on the overall underwriting policy;
g) expressing an opinion on the adequacy of reinsurance arrangements; and
h) contributing to the effective implementation of the risk-management system.

Each of these activities is undertaken on an at least annual basis and the outcome reported to the Board in an internal actuarial report.

7. Outsourcing

Outsourcing is the use of a third party (either an affiliated entity within the same group or an external entity) to perform activities on a continuing basis that would normally be undertaken by the company. The third party to whom an activity is outsourced is a 'service provider'.

Each Board shall ensure that an outsourcing arrangement shall not diminish the company's ability to fulfil its obligations to customers or its regulator, nor impede effective supervision by its regulator (should it be regulated).

Fundamental responsibilities such as the setting of strategies and policies, the oversight of the operation of the company's processes, and the final responsibility for customers, shall not be outsourced.

The respective Boards consider outsourcing where they believe that there is an advantage to the company and customer by using a service provider e.g. access to specialist resource, provision of services in the same jurisdiction as the customer, cost benefits.

CGH Outsourcing

CGH is a holding company and has little operational activity. The company's management is outsourced to RRS, primarily consisting of the provision of the accounting function. Company Secretarial services are outsourced to GT Fiduciary Services Limited.

CGICE Outsourcing

CGICE is reliant on a number of material service providers; due to the risk this presents, CGICE has an outsourcing policy which describes how it takes the decision to outsource, how a service provider is selected, and how the relationship is defined, managed and monitored. The Company takes a risk based approach to all of these activities.

Material Service Providers in the Reporting Period:

Service Provider	Service Provided	Jurisdiction Located
Robus Risk Services (Gibraltar) Limited	Insurance Management (compliance tasks, risk management tasks, accounting, banking & investments, regulatory reporting, actuarial tasks)	Gibraltar
IW Consultancy Limited	UK EL/PL policy administration software system	UK
Hawkwell Motor Limited	UK motor policy sales and administration and complaints handling	UK
Endsleigh Insurance Services Limited (t/a TCS)	UK motor claims handling (from 04/01/2017)	UK
Slater Gordon (UK) LLP	UK motor claims handling (to 03/01/2017)	UK
European Brokers Alliance Limited (Nexus)	Policy sales and administration for French construction and Italian and Spanish bond lines	UK
CRL Management Limited	Policy sales and administration, and claims handling, for UK structural defects line.	UK
SARL DEKATRIA (SARL EKWI)	French construction claims handling (claims 2010 onwards)	France
JFG Consulting EURL	Audit and inspection of IMS Expert managed claims (claims prior to 2010)	France
IMS Expert Europe SA (previously SFS Europe SA)	French construction claims handling (prior to 2010)	France

Velocity Claims Management Limited	UK & ROI EL/PL claims handling	UK
IAM Insurance AS	Policy sales and administration, and claims handling, for Norwegian bond line.	Norway
GT Fiduciary Services Limited	Company secretarial	Gibraltar

8. Adequacy of the System of Governance

The Group aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated, and recommendations are made to the Board(s) regarding enhancing and developing the systems, including the outcomes from compliance monitoring programmes, root cause analysis from complaints, breaches and risk events, and incremental development as the systems mature. It also considers relevant industry advice and guidelines, for example the UK Financial Reporting Council's Corporate Governance Code, implementing these as appropriate for the size and complexity of the Group companies.

Internal audits and external audits provide independent evaluation of the Group's and individual companies' system of governance. Recommendations from these audits are considered by the relevant Boards and implemented proportionate to the business' risks.

C. Risk Profile

1. Underwriting Risk

CGICE is the only company in the CGH Group which is exposed to underwriting risk, the Group's underwriting risk is therefore the same as CGICE's.

CGICE

Underwriting risk is a key risk to CGICE.

Underwriting risk is monitored by the executive directors who report to the Board at least quarterly, and by the Risk Committee and Risk Management Key Function Holder, via the Risk Management Framework. It is assessed and monitored using key indicators such as Gross Written Premium, claims reserves, loss ratio and large loss claims details. The Board has set risk tolerances around these indicators, where relevant, which the RC monitors.

The Company sells its insurance through intermediaries who have been granted limited delegated authority by the Board. Intermediaries are monitored by the Executive Directors on the basis of management information, and are also encompassed by the Internal Audit Plan, to ensure adherence to contractual requirements including delegated underwriting authority parameters. Broker reviews are also conducted on a risk assessed basis. The results are reported to the Board or Audit Committee, as appropriate.

There has been no change to the methodology for identifying, assessing, managing and reporting on underwriting risk over the reporting period.

The use of quota share and excess of loss reinsurance is CGICE's primary method of mitigating underwriting risk.

The Company has worked hard throughout 2016 to manage and mitigate the business' risk exposure to within its risk appetite and capital capacity. As such, general liability, and French dommages ouvrages and decennale insurance lines will be put into run-off during 2017. The Company ceased writing the UK motor book in March 2017 following the decision by the UK's Lord Chancellor to reduce the personal injury discount rate from 2.5% to minus 0.75%, and the market volatility which followed. The Company continues to monitor future developments.

The Company writes employer and public liability business in the UK as well as UK motor and therefore is exposed to the risk of structured settlements (sometimes called periodic payment orders or PPOs) in relation to large claims. The risk of PPOs to the Company is that they transfer the longevity (how long the PPO must be paid), inflation (how quickly the annual payments increase) and revision (possibility of future changes in legislation which may change PPO awards) risks to the Company. To date there have been no settled PPOs awarded to claimants against the Company. The Company reviews its large claims and assesses the risk of them developing into PPOs, but currently has no such claims which would typically develop into settled PPOs, and in any case is protected via the mitigation methods described below. The Company believes that the risk of PPOs has diminished further since the UK Lord Chancellor's announcement in February 2017 regarding the change in the personal injury discount rate to minus 0.75%, which is detailed further in section 7 below, and the Company has since ceased writing these lines of business.

Underwriting Risk Mitigation Measures

Line	Mitigation Measure
Employers Liability and Products Liability *(in run off from 01/01/17)*	• Excess of loss reinsurance; • 75% quota share reinsurance.
UK Motor	• Delegated authority limits; • Excess of loss reinsurance; • 75% quota share reinsurance.
Dommages Ouvrages *(in run off from 01/01/2017)*	• Delegated authority limits; • Variable quota share reinsurance; • Recovery from decennale insurer.
Decennale	• Delegated authority limits; • Maximum exposure limit of €500,000.
French Surety	• Recovery through counterparty guarantees; • Control of project bank accounts and therefore cash flow; • Option to take control of the project to completion.
Italian Bonds	• Delegated authority limits; • 65% quota share reinsurance.
UK Structural Defects	• Excess of loss reinsurance.
Irish and Spanish Surety/Bonds	• Volume very small so no mitigation measure necessary.
Norwegian Construction Defects	• Credit memo prepared for larger risks which are signed off in Gibraltar; • Facultative reinsurance limiting exposure to ~ £1.5m per client.
UK Legal Expenses	• 100% quota share reinsurance.

There has been no material change to the risks that the Company is exposed to in the reporting period or to date other than as disclosed above.

2. Market Risk

CGH has no exposure to market risks as it holds funds in cash only.

CGICE

The Company engages an investment manager who is represented at all Investment Committee ('IC') meetings, and provides detailed analysis of the investment portfolio, making recommendations to maximise investment returns within the Company's risk appetites and tolerances.

Currency

The Group and the Company are primarily exposed to two currencies, the Euro ("EUR") and British Sterling ("GBP"). Investments are held in GBP and EUR and therefore also present some currency risk to the Company. The Company holds a Euro cash account for Euro premium funds and claims payments, to minimise the number of currency exchanges necessary, however it is exposed to currency risk as its accounting currency is GBP and the exchange rate affects the value of transactions and balances.

RRS monitors the EUR:GBP exchange rate on a monthly basis or more regularly where there are significant movements in the currency pair, assesses the currency risk on behalf of CGICE, and will make recommendations via consultation with representatives of the Board regarding when to make foreign exchange transactions to mitigate the risk. The IC evaluates the efficacy of the mitigating measures in place and considers the additional use of a foreign exchange 'tunnel' (a combination of foreign exchange option contracts which limits benefit from favourable movements in foreign exchange and but also limits losses from adverse movements).

