Solvency & Financial Condition Report 2019 Year End

International General Insurance Company (UK) Limited

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1. Business and Performance

1.1. Business & Group Structure

This report relates to International General Insurance Company (UK) Limited ('IGIUK' or 'the Company') and its ultimate parent International General Insurance Holdings Limited ('IGIH' or 'IGI Group').

IGIH is a non-regulated holding company registered and domiciled in the Dubai International Financial Centre ('DIFC') acting as a holding company of the Group and was founded in 2006.

The IGI Group commenced operations in March 2002 and has emerged as a major participant within its specialised lines of business. The Group's business by geography is widely diversified across the MENA (Middle East & North Africa) region, Asia and Europe and operates from a number of platforms worldwide, allowing it access to a broad spread of risks, while providing appropriate jurisdictions to accept a wide range of policy types.

The Group underwrites a world-wide portfolio of Energy (Upstream, Downstream, Renewable), Property, Marine Liability, Construction and Engineering, Financial Institutions, Political Violence, General Aviation, Ports and Terminals, Casualty, Professional Indemnity, Directors and Officers, Legal Expenses, Intellectual Property, Forestry and Proportional and Non-proportional Reinsurance Treaty business through its operating platforms including IGIUK. In total, the Group has exposures in over 200 countries and territories.

IGIUK was incorporated in April 2009, became authorised in March 2011 and began writing business on 1 July 2011. It is authorised by the Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the Prudential Regulation Authority. IGIUK is a 100% subsidiary of IGI Bermuda.

International General Insurance Co Ltd ('IGI Bermuda'), a wholly owned subsidiary of IGIH, provided the initial start-up capital of IGIUK and continues to support the business including through the provision of a 50% intragroup quota share reinsurance and Parental Guarantee providing an additional layer of policyholder protection over and above that provided by IGIUK's own capital resources.

IGI Bermuda and IGIUK are rated A- with a stable outlook by Standard & Poor's. In September 2019, AM Best upgraded its IGI rating from A- (Excellent) to A (Excellent).

The policyholder obligations of IGIUK are fully guaranteed by IGI Bermuda. From a regulatory capital perspective, IGI Bermuda (Consolidated) Statutory Capital of US$ 333.6m provided US$ 196.6m of headroom over its Bermuda Solvency Capital Requirement (a Solvency II equivalent measure) resulting in a 243% solvency ratio at 2019 Year End.

At 2019 Year End, IGIUK Own Funds of US$ 112,936k provided a solvency ratio of 164% of the SCR which amounted to US$ 68,905k.

IGI Bermuda is a Class 3B (re)Insurer regulated by the Bermudan Monetary Authority and acts as the principal underwriting entity for the IGI Group.

IGI Underwriting Co. Ltd ('IGI Underwriting') provides management, underwriting and operational support for all the subsidiaries of the Group. It is a wholly owned subsidiary of IGIH.

North Star Underwriting Limited ('North Star') operates as an underwriting agency for IGI Bermuda and IGIUK. It is an approved Lloyd's coverholder. It is a wholly owned subsidiary of IGIH.

IGI Labuan is registered as a second-tier reinsurer regulated by the Labuan Financial Services Authority and acts as an offshore capitalised branch of IGI Bermuda. It is supported by a marketing office in Kuala Lumpur.