The currency risk has fluctuated considerably over the reporting period due to the economic conditions in the EU and the UK.

Property

The Company has a commercial property portfolio of £7m; the properties are leased on a long-term basis to secure tenants and are geographical spread to mitigate loss of income, catastrophe and concentration risk. However, especially following the UK's departure from the European Union, the property market could become more volatile and therefore increased liquidity risks may emerge.

The material risks presented by the property portfolio have not significantly changed over the reporting period

The IC assesses and monitors the risks presented by the property portfolio, ensuring that they lay within, and are made in accordance with, the Company's risk appetite, and are balanced within the overall portfolio to ensure efficient use of capital and mitigation of liquidity risk.

Interest rate

Interest rate risk arises as a result of the impact of interest yield curves on future payments to be made in respect of claims and receipts from the Company's investments. The interest yield curves in the UK have decreased in the reporting period which reflects the decreases in base rates applied by the Bank of England. While interest yield curves were suppressed following the UK's referendum and the US Presidential election, recent increases in US Federal Reserve rates have seen interest yield curves increase moderately in the fourth quarter, although continuing economic uncertainty in the UK and Europe around Brexit negotiations continue to keep rate expectations low in the UK.

The Company's exposure to interest rates arises primarily from bond portfolios (as bond values are susceptible to changes in interest rates), and the settlement of future claims (as the discount rates applied to claims settlement projections are impacted by interest yield curves).

Interest rate risk is assessed and monitored by the IC. The Company considers the prudent person principle (see [4]) in considering the investment assets and how they match to the expected payment profile of the Company's technical liabilities. Maximum duration limits (seven years) are also imposed on conventional fixed income assets in order to ensure that interest rate exposure on the bond portfolio is appropriate, while the property portfolio assists in hedging against longer term changes in the interest rate yield curve. The IC reviews the effectiveness of the mitigating measures, considers how they could be improved, and makes recommendations as appropriate.

Concentration

IC reviews the investment portfolio and assesses the concentration risk that the Company is exposed to, to ensure that it is within the risk appetite. The concentration exposure arises in respect of positions taken in the Company's bond portfolio, property exposure and counterparties in respect of its cash holdings and reinsurance recoveries. Concentration exposure is assessed in respect to exposure to any single name. In respect to properties, concentration exposure is considered where the individual properties are part of the same building. Concentration exposure is calculated based on the proportion of the single name exposure (or grouped property exposure) relative to the investment assets as a whole.

Concentration risk has not materially changed over the reporting period as the investment profile has remained consistent.

Concentration risk in the bond portfolio is mitigated by limiting exposure to any one single name, the limit depending on the security of the issuer. Concentration risk on property acquisitions is easier to control since the concentration exposure is considered as part of the due diligence on acquisition.

The Company is exposed to concentration risk in respect of loans with other Group companies and to other related parties. Management monitors such exposures carefully and, where appropriate, obtain security via registered charges over assets.

Ongoing monitoring of concentration risk is undertaken by IC and by the Risk Management Framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures are required, to ensure the risk remains within risk appetite.

Concentration of counterparties in respect of cash and reinsurance exposures is considered with credit risk in section 3.

Spread

Spread risk is the sensitivity of the values of investments, primarily bonds and secured loans in respect of the Company, to changes in the level or in the volatility of credit spreads. As credit spreads will typically be narrower for well rated securities than for poorly rated securities (and for short duration rather than long duration securities), the Company considers credit quality limits to the conventional fixed income assets in their investment guidelines to the investment manager.

The Investment Policy and risk appetites are reviewed regularly to ensure that the mitigating guidelines in place are still appropriate for the Company and the risk environment in which it operates.

The IC reviews the investment portfolio and assesses a value-at-risk (“VaR”) given the duration and rating of the underlying assets, based on the expected loss with a 99.5% level of confidence. This is therefore considered the likely loss in the portfolio in a 1-in-200 year event. This assessment is undertaken in conjunction with the Company’s investment manager.

Ongoing monitoring of spread risk is undertaken by IC and by the Risk Management Framework, including assessing the efficacy of controls and whether they require improvement or additional mitigating measures are required, to ensure the risk remains within risk appetite.

3. Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.

<u>CGH</u>

CGH is exposed to very low levels of credit risk through amounts held with banks. This is mitigated by using financial counterparties with a credit rating of at least ‘A’, with the exception of operational bank accounts with The Royal Bank of Scotland, which is rated ‘BBB’.

CGICE

Key areas where the Company is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts held with banks and other financial institutions;
- amounts on loan to connected parties; and
- amounts due from insurance intermediaries.

Reinsurance and Financial Institutions

All reinsurance and financial counterparties used have a credit rating of at least 'A'. The Company partners with a limited number of counterparties, reducing exposure and mitigating contagion risk.

Reinsurer credit ratings on the current and historic programmes are monitored on a quarterly basis and reported to the Risk Committee; any material deterioration is escalated to the Board.

Loans to Connected Parties

CGICE has made loans to CGH for investment in other Group subsidiaries (Armum and Corin), and to cover expenses; and directly to HML. The default risk on these loans is linked with the success of these companies which is mitigated by the entities all being CGH subsidiaries in that the companies' interests align.

Personal loans have also been made to members of staff and Directors. Personal loans to staff are not a risk as they are of relatively low value and spread amongst a number of employees. Directors' loans also do not present a material risk in that they are secured on assets.

Amounts due from insurance intermediaries

Credit risk is presented by the use of insurance intermediaries as premiums have to be collected from the policyholder and paid to CGICE. Credit risk therefore occurs when the policy has incepted but the policyholder has not yet paid (so the intermediary cannot pay the insurer for time on risk), and when the policyholder has paid and funds are due from the intermediary.

Intermediary credit risk is mitigated by all intermediary relationships being governed by contractual agreements which specify payment terms. The executive directors review amounts owed closely, and use these to monitor and manage intermediaries' performance, escalating to the Board where necessary. Relationships with intermediaries can be terminated if contractual payment terms are not met.

Credit risk is also identified, assessed and monitored through the Risk Management Framework (see above for further details), which also necessitates regular review and evaluation of the mitigation measures in place to ensure the risk remains within risk appetite, and by the Board.

4. Prudent Person Principle

The Group and the Company are required to invest the assets used to cover the minimum capital requirement and the solvency capital requirement in accordance with the 'prudent person principle'. The prudent person principle defines that the assets must be invested in a manner that a 'prudent person' would – that is that the decisions are generally accepted as being sound for the average person.

The Group and the Company forecast the cash needed over a three-year horizon based on the three-year business plan, taking into account liquidity of the assets. The bond portfolio in particular is invested in highly liquid securities which, along with the cash and cash equivalents held, are designed to approximate the nature and duration of the insurance liabilities.

The assets of the Company are distributed as disclosed in Section A 3 and transitions based on underlying exposure are detailed in Section D 1. There are no material other financial instruments held by other companies in the Group.

5. Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay the obligations when they are due.

CGH

CGH has liquid assets only so is not exposed to any liquidity risk.

CGICE

The IC is responsible for monitoring and managing liquidity risk, ensuring that CGICE has liquidity available to meet both immediate and foreseeable cash flow requirements. The Company's insurance manager is responsible for day to day operational liquidity management. The business is cash flow positive which means that premium income will normally more than offset claims outflows. The investment portfolios do not therefore tend to be called upon to meet claims. However, in the interests of prudence, the majority of the portfolio is invested in very liquid instruments and funds so as to make it possible to liquidate at least 65% of the portfolio in 3 days without abnormal cost, per the Investment Policy.

The expected profit included in future premiums is £1,785k.

6. Operational Risk

CGH

CGH is exposed to a low level of operational risk, being a holding company which outsources its operational functions to a company manager, RRS. This risk is mitigated by RRS having a comprehensive Business Continuity Plan in place. It is also exposed to a low level of crime risk, which is mitigated through the operational procedures RRS has in place around the finance function (e.g. two authorisers on payments) which are reviewed as part of CGH's external audit.