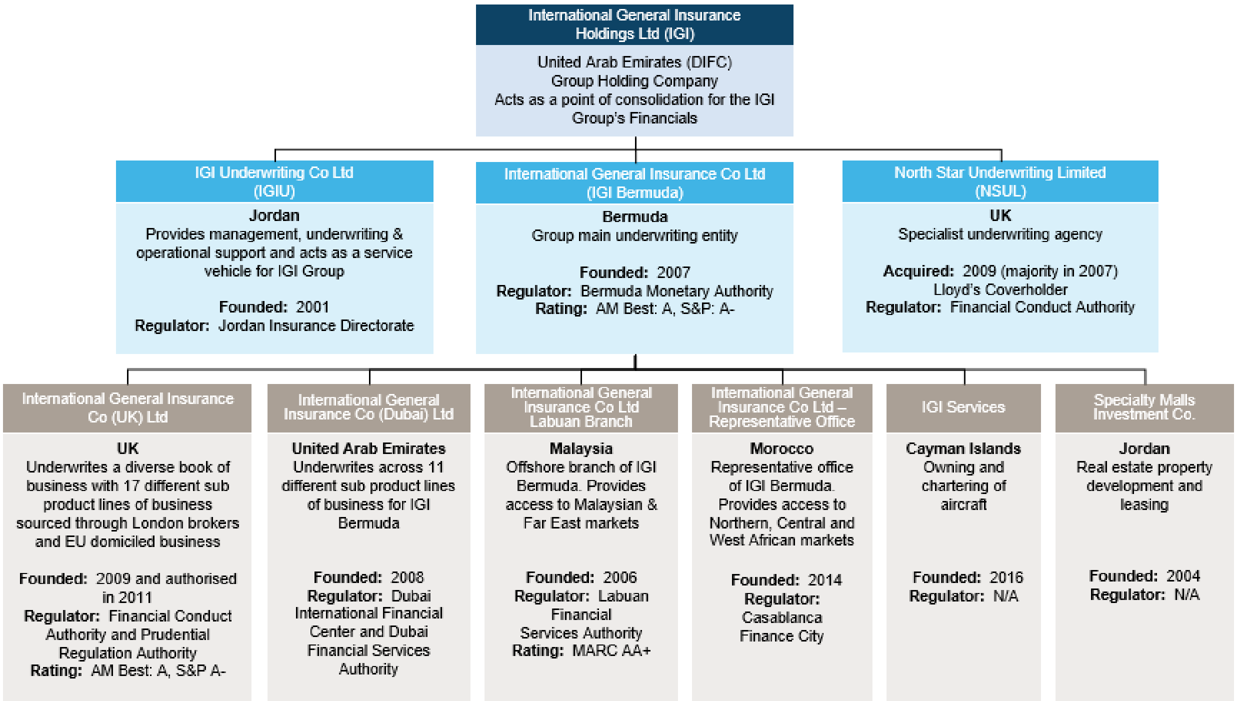
IGI Dubai, operates as a marketing and intermediate office of IGI Bermuda, underwriting a number of classes as an underwriting agent of IGI Bermuda and is regulated by the Dubai Financial Services Authority.

IGI Casablanca acts as the representative office of IGI Bermuda for Northern, Central and West African markets and is regulated by Casablanca Finance City.

IGI Services Limited was established in the Cayman Islands on 27 October 2016 and is engaged in the business of owning and chartering of aircraft. The Company is a wholly owned subsidiary of IGI Bermuda.

Specialty Malls Investments Co. is a limited liability company registered and incorporated on 3 August 2004 under the Jordanian Companies Law No. (22) of 1997. The Company's office is located in Jordan and the main business objectives of the Company are developing and leasing of real estate properties. The Company is a wholly owned subsidiary of IGI Bermuda.

The full corporate structure at 2019 Year End is detailed below:



Details of Supervisory Authorities

IGIUK is incorporated in the United Kingdom and has its registered office and operational base at:

Forum House
15–18 Lime Street
London
EC3M 7AN

The Company is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. They can be contacted at:

Prudential Regulation Authority

Bank of England
20 Moorgate
London
EC2R 6DA

Financial Conduct Authority

12 Endeavour Square
London
E20 1JN

Details of External Auditors

IGIH

Ernst & Young
P O Box 9267
28th Floor, Al Saqr Business Tower, Sheikh Zayed Road
Dubai, United Arab Emirates

IGI Bermuda

Ernst & Young Ltd.
3 Bermudiana Road
Hamilton HM 08, Bermuda

IGIUK

BDO LLP
150 Aldersgate Street
London EC1A 4AB

Ownership & Shareholdings

As at YE 2019 IGIUK is 100% owned by IGI Bermuda which in turn is owned by IGIH. IGIH is a privately-owned company.

On 17th March 2020, IGIH completed a business combination transaction with Tiberius Acquisition Corporation, a Nasdaq-listed company incorporated in Delaware in the United States ("Tiberius"). In this business combination transaction, a new Bermuda company was created, International General Insurance Holdings Ltd ("IGIC"), which wholly acquired both IGIH and Tiberius. IGIC then became a publicly traded company listed on Nasdaq in the United States. IGI Bermuda remains a wholly owned subsidiary of IGIH, and IGIUK remains a wholly owned subsidiary of IGI Bermuda.

1.2. Underwriting Performance

The Group has adopted a careful and disciplined underwriting strategy since inception, which it continues to develop and enhance with continuous emphasis on specialty lines.

The Group focuses on the profitability of the policies that it underwrites rather than on volume of business, relying on a team of experienced underwriters with strong, long-standing relationships with brokers and reinsurers.