There have been no material changes to operational risk in the reporting period.

CGICE

CGICE's key operational risks are:

- Key person risk: the risk of losing knowledge, skills and leadership should a key person leave the Company. The risk of the CEO leaving is mitigated by key person insurance, however there are other employees who would cause business interruption if they left and therefore this risk has been mitigated by an own assessed capital allocation to cover the cost of recruiting a replacement.
- Material service provider risk: the risk that a provider of key services is unable to operate, effecting CGICE's ability to service customers and sell policies. This risk is mitigated by having contracts in place which govern CGICE's relationships with service providers and include service levels which must be met, and an Outsourcing Policy which details the Company's approach to managing service providers. Should any service provider go into liquidation it is likely it would continue as a going concern for the immediate future, giving time for an alternative provider to be sourced. It is further mitigated by an own assessed capital

allocation to cover the cost of replacing a service provider and any potential resultant loss of profit.

- Reputation risk: The Company has identified two types of reputational risk:
  Commercial reputation – CGICE sells insurance through brokers and it is the reputation with those brokers that is key to their business. This is protected, and the risk to it mitigated, by appropriate policies and procedures (e.g. complaints procedure) and by having the French and UK branches (a presence in the jurisdiction increases confidence). The cessation of the EL/PL book will also reduce CGICE's reputation risk. If this risk materialises it would likely be short to medium term in effect (the Company regaining brand confidence over time), but could result in reduced volume and potentially reduced profit.
  Company reputation – this is a more general reputation risk for the company as a regulated entity. For example, if Gibraltar insurers fail it impacts the reputation of all Gibraltar insurers. It is more intangible and largely out of the Company's control, so difficult to mitigate.
  Both types of reputation risk are further mitigated by an own assessed capital allocation to cover potential loss of profit caused by reputational risk materialising.
- Reinsurance risk: the remaining reinsurance risk, not encompassed above, is if expected reinsurance recoveries are not realised due to misinterpretation of contracts. An own assessed capital allotment has been made to mitigate this risk.
- Operational risk: since CGICE has a broker based business model, many day-to-day activities are carried out by service providers. CGICE manages this risk by implementing an Outsourcing Policy, monitoring their performance, and reviewing their business contingency plans (BCP) to ensure they are adequate. CGICE also has its own BCP which is tested. Data can be restored very quickly with minimal impact on the business. The Company is reliant on bespoke software to administer EL/PL policies; an own assessed capital allocation has been made to mitigate the risk of this software failing and processes having to be done more manually.
- Distribution channel risk: The different lines of business sold through different intermediaries reduces CGICE's reliance on any one source of income, and mitigates distribution concentration risk. Most intermediaries could be replaced quickly, but this could result in loss of income and associated profit, and therefore an own assessed solvency allocation has been made to mitigate this potential loss.
- Crime risk: All service providers are expected to have appropriate anti-financial crime policies and procedures in place and these are included in any internal audit. They would be liable for any cost related to crime that they were responsible for and affected the Company. The Company adheres to the 'four-eyes principle' which is that at least two people are required to sign off on significant business decisions. Training is provided to all relevant staff, including Directors. The most significant crime risk is from brokers issuing fraudulent policies or fraudulent loss adjusting on claims. These instances are mitigated by the screening and monitoring of intermediaries, and the professional indemnity insurance they have, and by the high degree of involvement CGICE has in claims handling. They have been further mitigated by allocating own assessed capital.

Operational risk within CGICE is identified, assessed and monitored through the Risk Management Framework which is overseen by the Risk Committee.

There have been no material changes to the operational risks the Company is exposed to over the reporting period.

7. Other Material Risks

'Brexit'

The UK triggered Article 50 of the Lisbon Treaty ('Article 50') on 29 March 2017, commencing the two year window of negotiations prior to the UK's departure from the European Union. The terms of the exit and arrangements for continued trade with the EU, and between the UK and Gibraltar, are not known and are unlikely to be clarified for a substantial period of time, which makes the risk very difficult to assess and respond to at this time, including stress testing. The UK Government has given a commitment to the Gibraltar Government that a trade arrangement will be put into place between the jurisdictions which will mirror the current understanding, which mitigates the risk to UK facing business. However, no such assurance exists for the EU books of business and therefore the Company has started to evaluate it's contingency options.

As a fallout from the Referendum in June 2016 and the subsequent triggering of Article 50, the UK Government has become increasingly fractured which has led to a snap election being announced on 18 April 2017, to be held on 8 June 2017. While the calling of an election may lead to a more stable Government in the UK in the medium term, it adds to uncertainty in the short term.

'Ogden'

The UK Lord Chancellor announced in December 2016 that she was to reassess the discount rate applicable to personal injury claims (also known as the 'Ogden' rate). The announcement on 27 February 2017 that the rate would move from 2.5% to minus 0.75% was greater than even the most prudent of estimates of most market participants, including the Company. The Lord Chancellor immediately announced a consultation on how the Ogden rate should be set in future, which closed on 11 May 2017. The consultation paper set expectations that a response to the consultation would be issued by the UK Government by 3 August 2017, although this was set prior to the announcement of the surprise General Election in the UK which may delay the response. While the Company welcome the consultation on the Ogden rate and see this as essential for ensuring that claimants are fairly and appropriately compensated, this adds a significant amount of uncertainty to the market for UK liability (including UK motor) business. As a result of this uncertainty, the Company faced significant difficulty in sourcing non-proportional reinsurance which led to the Company withdrawing from the UK motor market with effect from April 2017. Despite this, the Company continues to be potentially exposed to changes in the Ogden rate while it runs off its current exposure and all historical claims.

D. Valuation for Solvency Purposes

1. Assets

1.1. As at 31 December 2016, the Group held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Solvency reclassification (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Tangible and intangible assets	42	-		(42)	-	See [1.3.1]
Property	8,530	(700)	-	-	7,830	See [1.3.2]
Bonds and secured loans	-	3,051	-	103	3,154	See [1.3.3]
Collective investment schemes	-	1,251	-	-	1,251	See [1.3.4]
Intermediary and reinsurance receivables	10,494	-	(10,494)	-	-	See [1.3.5]
Related company receivables	878	-	-	-	878	Not applicable
Reinsurers share of unearned premiums	11,752	-	-	(11,752)	-	See [1.3.6]
Reinsurance share of claims reserves / Reinsurance share of technical provisions	32,860		(1,794)	9,824	40,890	See [1.3.6] and [2.5.2]
Other technical provisions	1,362	-	-	(1,362)	-	See [1.3.6]
Cash and equivalents	21,823	(3,205)	-	10	18,628	See [1.3.7]
Prepayments and accrued income	393	(14)	-	(379)	-	See [1.3.8]
Deferred acquisition costs	1,661	-	-	(1,661)	-	See [1.3.9]
Other assets	1,380	(383)	(843)	-	154	See [1.3.10]
Deferred tax asset	-	-	-	79	79	See [1.3.11]
Derivative assets	-	-	-	420	420	See [1.3.12]
TOTAL	**91,175**	**-**	**(13,131)**	**(4,760)**	**73,284**	

1.2. As at 31 December 2016, the Company held the following assets:

Asset Class	GAAP Accounts Value (£'000)	Look Through (£'000)	Solvency reclassification (£'000)	Solvency Valuation Adj. (£'000)	Solvency Value (£'000)	Explanation of differences
Intangible assets	41	-		(41)	-	See [1.3.1]
Property	8,530	(700)	-	-	7,830	See [1.3.2]
Bonds and secured loans	-	3,051	-	103	3,154	See [1.3.3]
Collective investment schemes	-	1,251	-	-	1,251	See [1.3.4]
Intermediary and reinsurance receivables	10,494	-	(10,494)	-	-	See [1.3.5]
Related company receivables	4,148	-	-	-	4,148	Not applicable
Reinsurers share of unearned premiums	11,752	-	-	(11,752)	-	See [1.3.6]
Reinsurance share of claims reserves / Reinsurance share of technical provisions	32,860		(1,794)	9,824	40,890	See [1.3.6] and [2.5.2]
Other technical provisions	1,362	-	-	(1,362)	-	See [1.3.6]
Cash and equivalents	21,503	(3,205)	-	10	18,308	See [1.3.7]
Prepayments and accrued income	379	-	-	(379)	-	See [1.3.8]
Deferred acquisition costs	1,661	-	-	(1,661)	-	See [1.3.9]
Other assets	1,352	(397)	(843)	-	112	See [1.3.10]
Deferred tax asset	-	-	-	79	79	See [1.3.11]
Derivative assets	-	-	-	420	420	See [1.3.12]
TOTAL	**94,082**	**-**	**(13,131)**	**(4,759)**	**76,192**	

1.3. The valuation principles applied to these assets are consistent with those used in the GAAP accounts, with the following exceptions:

- 1.3.1 Tangible and intangible assets – these are not recognised on the Solvency II balance sheet as they do not meet the valuation principles in Article 12 of the Commission Delegated Regulation (EU) 2015/35.
- 1.3.2 Property – property transactions which display debt-like features and are secured on underlying properties have been looked-through and considered with bonds and secured loans on the Solvency II balance sheet.
- 1.3.3 Bonds and secured loans – financial instruments displaying debt-like features have been looked through on the Solvency II balance sheet and recorded as bonds and secured loans. Further, the valuation has been adjusted to include accrued interest, which is included within accrued income in the GAAP balance sheet.
- 1.3.4 Collective investment schemes – investments in financial instruments for which a full look-through has been unavailable have been reclassified to collective investment schemes.
- 1.3.5 Intermediary receivables – these have been reclassified to technical provisions.
- 1.3.6 Reinsurance share of unearned premiums and other technical provisions – these are not recognised on the Solvency II balance sheet as they are non-cash settled balances. Instead, the expected claims payable on unearned premiums are recorded within reinsurance share of technical provisions.
- 1.3.7 Cash and cash equivalents – financial instruments displaying features like debt or equity have been looked through on the Solvency II balance sheet and removed from cash and cash equivalents. The value of cash and cash equivalents has been adjusted to reflect accrued income.
- 1.3.8 Prepayments and accrued income – prepayments are not recognised on the Solvency II balance sheet as they are non-cash settled balances, whereas accrued income on cash and bonds have been reversed and included in the valuation of the underlying asset.
- 1.3.9 Deferred acquisition costs – these are not recognised on the Solvency II balance sheet as they are non-cash settled balances.
- 1.3.10 Other assets – other assets have been moved to technical provisions where they are technical in nature.
- 1.3.11 Deferred tax asset – valued based on the expected tax benefit once the valuation adjustments to transition to solvency valuations unwind.
- 1.3.12 Derivative assets and liabilities – these are shown via linked presentation under GAAP, but shown gross on the Solvency II balance sheet

2. Technical Provisions

2.1 The GAAP accounts of both the Group and the Company include provisions for claims incurred based on earned premiums which consider all reasonably foreseeable best estimates. This includes reserves for claims incurred plus a provision for claims Incurred But Not yet Reported (‘IBNR’). The Group and the Company also considers any amounts recoverable from reinsurance contracts in respect of its claims reserves and IBNR. All data in section [2] below relates to both the Group and the Company unless stated.

2.2 The technical provisions by line of business are as follows:

Line of business	Technical provisions (excluding risk margin) (£'000)	Risk margin (£'000)	Technical provisions (£'000)
Motor vehicle liability insurance	21,463	339	**21,802**
Other motor insurance	6,829	63	**6,892**
Fire and other damage to property	5,416	800	**6,216**
General liability	22,452	1,020	**23,472**
Credit and suretyship	(1,565)	207	**(1,358)**
Legal expenses	33	-	**33**
Total	**54,628**	**2,438,607**	**57,057**

Negative technical provisions arise where future premiums exceed provisions for claims.

2.3 The key areas of uncertainty around technical provisions are as follows:

2.3.1 Estimation of outstanding loss reserves ("OSLR") – while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.

2.3.2 Estimation of the losses relating to claims IBNR – this is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving.

2.3.3 Estimation of claims arising on business which have not yet expired ("unexpired risks") – this is uncertain as the claims have not yet been incurred, but are expected to be incurred on the business which the Company has written.

2.3.4 Market environment – changes in the market environment increase the inherent uncertainty affecting the business. In particular, claims inflation, propensity for UK motor and liability claims to settle through periodic payment orders ('PPOs') and the Legal Aid, Sentencing and Punishment of Offenders ('LASPO') Act have all impacted the market environment in recent years.

2.3.5 Events not in data ('ENID loading') – estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed.

2.3.6 Run-off expenses – the estimation of the change in expense base for run-off of the Company is inherently uncertain due to the estimations around the period of the run-off, base costs and inflation.

2.3.7 Risk margin – the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run off expenses provision considered at [2.3.6], as well as the inherent uncertainties around forecasting future solvency capital requirements.

2.4 The Company manages the risks around these uncertainties via the following actions:

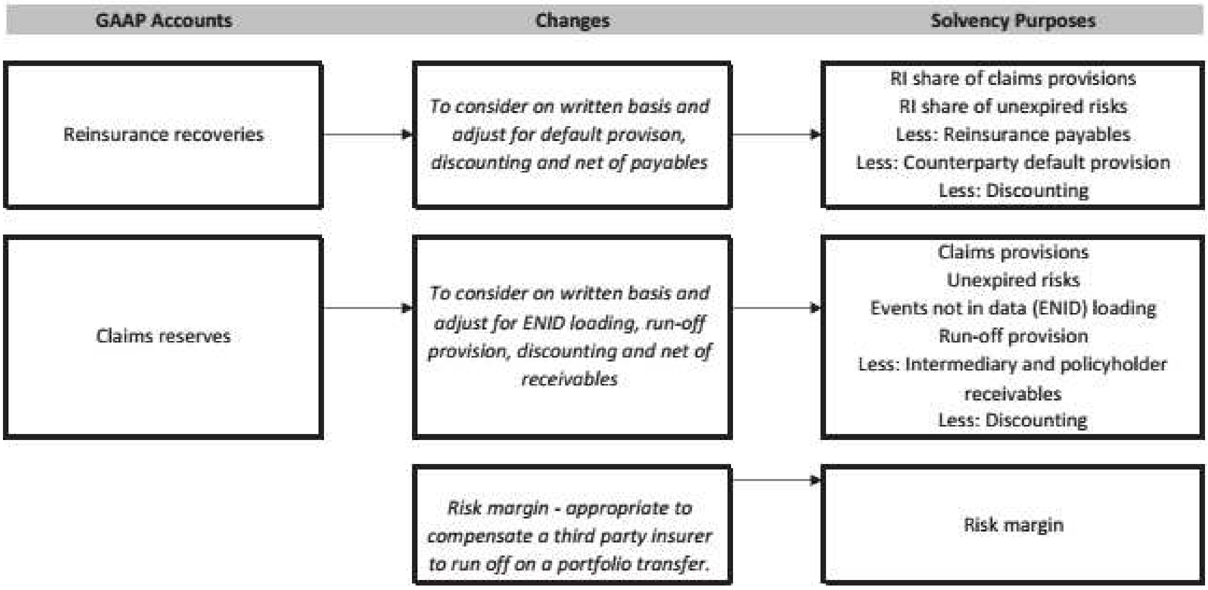
2.4.1 Ongoing monitoring of claims, including regular reviews of claims handling functions.

2.4.2 Maintaining a number of reinsurance arrangement to limit the impact of adverse claims development (see [2.8]).

2.4.3 Internal controls through the underwriting committee and actuarial function which monitor claims development and reinsurance arrangements.

2.4.4 Regular external actuarial reviews.

2.5 The changes required to transition from GAAP accounts to technical provisions for solvency purposes are consistent, and are noted below:



We shall consider each of these adjustments to transition from GAAP accounts to solvency technical provisions.

2.5.1 Claims provisions – The Company and the Group have reassessed the claims provisions in order to reserve at best estimate rather than prudent estimation, and as a result have reduced the GAAP gross reserves by £373k to derive claims provisions of 50,309k. The Company and Group have considered whether adjustments may be required as a result of contract boundaries and believe there are no such adjustments required.