The underwriting performance of IGIUK vis-a-vis IGI Group for the years ended 31st December 2019 & 2018 is provided below:

US$ '000	IGI UK 2019	IGI UK 2018	IGI Group 2019	IGI Group 2018
Gross Written Premium ('GWP')	206,995	147,111	349,292	301,618
Gross Earned Premium ('GEP')	162,722	135,101	311,333	290,058
Reinsurers Share of GEP	100,599	84,848	95,790	106,748
Net Earned Premium ('NEP')	62,123	50,253	215,543	183,310
Net Acquisition Cost	12,243	10,495	45,435	41,964
Net Claims	37,559	33,076	118,064	85,287
Underwriting Result	12,321	6,682	52,044	56,059
Net Loss Ratio	60%	66%	55%	47%
Combined Ratio	94%	102%	94%	89%

IGIUK - Underwriting Result by Class for 31st December 2019

US$'000	Energy	Marine & Aviation	Professional & Financial Liability	Property	Reinsurance	Total
Gross Written Premiums	16,303	33,125	125,662	31,048	857	206,995
Net Earned Premiums	3,767	9,406	40,789	7,742	419	62,123
Net Acquisition Cost	(995)	(2,103)	(7,254)	(1,854)	(37)	(12,243)
Net Claims Incurred	(1,449)	(3,901)	(26,883)	(5,136)	(190)	(37,559)
Underwriting Result	1,323	3,402	6,652	752	192	**12,321**

IGIUK - Underwriting Result by Class for 31st December 2018

US$'000	Energy	Marine & Aviation	Professional & Financial Liability	Property	Reinsurance	Total
Gross Written Premiums	11,167	24,794	79,364	30,445	1,341	**147,111**
Net Earned Premiums	5,325	8,740	29,410	6,193	585	**50,253**
Net Acquisition Cost	(1,214)	(2,186)	(5,413)	(1,631)	(51)	**(10,495)**
Net Claims Incurred	(511)	(5,729)	(17,238)	(9,459)	(139)	**(33,076)**
Underwriting Result	3,600	825	6,759	(4,897)	395	**6,682**

Energy: *Energy (Upstream, Downstream, Renewable)*

Marine & Aviation: *Ports and Terminals, Marine Liability, General Aviation*

Professional & Financial Liability: *Financial Institutions, Professional Indemnity, Directors and Officers, Casualty, Legal Expenses, Intellectual Property*

Property: *Property, Forestry, Construction and Engineering, Political Violence*

Reinsurance: *Treaty Reinsurance*

IGIH - Underwriting Result by Class for 31st December 2019

US$'000	Energy	Marine & Aviation	Professional & Financial Liability	Property	Reinsurance	Total
Gross Written Premiums	72,110	44,987	139,071	75,138	17,986	**349,292**
Net Earned Premiums	35,538	26,441	94,394	41,431	17,739	**215,543**
Net Acquisition Cost	(7,563)	(5,956)	(20,623)	(8,297)	(2,996)	**(45,435)**
Net Claims Incurred	(7,117)	(12,626)	(59,681)	(24,102)	(14,538)	**(118,064)**
Underwriting Result	20,858	7,859	14,090	9,032	205	**52,044**

IGIH - Underwriting Result by Class for 31st December 2018

US$'000	Energy	Marine & Aviation	Professional & Financial Liability	Property	Reinsurance	Total
Gross Written Premiums	81,377	39,223	89,875	73,386	17,757	**301,618**
Net Earned Premiums	44,150	24,339	69,883	27,207	17,731	**183,310**
Net Acquisition Cost	(9,120)	(5,795)	(16,876)	(7,123)	(3,050)	**(41,964)**
Net Claims Incurred	(7,929)	(15,466)	(36,189)	(14,285)	(11,418)	**(85,287)**
Underwriting Result	27,101	3,078	16,818	5,799	3,263	**56,059**

Gross Written Premiums for standalone IGIUK posted an increase of 41% compared to last year whilst Group premiums increased on a comparative basis by 16%. The key contributor to the movements at Group was a much higher volume of premiums written in Professional & Financial Liability partially offset by a reduction in

Energy premiums. IGIUK also saw a large increase in Professional & Financial Liability premiums as well as smaller increases in Energy and Marine and Aviation premiums.

The Reinsurers' Share of Gross Earned Premium including the impact of the intragroup cession to IGI Bermuda reduced slightly to 62% compared to 63% in 2018.