2.5.2 Reinsurance share of claims provisions – The Company and the Group have made adjustments in relation to the reinsurance share of the changes identified in the claims provisions in paragraph [2.5.1], and as a result the GAAP reinsurance recoveries have been reduced by £92k to derive reinsurance share of claims provisions of £32,769k.

2.5.3 Unexpired risks – The Company and the Group have estimated the claims which will be payable on unexpired risks (sometimes termed 'premium provisions') based on the ultimate loss ratios and large loss experience from the claims provisions. The premium provision as at 31 December 2016 is £14,643k. Therefore, the unexpired risk reserve in the GAAP accounts has been reversed for the purposes of the Solvency II balance sheet.

2.5.4 Reinsurance share of unexpired risks – The Company and the Group have estimated the amounts recoverable on unexpired risks (sometimes termed 'premium provisions') based on the ultimate loss ratios and large loss experience from the claims provisions. The reinsurance share of premium provisions as at 31 December 2016 is £10,397k. Therefore, the reinsurance share of the unexpired risk reserve in the GAAP accounts has been reversed for the purposes of the Solvency balance sheet.

2.5.5 Intermediary and policyholder receivables – Intermediary and policyholder receivables are netted off the technical provisions for solvency purposes. There are no valuation differences between GAAP accounts and intermediary and policyholder receivables for solvency purposes. The insurance receivables as at 31 December 2016 is £10,494k.

2.5.6 Other receivables and payables in technical provisions – Other receivables and payables, notably claims funds held by intermediaries and commissions payable to intermediaries, are netted off the technical provisions for solvency purposes. The Company and the Group have estimated the other receivables and payables which will be payable on premium provisions and added these to those recorded in the GAAP accounts in respect of the claims provisions. The net receivables as at 31 December 2016 were £602k.

2.5.7 Reinsurance payables – Net reinsurance payables are netted off the reinsurance recoveries for solvency purposes. There are no valuation differences between GAAP accounts and net reinsurance payables for solvency purposes. The reinsurance payables as at 31 December 2016 are £1,794k.

2.5.8 Events not in data loading – Technical provisions for solvency purposes are required to allow for all possible events, including those that may not have been historically realised before. Such events not presented in a set of observable historical loss date are often called Events Not In Data (“ENID”). This is a difference in valuation methodology compared to the GAAP accounts which consider best estimates which can be reasonably foreseen, and therefore leads to a loading on the technical provisions to consider the probability weighted effect of events which have not previously been observed.

The Company and Group have undertaken an assessment of previously unobserved events for each line of business and sought to consider the probability weighted effect of such events and, given the business model, believe that such unobserved events are unlikely. As such, the ENID loading applied by the Company and the Group as at 31 December 2016 was £nil.

2.5.9 Counterparty default provision – The Company and the Group have considered a provision for default by one or more of its reinsurance providers. The provision is based on the total exposure to the counterparty, the rating of the counterparty and the existence of any collateral arrangements with the counterparty. The Company and Group estimate the counterparty default provision and consider each of the exposures, net of collateral arrangements in existence, apply the estimated probability of default by rating, and derive a weighted average probability of default.

The Company and Group have calculated the weighted average probability of default of reinsurers as 0.07%, and thus the counterparty default adjustment is £48k.

2.5.10 Run-off provision – Technical provisions for solvency purposes are required to take account of all expenses that will be incurred in servicing insurance obligations. This is commonly referred to as a 'run-off' provision as it therefore considers all future expenses which would be incurred to allow the existing obligations to run-off.

The Company and the Group have considered a run-off period of seven years and estimated the level of future expenses based on the current level of expenses, considering the decrease in activity in the period, underlying expense inflation and an estimated minimum level of costs which would be incurred in any one year. The run-off provision applied by the Company and the Group as at 31 December 2016 was £1,596k.

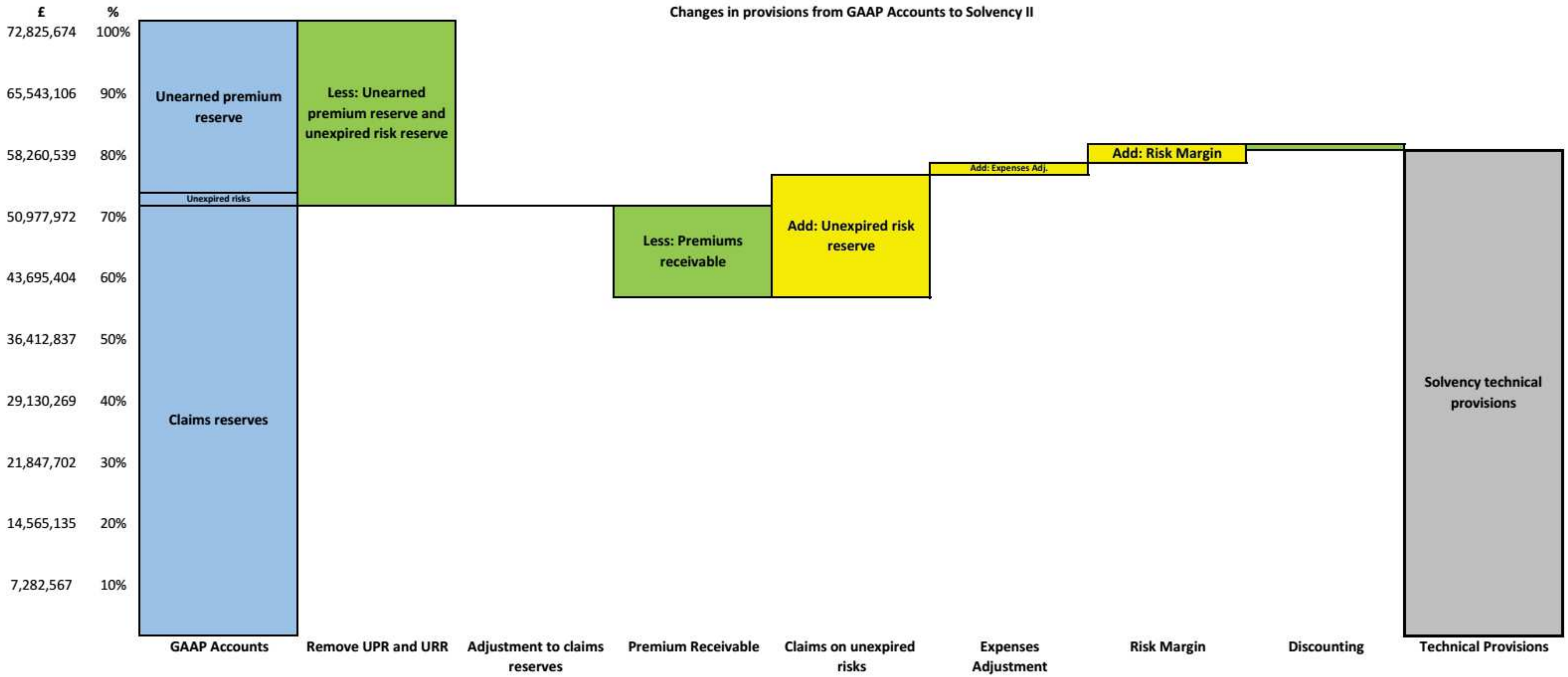
2.5.11 Discounting – Discounting has been applied in the technical provisions based on a weighted average of the yield curves as at 31 December 2016 as issued by the European Insurance and Occupational Pensions Authority ("EIOPA"). The impact of discounting on the technical provisions is £820k, and on the reinsurance share of technical provisions the impact of discounting is £433k.

2.5.12 Risk Margin – The risk margin has been considered to ensure that the value of the technical provisions is equivalent to the amount that would be expected to have to be paid to a third party insurance company in order to take over and meet the insurance obligations of the Company. The risk margin has been calculated based on the estimated capital requirements to run off the Company's obligations, and applying a cost of capital of 6%.

The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk and reinsurance counterparty risk. This results in a risk margin of £2,429k.

2.6 Neither the Group nor the Company have applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its technical provisions.

2.7 The changes to technical provisions highlighted above are reflected in the waterfall diagram below:



2.8 The key reinsurance arrangements in place are as follows:

2.8.1 Motor vehicle liability and other motor insurance – The Company caps its underwriting risk at £750k for UK policies via a nonproportional (“XoL”) treaty. The panel of reinsurers in the XoL treaty are predominately counterparties with good ratings from a well-known rating agency. The Company also has a proportional (“QS”) treaty with two well rated counterparties, which limits the Company’s underwriting risk to 25% of the total exposure, after large losses are recovered from the XoL treaty (i.e. “net losses”).

2.8.2 Liability – The Company caps its underwriting risk at £500k for UK business or €650k for European business via an XoL treaty with well rated counterparties. The Company also has a QS treaty in place which limits the Company’s underwriting risk to 25% of the net losses.

2.8.3 Credit and suretyship – The Company has a QS treaty with a well rated counterparty in respect of its Italian bonds, limiting the Company’s underwriting risk to 35% of the net losses. There are no other reinsurance arrangements for this or any other line of credit and suretyship business, other than some variable QS placements on the Norwegian business.

2.8.4 Legal expenses – The Company has a QS treaty with a well rated counterparty, limiting the Company’s underwriting risk of the net losses to nil.

3. Other Liabilities

3.1 As at 31 December 2016, the Group recorded the following classes of liabilities for solvency purposes:

Liability	GAAP Accounts Value (£’000)	Solvency Value (£)	Explanation of Differences
Subordinated debt	5,000	-	Reclassified to tier 2 capital. See section E.
Accruals	595	595	Not applicable
Reinsurance accounts payable	1,794	-	Commissions payable to intermediaries reclassified to technical provisions (see [2.5.6])
Other creditors, including corporation tax and IPT	1,893	1,893	Not applicable
Derivative liabilities	-	420	See [1.3.12]

There have been no valuation adjustments for solvency purposes.

3.2 As at 31 December 2016, the Company recorded the following classes of liabilities for solvency purposes:

Liability	GAAP Accounts Value (£'000)	Solvency Value (£'000)	Explanation of Differences
Subordinated debt	5,000	-	Reclassified to tier 2 capital. See section E.
Accruals and deferred income	572	572	Not applicable
Reinsurance accounts payable	1,794	-	Reclassified to technical provisions (see [2.5.7])
Other creditors, including corporation tax and IPT	1,886	1,886	Not applicable
Derivative liabilities	-	420	See [1.3.12]

There have been no valuation adjustments for solvency purposes.

4. Alternative Methods for Valuation

Not applicable for the Group or the Company.

5. Any Other Information

Not applicable for the Group or the Company.

E. Capital Management

1. Own Funds

1.1. The Group and the Company undertake an Own Risk and Solvency Assessment ('ORSA') exercise at least annually, or when the risk profile of the Group or the Company changes. The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon. There have been no significant changes in the reporting period.

1.2. The Company and Group classifies its own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

The Group's own funds are as follows.

Own fund item	Tier	£'000	%
Share capital and share premium	1	1,988	15
Reconciliation reserve	1	6,252	47
Subordinated debt	2	5,000	38
Deferred tax asset	3	79	1
		13,319	100

The Company's own funds are as follows.

Own fund item	Tier	£'000	%
Share capital and share premium	1	2,000	12
Reconciliation reserve	1	9,177	56
Subordinated debt	2	5,000	31
Deferred tax asset	3	79	1
		16,256	100

The reconciliation reserve represents retained earnings and reconciliation adjustments from GAAP balance sheet to SII balance sheet.

1.3. The eligible capital which may be used towards meeting the Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR') of the Company are as follows:

Own fund item	Tier	Eligible capital for the SCR (£'000)	Eligible capital for the MCR (£'000)
Share capital and share premium	1	2,000	2,000
Reconciliation reserve	1	9,177	9,177
Subordinated debt	2	5,000	815
Deferred tax asset	3	79	-
		16,256	11,992

2. Solvency Capital Requirements & Minimum Capital Requirements

2.1. The SCR of the Group as at 31 December 2016 was £14,493k. The SCR of the Company as at 31 December 2016 was £15,129k. The MCR of the Company as at 31 December 2016 was £4,074k.

2.2. The SCR of the Company and Group is made up as follows:

2.2.1. The Company and the Group are exposed to market risks derived predominately from the assets held by the Company and the Group to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates also considered in the exposure from underwriting risks.

MARKET RISK	**Company (£'000)**	**Group (£'000)**
Interest rate risk	188	166
Spread risk	614	314
Equity risk	595	595
Currency risk	608	608
Property risk	1,958	1,958
Concentration risk	2,860	671
Market risk diversification	(2,549)	(1,283)
MARKET RISK TOTAL	**4,273**	**3,029**

2.2.2. The Company and Group are exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2).

COUNTERPARTY RISK	**Company (£'000)**	**Group (£'000)**
Type 1 risk	1,725	1,746
Type 2 risk	1,574	1,574
Market risk diversification	(213)	(213)
COUNTERPARTY RISK TOTAL	**3,086**	**3,107**

2.2.3. The Company and Group are exposed to non-life underwriting risk as a result of the insurance policies it sells. The risks are based on volatility around earned premiums and claims reserves, and to catastrophe events to which the Company and Group may be exposed.

NON-LIFE UNDERWRITING RISK	**Company (£'000)**	**Group (£'000)**
Premium and reserve risk	7,256	7,256
Catastrophe risk	5,040	5,040
Non-life diversification	(2,481)	(2,481)
NON-LIFE UNDERWRITING RISK TOTAL	**9,815**	**9,815**

2.2.4. The final solvency capital requirement of the Company and the Group is the aggregation of the market, counterparty and non-life underwriting risks, less a credit for diversification, and then an additional charge to represent the operational risks faced by the Company and the Group.

SOLVENCY CAPITAL REQUIREMENT	Company (£'000)	Group (£'000)
Market risks	4,273	3,029
Counterparty risks	3,086	3,107
Non-life underwriting risks	9,815	9,815
Basic SCR diversification	(3,684)	(3,097)
Operational risks	1,639	1,639
SOLVENCY CAPITAL REQUIREMENT	**15,129**	**14,493**

2.3. Neither the Company nor the Group have utilised simplified calculations in applying the standard model and there has been no use of undertaking specific parameters in the non-life underwriting risk calculations.

2.4. The inputs used to calculate the MCR of the Company are as follows:

Line of business	Net (of reinsurance) best estimate and technical provisions calculated as a whole (£'000)	Net (of reinsurance) written premiums in the last 12 months (£'000)
Motor vehicle liability insurance	4,512	3,301
Other motor insurance	1,552	1,166
Fire and other damage to property	6,387	6,936
Liability	9,635	3,189
Credit and suretyship	1,392	3,526
Legal expenses	1	-

2.5. This is the first period in which the Solvency Capital Requirement and Minimum Capital Requirement have been reported and therefore no changes have been disclosed.

3. Non-Compliance with the MCR and Non-Compliance with the SCR

3.1. The Company has maintained capital sufficient to meet its minimum capital requirement throughout the period covered by this report.

3.2. The Company has maintained capital sufficient to meet its solvency capital requirement throughout the period covered by this report.

3.3. The Solvency II rules allow insurance groups to take advantage of transitional arrangements in relation to meeting the solvency capital requirement subject to certain conditions being met. The Group took advantage of these transitional arrangements and have been working closely with the Gibraltar Financial Services Commission to ensure the own funds of the Group meet the solvency capital requirement within the two-year transitional window. Based on the business plans, the Group expect that own funds will meet the solvency capital requirement during 2017 as a result of continuing positive underwriting performance and the impacts from adjusting the risk profile of the Group following the cessation of the liability book.

4. Any Other Information

The Directors do not consider that there is any further information which should be disclosed regarding the capital management of the Company or the Group.