The ratio of Net Acquisition Cost to Net Earned Premium of IGIUK also decreased from 21% in 2018 to 19% in 2019 on a comparative basis.

The reduction in the claims ratio for IGIUK from 2018 to 2019 is partly due to improvements in market conditions in most lines of business as well as to the absence of any large catastrophe losses in 2019.

1.3. Investment Performance

Investment Portfolio Composition

A summary of the Investment Portfolio by asset class as at 31st December 2019 is given below:

US$ '000	IGI UK Carrying Values	IGI UK Composition %	IGI Group Carrying Values	IGI Group Composition %
Short Term Deposits	185	0.2%	119,753	29.0%
Fixed Income Securities	101,927	93.5%	211,494	51.3%
Equity Shares	6,916	6.3%	33,967	8.2%
Investment Properties	-	-	25,712	6.3%
Investment in Associates	-	-	13,062	3.2%
Quoted Funds	-	-	8,261	2.0%
Total	**109,028**	**100.0%**	**412,249**	**100.0%**

The IGIUK Board has adopted an Investment Policy and Guidelines similar to that of IGI Group with a focus on Cash, Short Term Deposits and Fixed Income Securities with a small holding of listed equities.

At 2019 Year End, IGIUK did not hold any investments outside these highly liquid asset classes compared to the Group's holding of approximately 11% across a portfolio including Properties, Investments in Associates and an allocation to Quoted Funds. All Alternative Investments held by the Group were sold during the year.

In addition to the US$ 109.0m of Investments shown above, the Company held US$ 96.3m in interest bearing deposits that from a risk perspective can be considered as similar to Term Deposits. As these deposits incorporate a call facility however, for the purposes of internal investment reporting they are considered as Cash / Short Term Deposits.

The investment strategy is comprised of high-level objectives and prescribed investment guidelines governing target asset allocation by class. The actual asset allocation mix has adhered to these targets with only minor variations driven by broader changes to the macro-economic environment. The Company does not however actively change its investments in response to short-term factors such as increased volatility or changes in market sentiment.

The Group uses a panel of high-quality third-party investment advisors to implement its investment strategy. The Group's Chief Investment Officer is responsible for implementing the investment strategy and routinely monitors the portfolio to ensure that these parameters are being met and the portfolio is behaving appropriately with further independent oversight provided through the Risk Function and associated Board reporting.

Investment Portfolio Performance

The Group maintains a highly liquid portfolio comprised primarily of cash and fixed income securities, which represented just over 80% of invested assets at 31st December 2019.

The following table shows the Return on Investment ('ROI') achieved by IGIUK against that of the overall IGI Group for the financial years 2018 and 2019 by Asset Class:

Return on Investment by Asset Class	IGI UK 2019	IGI UK 2018	IGI Group 2019	IGI Group 2018
Cash & Short Term Deposits	1.0%	4.2%	3.4%	2.7%
Fixed Income Securities	4.1%	0.8%	2.2%	2.1%
Equity Shares	-	-	11.8%	7.2%
Real Estate	-	-	(0.9%)	0.3%
Alternative Investments	-	-	(6.6%)	(0.8)%
Total Investment Return	2.7%	1.7%	3.1%	2.5%
Income Statement US$ '000	**2,545**	**2,350**	**12,998**	**10,362**

IGIUK returns on Cash & Short Term Deposits reduced compared to 2018 reflecting the very low rate available on GBP and the negative Euro rate.

Returns on Fixed Income Securities in IGIUK improved on a year on year basis and were higher than those achieved at the level of the Group, primarily due to the inclusion of GBP and Euro bonds within the IGIUK bond portfolio.

1.4. Performance of Other Activities

There have been no other significant activities undertaken by the IGI Group or IGIUK other than its insurance related activities. There are no other material matters to the business or performance of the IGI Group or IGIUK.

2. System of Governance

2.1. General Information on The System of Governance

The IGIUK Board of Directors is supported by its Audit, Risk and Compliance Committee ('ARCC').

Investment, Risk and Audit and Nomination and Remuneration Committees operate at the level of the Group Board and provide necessary support to IGIUK - the IGIUK Board maintaining full and independent autonomy within the overall bounds provided for by the Group.

The following Group Executive Management Committees support both the IGIUK and Group Boards and management:

- Enterprise Risk Management Committee
- Underwriting Governance Committee
- Delegated Authority Committee (including Product Oversight Group)
- Reinsurance Committee
- Reserving Committee

In addition, IGIUK operates its own Management Committee comprised of senior management across the Underwriting, Finance, Risk, Compliance, Audit and Actuarial functions.

IGIUK has adopted the IGI Group Code of Conduct and Ethics that applies to the Board of Directors, its committees, the senior management and the staff members of IGIUK and all IGI Group operational entities.

The Code ensures that the Board of Directors acts in the best interests of the Company while maintaining full compliance with the laws, rules and regulations of the jurisdictions in which it operates.

The Code was revised to reflect certain provisions of the 2018 UK CG Code. The overall governance structure of IGIUK has not changed materially in the year 2019.

Structure

IGI Group maintains an efficient and sound organisational structure commensurate with its operational requirement and with a view to governing and managing its business efficiently and effectively. All major changes in the organisation's structure are approved by the Nomination and Remuneration Committee of the IGI Group Board and entity Boards including that of IGIUK.

The executive management team consists of experienced insurance industry professionals with extensive international market experience and long histories of success in their respective specialist areas. The following outlines the governance structure of IGIUK including the membership of the Board and its Audit, Risk and Compliance Committee ('ARCC'):

Individual	Executive/Non-exec	Board	Audit, Risk and Compliance Committee
David King	Independent Non-exec	Chair	Yes
Christopher Clark	Independent Non-exec	Yes	Yes
Walid Jabsheh	Executive	Yes	
Wasef Jabsheh	Non-exec	Yes	
Andreas Loucaides	Executive	Yes	
Charles Manchester [Note 1]	Independent Non-exec	Yes	Yes
Paul Martin	Independent Non-exec	Yes	Chair
Cliff Murphy	Executive	Yes	
Pervez Rizvi	Non-exec	Yes	

Note 1 - Charles Manchester holds the role of Senior Independent Director

IGIUK Board

The Board of Directors is responsible for directing the activities of the Company and for setting the goals and strategies necessary to operate and provide oversight for the implementation of those strategies carried out by the Executive Management. Potential conflicts of interest are discussed and disclosed at the start of every Board meeting.

The Board fulfils its duties and obligations through its following committees:

Audit, Risk and Compliance Committee (‘ARCC’)

The Committee’s terms of reference are largely based on the terms of reference recommended by the UK’s Financial Reporting Council. The Committee meets at least quarterly and at such other times as deemed necessary by the Board. The Committee is comprised solely of Independent Non-executive Directors and is chaired by a Non-executive Director who is a Fellow of the Institute of Actuaries with significant experience of risk, finance and actuarial management, the other three members bringing extensive experience in the areas of Underwriting and Financial management, one of whom is a qualified accountant. It is attended by members of the UK executive team and draws upon executives from the Group to provide specific subject matter expertise and input as required.

The Committee’s objective is to assist the Board in fulfilling its financial and statutory reporting, controls and compliance responsibilities to achieve the Company’s goals while protecting shareholder interest. These oversight responsibilities span key functions including risk management, business continuity management, compliance including financial crime and whistleblowing, internal audit and reserving. The Committee also oversees the appointment and engagement of the Company’s external auditors.

The Committee is authorised to investigate any matter within its remit, seek any information from the Directors and/or employees which is necessary to satisfactorily discharge its duties and make recommendations to the Board where action or improvement is needed.

Nomination and Remuneration Committee

This Committee functions at the level of IGI Group and provides oversight and support to all the subsidiaries of IGI Group including IGIUK, meeting at least twice a year. Its objective is to assist Boards of Directors in the appointment of Board members, review and recommend on the skills and capabilities required of Board members and review the structure of the Boards including evaluation of the independence criteria for independent members. The Chairman of the IGIUK Board is a member of the Group Nomination and Remuneration Committee ensuring appropriate input and oversight from the perspective of IGIUK.

The Committee is also responsible for setting remuneration and compensation for all Executive Directors and the Group Chairman and recommending and monitoring the level and structure of remuneration for the Executive Management of the Company.

Investment Committee

This Committee functions at the level of IGI Group and provides oversight to all the subsidiaries for investment management including IGIUK, meeting at least four times every year. The main objective of the Committee is to assist Boards in fulfilling their oversight responsibility for the investment assets of the Company.

The Board sets the investment risk appetite with the committee responsible for formulating the overall investment policies, establishing investment guidelines and monitoring the management of the portfolio for compliance with the policy and guidelines set in this regard and also for meeting performance objective over time.