F. Quantitative Reporting Templates

CG HOLDINGS (GIBRALTAR) LIMITED
Annual QRTS 2016

G.02.01.02
- Balance sheet

Contents

Tabular
Microsoft Excel-based
Solvency II reporting solution

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	79
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	20,690
R0080	Property (other than for own use)	7,830
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	1,973
R0140	Government Bonds	142
R0150	Corporate Bonds	1,831
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	1,251
R0190	Derivatives	
R0200	Deposits other than cash equivalents	9,636
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	2,059
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	2,059
R0270	Reinsurance recoverables from:	40,890
R0280	Non-life and health similar to non-life	40,890
R0290	Non-life excluding health	40,890
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	9,412
R0420	Any other assets, not elsewhere shown	154
R0500	**Total assets**	73,284

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	57,057
R0520	Technical provisions – non-life (excluding health)	57,057
R0530	TP calculated as a whole	
R0540	Best Estimate	54,628
R0550	Risk margin	2,429
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	420
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	2,488
R0850	Subordinated liabilities	5,000
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	5,000
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	64,965
R1000	**Excess of assets over liabilities**	8,319

G.05.01.02.01
- Premiums, claims and expenses by line of business - Table 1

Contents

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	
	C0040	C0050	C0070	C0080	C0090	C0100	C0200
Premiums written							
R0110 Gross - Direct Business	10,216	10,216	5,191	7,737	3,723	12	37,095
R0120 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share	7,982	7,982	288	5,392	196	12	21,853
R0200 Net	2,234	2,234	4,903	2,345	3,526	0	15,242
Premiums earned							
R0210 Gross - Direct Business	11,964	11,964	3,978	7,071	2,465	13	37,456
R0220 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share	9,339	9,339	234	4,900	149	13	23,975
R0300 Net	2,625	2,625	3,744	2,171	2,315	0	13,480
Claims incurred							
R0310 Gross - Direct Business	13,271	13,271	3,386	6,762	-241	7	36,456
R0320 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share	10,790	10,790	-649	5,112	4	7	26,054
R0400 Net	2,481	2,481	4,035	1,650	-245	0	10,402
Changes in other technical provisions							
R0410 Gross - Direct Business	14	14	0	0	0	0	28
R0420 Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430 Gross - Non- proportional reinsurance accepted							0
R0440 Reinsurers'share	0	0	0	0	0	0	0
R0500 Net	14	14	0	0	0	0	28
R0550 **Expenses incurred**	1,510	1,510	943	1,295	629	1	5,888
R1200 **Other expenses**							0
R1300 **Total expenses**							5,888

G.05.02.01
- Premiums, claims and expenses by country

Contents

Tabular
Microsoft Excel-based Solvency II reporting solution

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010			GB	IE	FR	NO	ES	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	0	31,566	144	4,159	538	395	36,802
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	0	21,368	0	288	0	0	21,656
R0200	Net	0	10,198	144	3,871	538	395	15,146
	Premiums earned							
R0210	Gross - Direct Business	0	33,455	88	3,479	115	164	37,301
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	0	23,591	0	282	0	0	23,873
R0300	Net	0	9,864	88	3,197	115	164	13,428
	Claims incurred							
R0310	Gross - Direct Business	0	33,523	32	2,798	35	33	36,421
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	0	26,914	0	-884	0	0	26,030
R0400	Net	0	6,609	32	3,682	35	33	10,391
	Changes in other technical provisions							
R0410	Gross - Direct Business	0	28	0	0	0	0	28
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted	0	0	0	0	0	0	0
R0440	Reinsurers'share	0	0	0	0	0	0	0
R0500	Net	0	28	0	0	0	0	28
R0550	**Expenses incurred**	0	4,761	20	985	40	82	5,888
R1200	**Other expenses**							0
R1300	**Total expenses**							5,888

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

G.23.01.22
- Own funds

Contents

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial					
R0010	Ordinary share capital (gross of own shares)	28	28		0	
R0020	Non-available called but not paid in ordinary share capital at group level	0	0		0	
R0030	Share premium account related to ordinary share capital	1,960	1,960		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mu	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	Non-available subordinated mutual member accounts at group level	0		0	0	0
R0070	Surplus funds	0	0			
R0080	Non-available surplus funds at group level	0	0			
R0090	Preference shares	0		0	0	0
R0100	Non-available preference shares at group level	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0120	Non-available share premium account related to preference shares at group level	0		0	0	0
R0130	Reconciliation reserve	6,252	6,252			
R0140	Subordinated liabilities	5,000		0	5,000	0
R0150	Non-available subordinated liabilities at group level	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	79				79
R0170	The amount equal to the value of net deferred tax assets not available at the group	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified	0	0	0	0	0
R0190	Non available own funds related to other own funds items approved by supervisory	0	0	0	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0	0	0	0
R0210	Non-available minority interests at group level	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II	0				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated	0	0	0	0	
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0	0	0	
R0250	Deductions for participations where there is non-availability of information (Article	0	0	0	0	0
R0260	Deduction for participations included by using D&A when a combination of methods	0	0	0	0	0
R0270	Total of non-available own fund items	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	13,319	8,240	0	5,000	79
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Direc	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3)	0			0	0
R0380	Non available ancillary own funds at group level	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial insitutions, alternative investment fun	0	0	0	0	
R0420	Institutions for occupational retirement provision	0	0	0	0	0
R0430	Non regulated entities carrying out financial activities	0	0	0	0	
R0440	Total own funds of other financial sectors	0	0	0	0	
	Own funds when using the D&A, exclusively or in combination of method					
R0450	Own funds aggregated when using the D&A and combination of method	0	0	0	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of	0	0	0	0	0
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	13,319	8,240	0	5,000	79
R0530	Total available own funds to meet the minimum consolidated group SCR	13,240	8,240	0	5,000	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	13,240	8,240	0	5,000	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR	8,968	8,240	0	728	
	Consolidated Group SCR					
R0610	**Minimum consolidated Group SCR**	3,639				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	3.6382				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	13,240	8,240	0	5,000.0	0
R0670	**SCR for entities included with D&A method**					
R0680	**Group SCR**	14,493				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	0.9136				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	8,319
R0710	Own shares (held directly and indirectly)	0
R0720	Forseeable dividends, distributions and charges	0
R0730	Other basic own fund items	2,067
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfoli	0
R0750	Other non available own funds	0
R0760	**Reconciliation reserve before deduction for participations**	6,252
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

G.25.01.22
- Solvency Capital Requirement - for undertakings on Standard Formula

Contents

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
R0010	Market risk	3,029		
R0020	Counterparty default risk	3,107		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	9,816		
R0060	Diversification	-3,097		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	12,854		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,639
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	14,493
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	14,493
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	4,074
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	14,493

G.32.01.22
- Undertakings in the scope of the group

Contents

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GI	2138009LPIJXGN23JW66	LEI	CG Holdings (Gibraltar) Limited	5	limited company	2		1.0	1.0	1.0		1	1.0	1		1
GI	213800FSQ29M4EK1L167	LEI	y & General Insurance Company (Europe)	2	limited company	2	Gibraltar Financial Services Commission	1.0	1.0	1.0		1	1.0	1		1
GI	38009LPIJXGN23JW66GI00V	SC	Velocity Financial Services Limited	11	limited company	2		1.0	1.0	1.0		1	1.0	1		1
GB	8009LPIJXGN23JW66GB00V	SC	Velocity Claims Management Limited	10	limited company	2		1.0	1.0	1.0		1	1.0	1		1
GB	8009LPIJXGN23JW66GB00H	SC	Hawkwell Motor Limited	10	limited company	2		0.7	0.7	0.73		2	0.73	1		3

CASUALTY & GENERAL INSURANCE COMPANY (EUROPE) LIMITED

Annual QRTS 2016

P.02.01.02
- Balance sheet

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Tabular
Microsoft Excel-based Solvency II reporting solution

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	79
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	20,690
R0080	Property (other than for own use)	7,830
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	1,973
R0140	Government Bonds	142
R0150	Corporate Bonds	1,831
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	1,251
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	9,636
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	5,329
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	5,329
R0270	Reinsurance recoverables from:	40,890
R0280	Non-life and health similar to non-life	40,890
R0290	Non-life excluding health	40,890
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	9,093
R0420	Any other assets, not elsewhere shown	111
R0500	**Total assets**	76,192