The Committee provides specific recommendations and support to the IGIUK Board which retains full and independent autonomy for its investment risk appetite within the overall bounds provided for by the Group.

As at 17th March 2020 the Group Board was restructured, therefore there is currently no investment committee in place with the oversight responsibilities for the investment assets of the Company transferred to the Board.

Changes During the Period

There have been no material changes in the system of governance of the Company over the 2019 period.

As at 17th March 2020, IGIC established a standing Audit Committee, which replaces the IGI Group Risk and Audit Committee. IGIC also established a standing Compensation Committee to replace the previous Nomination and Renumeration Committee and a standing Nomination/Governance Committee.

Remuneration Policy and Practices

As detailed above, the Nomination and Remuneration Committee of the IGI Group was responsible for setting remuneration and compensation for all Executive Directors and recommending and monitoring the level and structure of remuneration for the Executive Management of the Company.

The remuneration structure for IGIUK's Non-executive Directors consists of an annual retainer fee.

The remuneration policy and practices in respect of executives and employees are designed to compensate employees equitably based on their performance, including contributions to the risk management objectives of the Group and IGIUK, consistent with the Company's business needs and financial strength and in a way that does not discriminate against anyone based on race, religion, colour, marital status, gender, age or disability.

In addition to fixed salary entitlement, all employees are eligible for discretionary cash bonuses paid through salary based on the performance of both the Company and the individual over a calendar year. The senior management team (including senior underwriters) also participated in a discretionary 'Phantom share option plan' linked to the book value of the Company's shares from the date of granting to the date of exercise and subject to a five-year vesting period.

In connection with the consummation of the business combination between IGIH and Tiberius, the 'Phantom share option plan' was terminated as of 17th March. The 2020 Omnibus Equity Incentive Plan (the '2020 Plan') was adopted by IGIC as of 17th March. The 2020 Plan provides for grants of stock options, share appreciation rights, restricted shares, other share-based awards and other cash-based awards. Directors, officers and all other employees are eligible for grants under the 2020 Plan.

Executive Directors and all other employees are eligible for Company pension contributions that are set according to local market practice and at a level that assists the Company in attracting and retaining high quality individuals.

Material Transactions

IGIUK is 100% owned by its parent company IGI Bermuda.

There have been no material transactions during 2019 with shareholders, with persons who exercise a significant influence on the undertaking, or with members of the administrative, management or supervisory body other than the continuation of the intragroup quota share reinsurance arrangements with the following exception:

Charles Manchester, a Non-executive Director of the Company, is the Chief Executive Officer of Manchester Underwriting Management Limited (MUML), a managing general agency which trades with the Company on a commercial arm's length basis. Gross premium written for MUML in 2019 was $4.0m (2018: $4.1m).

On 17th March 2020, IGIH completed a business combination transaction with Tiberius Acquisition Corporation, a Nasdaq-listed company incorporated in Delaware in the United States ("Tiberius"). In this business combination transaction, a new Bermuda company was created, IGIC, which wholly acquired both IGIH and Tiberius. IGIC then became a publicly traded company listed on Nasdaq in the United States. IGI Bermuda remains a wholly owned subsidiary of IGIH, and IGIUK remains a wholly owned subsidiary of IGI Bermuda.

2.2. Fit and Proper Requirements

The Company has a policy to ensure that persons appointed to relevant roles are 'fit and proper' and carries out an extensive range of background checks before making any senior appointment.

These checks include but are not limited to:

- The declaration form to be completed by the applicant
- The undertaking of credit checks to determine the status of the person's credit record
- The checking of qualifications and work experience
- The undertaking of background checks for violation of any regulations
- Undertaking of checks via the internet or any other means for any other adverse information relating to the person

A person will only be deemed fit and proper if it can be shown that:

- The person possesses the level of competence, knowledge, experience, qualifications, and has or has undertaken the required training
- The person acts with integrity, due skill, care, diligence, honesty, and has sound judgment to properly perform their duties
- The person's past conduct and performance reflects high standards
- The person is not disqualified from acting in their position or performing their duties in terms of any legislation
- The person complies with Conduct Standards/Rules

2.3. Risk Management System Including the Own Risk and Solvency Assessment

Please refer to the section below.

2.4. ORSA

Overview

IGI Group and IGIUK closely monitor and manage risk exposures and the aggregate risk profile through a dedicated Risk Function operating processes aimed at containing volatility, ensuring adequate policyholder protection at all times, and optimising risk / return profiles through the use of effective capital allocation.

Governance

Risk management oversight is the responsibility of the relevant Board of Directors with delegation of risk-related decisions as appropriate to the Group Risk and Audit Committee and the IGIUK Audit, Risk and Compliance Committee.

The Group Head of Risk reports directly to the two committees. The governance structure includes well-defined lines of accountability for individuals, committees and boards and is laid out in the IGI Group's Risk Management Framework. As with other business functions, the risk management function is subject to Internal Audit.

Framework

IGI Group has a comprehensive risk framework designed around a clear understanding of the sources and nature of risks faced by the business, consistent with the good practice espoused by its regulators.

The key objectives of the framework include:

- delivering an acceptable balance of risk / return volatility
- ensuring the ability of the business to withstand severe but plausible stresses
- maintaining sufficient liquidity at all times to service policyholder obligations
- minimising exposure to non-core risks with no potential for value creation

The risk function provides detailed Risk and Capital reporting to Boards at least quarterly encompassing the full scope of the risk universe and against the Board's defined Risk Appetites.

In the event of an actual, projected or proposed material change in the risk profile, the function performs an analysis to understand the potential implications from a risk and capital perspective ensuring that the results of the self-assessment form an integral part of the management and strategic decision-making process.

In addition to this ongoing monitoring and reporting, the function provides regulatory reporting on an annual/triennial basis including the Commercial Insurer's Solvency Self-Assessment ('CISSA'), Solvency and Financial Condition Report ('SFCR') and Regular Supervisory Report ('RSR') for the Bermuda BMA and UK PRA authorities respectively.

IGIUK's ORSA philosophy centres around embedding the core elements in our ongoing processes in a way that is proportionate and reflects the inter-relationship between IGIUK and its parent IGI Bermuda.

It provides for quarterly monitoring via the Risk and Capital review report of the more dynamic elements of the risk and capital profile of IGIUK whilst providing the Audit, Risk and Compliance Committee with full visibility of the multi-year capital and solvency profile and associated stress testing applied at the level of the IGI Group.

The combination of these elements addresses the full scope of the requirements of the ORSA process and is considered both proportionate and appropriate to the risk profile of IGIUK.

Determination of Solvency Needs

At an aggregate level, IGI Group targets its economic capital such that it holds sufficient to withstand a reasonably foreseeable shock or series of shocks whilst maintaining the A- rating from Standard & Poor and A rating from AM Best that support its ability to access attractive business in its core markets. Headroom over and above this level is held in order to maintain financial flexibility to allow for continued investment in business development.

The resultant level of capital held at IGI Bermuda is therefore significantly higher than the Bermuda Solvency Capital Requirement (considered broadly equivalent to the Solvency II SCR).

The target level of economic capital is reviewed at least annually against the outputs of the models provided by these two rating agencies and against the aggregate of the applicable regulatory capital requirements.

At the level of IGIUK, the Board monitors SII Own Funds coverage against its target Solvency Ratio on a formal basis at least quarterly (including a full recalculation of the Standard Formula SCR) and at any other such times as appropriate in the event of a projected or actual material impairment in the level of Own Funds or risk profile change.

2.5. Internal Control System

The system of internal control encompasses:

Control environment which sets the tone of an organisation, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

Risk assessment to identify and analyse relevant risks to the achievement of objectives, forming a basis for determining how the risks should be managed. Because economic, industry, regulatory and operating conditions will continue to change, mechanisms are needed to identify and deal with the special risks associated with change. Risks are assigned to Risk and Control owners and this is recorded in the consolidated Group Risk Register that reflects entity specific issues.

Control activities which reflect policies and procedures to help ensure that management directives are carried out and any necessary actions are taken to address risks to achievement of the entity's objectives. The Risk Register records the ownership of controls. The Risk Management and Internal Audit Functions assess the effectiveness of controls on a regular basis and provide feedback to the Audit, Risk and Compliance Committee of the Board. The Audit, Risk and Compliance Committee reviews the adequacy of all Internal Control functions at least annually.

Information and Communication whereby the results of the Control Activities are communicated across the Company.

Monitoring whereby internal control effectiveness is monitored on a regular basis, making use of exception reporting and variance analysis as part of its management information.

The Compliance Function is independent and reports to the Audit, Risk and Compliance Committee of the Board.