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	57,057
R0520	Technical provisions – non-life (excluding health)	57,057
R0530	TP calculated as a whole	0
R0540	Best Estimate	54,628
R0550	Risk margin	2,429
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	420
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	2,458
R0850	Subordinated liabilities	5,000
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	5,000
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	64,935
R1000	**Excess of assets over liabilities**	11,256

P.05.01.02.01
- Premiums, claims and expenses by line of business - Table 1

Contents

		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	Total
		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)							
		C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0200
	Premiums written								
R0110	Gross - Direct Business	10,216	10,216	0	5,191	7,737	3,723	12	37,095
R0120	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0
R0130	Gross - Non-proportional reinsurance accepted								0
R0140	Reinsurers' share	7,982	7,982	0	288	5,392	196	12	21,853
R0200	Net	2,234	2,234	0	4,903	2,345	3,526	0	15,242
	Premiums earned								
R0210	Gross - Direct Business	11,964	11,964	47	3,978	7,071	2,465	13	37,503
R0220	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0
R0230	Gross - Non-proportional reinsurance accepted								0
R0240	Reinsurers' share	9,339	9,339	47	234	4,900	149	13	24,023
R0300	Net	2,625	2,625	0	3,744	2,171	2,315	0	13,480
	Claims incurred								
R0310	Gross - Direct Business	13,271	13,271	-5	3,386	6,762	-241	7	36,451
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted								0
R0340	Reinsurers' share	10,790	10,790	-5	-649	5,112	4	7	26,049
R0400	Net	2,481	2,481	0	4,035	1,650	-245	0	10,402
	Changes in other technical provisions								
R0410	Gross - Direct Business	14	14	0	0	0	0	0	28
R0420	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0	0
R0430	Gross - Non- proportional reinsurance accepted								0
R0440	Reinsurers'share	0	0	0	0	0	0	0	0
R0500	Net	14	14	0	0	0	0	0	28
R0550	**Expenses incurred**	1,510	1,510	0	943	1,441	629	1	6,034
R1200	**Other expenses**								0
R1300	**Total expenses**								6,034

P.17.01.02
- Non-Life Technical Provisions

Contents

Tabular
Microsoft Excel based Solvency II reporting solution

		Direct business and accepted proportional reinsurance						
		Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Total Non-Life obligation
		C0050	C0060	C0080	C0090	C0100	C0110	C0180
R0010	**Technical provisions calculated as a whole**	0	0	0	0	0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0	0	0	0	0	0
	Technical provisions calculated as a sum of BE and RM							
	Best estimate							
	Premium provisions							
R0060	Gross	5,564	1,218	-408	-336	-2,280	-24	3,734
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	6,516	2,061	270	854	-10	0	9,690
R0150	Net Best Estimate of Premium Provisions	-952	-843	-677	-1,190	-2,270	-24	-5,956
	Claims provisions							
R0160	Gross	15,899	5,611	5,824	22,787	715	57	50,894
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	12,651	4,001	1,152	13,347	-9	57	31,200
R0250	Net Best Estimate of Claims Provisions	3,247	1,610	4,672	9,440	725	0	19,694
R0260	**Total Best estimate - gross**	21,463	6,829	5,416	22,452	-1,565	33	54,628
R0270	**Total Best estimate - net**	2,295	767	3,995	8,250	-1,545	-24	13,738
R0280	**Risk margin**	339	63	800	1,020	207	0	2,429
	Amount of the transitional on Technical Provisions							
R0290	Technical Provisions calculated as a whole	0	0	0	0	0	0	0
R0300	Best estimate	0	0	0	0	0	0	0
R0310	Risk margin	0	0	0	0	0	0	0
	Technical provisions - total							
R0320	Technical provisions - total	21,802	6,892	6,216	23,471	-1,358	33	57,057
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	19,167	6,062	1,422	14,201	-20	57	40,890
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	2,635	830	4,794	9,270	-1,338	-24	16,167

P.19.01.21
- Non-life Insurance Claims Information (simplified template for the public disclosure)

Contents

Tabular
Microsoft Excel-based Solvency II reporting solution

Total Non-Life Business

Z0010	Accident year / Underwriting year	**Z0010**	Underwriting year [UWY]

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

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
R0100	**Prior**											127,056		127,056	127,056
R0160	**N-9**	35,600	266,706	695,800	659,016	128,440	174,678	229,400	319,471	166,430	485,779			485,779	3,161,319
R0170	**N-8**	25,214	428,231	794,292	574,391	1,232,702	1,995,859	410,564	307,404	148,229				148,229	5,916,884
R0180	**N-7**	23,941	190,799	388,896	238,527	363,312	276,816	294,090	305,165					305,165	2,081,546
R0190	**N-6**	2,326	129,863	134,589	371,350	756,882	1,233,123	1,914,819						1,914,819	4,542,952
R0200	**N-5**	30,866	179,171	269,915	259,433	289,874	200,856							200,856	1,230,115
R0210	**N-4**	7,810	111,979	89,249	274,565	466,663								466,663	950,266
R0220	**N-3**	23,413	147,292	320,390	242,714									242,714	733,808
R0230	**N-2**	285,247	3,068,702	2,131,354										2,131,354	5,485,302
R0240	**N-1**	3,928,050	11,863,634											11,863,634	15,791,684
R0250	**N**	2,844,537												2,844,537	2,844,537
R0260													**Total**	20,730,805	42,865,471

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
R0100	**Prior**											88,197		56,999
R0160	**N-9**										549,895			541,858
R0170	**N-8**									2,059,877				2,027,217
R0180	**N-7**								1,117,735					1,106,832
R0190	**N-6**							243,701						240,619
R0200	**N-5**						1,735,920							1,711,907
R0210	**N-4**					1,530,283								1,487,133
R0220	**N-3**				2,370,860									2,320,067
R0230	**N-2**			7,567,242										7,392,902
R0240	**N-1**		20,205,967											19,857,231
R0250	**N**	13,211,701												17,854,094
R0260													**Total**	54,596,858

P.23.01.01
- Own funds

Contents

Tabular
Microsoft Excel-based Solvency II reporting solution

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated					
R0010	Ordinary share capital (gross of own shares)	40	40		0	
R0030	Share premium account related to ordinary share capital	1,960	1,960		0	
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	9,177	9,177			
R0140	Subordinated liabilities	5,000		0	5,000	0
R0160	An amount equal to the value of net deferred tax assets	79				79
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0	0	0	0	
R0290	**Total basic own funds after deductions**	16,256	11,177	0	5,000	79
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0			0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0			0	
R0320	Unpaid and uncalled preference shares callable on demand	0			0	0
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0			0	0
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0			0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0			0	0
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0			0	0
R0390	Other ancillary own funds	0			0	0
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	16,256	11,177	0	5,000	79
R0510	Total available own funds to meet the MCR	16,177	11,177	0	5,000	
R0540	Total eligible own funds to meet the SCR	16,256	11,177	0	5,000	79
R0550	Total eligible own funds to meet the MCR	11,992	11,177	0	815	
R0580	**SCR**	15,129				
R0600	**MCR**	4,074				
R0620	**Ratio of Eligible own funds to SCR**	1.0745				
R0640	**Ratio of Eligible own funds to MCR**	2.9439				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	11,256
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	2,079
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	9,177
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

P.25.01.21
- Solvency Capital Requirement - for undertakings on Standard Formula

Contents

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
R0010	Market risk	4,273		
R0020	Counterparty default risk	3,086		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	9,816		
R0060	Diversification	-3,685		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	13,490		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	1,639
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	15,129
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	15,129
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

P.28.01.01
- Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Contents

Tabular
Microsoft Excel-based Solvency II reporting solution

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	4,074

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	4,512	3,301
R0060	Other motor insurance and proportional reinsurance	1,552	1,166
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	6,387	6,936
R0090	General liability insurance and proportional reinsurance	9,635	3,189
R0100	Credit and suretyship insurance and proportional reinsurance	1,392	3,526
R0110	Legal expenses insurance and proportional reinsurance	1	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	4,074
R0310	SCR	15,129
R0320	MCR cap	6,808
R0330	MCR floor	3,782
R0340	Combined MCR	4,074
R0350	Absolute floor of the MCR	2,251

		C0070
R0400	**Minimum Capital Requirement**	4,074