The Function ensures that the business of the Company complies with regulatory compliance requirements with a key role in the management of risks relating to financial crime (including Money Laundering, Sanctions and Anti Bribery & Corruption). The responsibility for the identification, assessment and measurement of regulatory risks rests with Compliance. Compliance is involved in identifying and assessing regulatory risks in day-to-day business activities both directly and through providing assistance, support, and challenge to line management.

2.6. Internal Audit Function

IGIUK has outsourced its Internal Audit Function to IGI Underwriting Co. Ltd (IGI Underwriting) under the terms of a Service Level Agreement ('SLA') between IGI Underwriting and IGIUK. This Group function carries out an independent review of the internal control and governance system reporting on the strengths and weaknesses of the system.

The objective of the Function is to provide IGIUK's Audit, Risk and Compliance Committee, Board and management with reasonable assurance with regards to effective corporate governance, business risk management and internal controls. This is achieved through providing objective, independent, professional and risk-based assurance and consultation services in line with the Company's values and the professional ethics and standards of the Internal Audit Function.

The Function adopts a risk-based approach with higher risk areas being reviewed on at least an annual basis. The Head of Group Internal Audit reports to the Audit, Risk and Compliance Committee of the IGIUK Board. The Internal Audit plan is agreed by the Board on an annual basis and all its findings and reports are submitted to the Audit, Risk and Compliance Committee for review and feedback.

2.7. Actuarial Function

IGI Underwriting under the terms of an SLA provides Actuarial Function support to IGIUK. The Function supports the Group and all its subsidiaries across all areas where actuarial support is typically required. The Actuarial team is split between London, UK (currently 3 staff including the Group Chief Actuary) and Amman, Jordan (currently 5 staff).

The Function coordinates and oversees the calculation of BMA, Solvency II and IFRS technical loss provisions for the Group and IGIUK and carries out reserving reviews. It works closely with the Underwriting and Claims teams to ensure a deep understanding of exposure and loss experience.

In addition to its core role in reserving, the Function assists in reinsurance purchase including program design and providing opinion on adequacy of reinsurance and underwriting arrangements through the development of technical pricing models and tools across all lines of business.

The Function reports to the Group Risk and Audit Committee and the IGIUK Audit, Risk and Compliance Committee.

2.8. 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 the activity is outsourced is referred to as the 'service provider'.

IGIUK has outsourced to IGI Underwriting administrative functions such as underwriting administration, claims administration, servicing insurance and reinsurance contracts, Internal Audit Function, IT services, Compliance, Risk, Actuarial, Investment Management, Company Secretarial, Exposure Management, Legal and some low level Finance Administration function under the terms of a signed SLA.

The service providers for other outsourced functions include the following:

- Moorepay for Payroll processing
- Impendulo for insurance premium tax computation and submission of returns in respective jurisdictions
- TDM for IT Hardware support and back up
- RMS India for Catastrophe Modelling

The Company takes a risk-based approach to all of these activities with service providers subject to defined contracts, service level agreements and ongoing performance management.

2.9. Assessment

Through its ongoing assessment of the operation of these key second and third line functions, the regular review and challenge of their outputs, and the regular Board Effectiveness Review, the Board considers the system of governance to be appropriate and adequate in relation to the nature, scale and the complexity of the risks inherent in its business.

3. Risk Profile

3.1. Principal Risks and Mitigating Controls

Achieving the Company's Business Plan is understandably subject to the risk environment in which it operates.

The principal risk factors at play are those core inherent risks that we embrace for the purpose of value creation i.e. the random uncertainties around both the frequency and severity of underwriting losses and investment market volatility.

In addition, the Company's attainment of its business objectives is subject to operational risks relating to the failure of the people, processes or systems that it relies upon. Such operational risks may crystallise in a way that correlates with the intrinsic risks where they relate to a failure to manage these intrinsic risks within the bounds modelled (for example the risk of inadequate data being recorded in respect of insurance exposures) or in a standalone fashion independent of such intrinsic risk (for example through a specific financial loss or a loss of strategic opportunity).

The risk management approach focuses on understanding and assessing these risks, enabling an evaluation of possible impacts that in turn guides formulating preparedness and response plans. The following sections outline the risk management approach and key exposures for each category of risk.

The approach to quantifying risk in respect of its contribution to the Company's regulatory capital requirement is dealt with in Section 5.2. 'Solvency Capital Requirement and Minimum Capital Requirement'.

3.2. Underwriting Risk

The most material element of underwriting risk relates to the potential for outsized losses arising from natural or man-made catastrophe events.

Underwriting Risk Profile

The following table details the most material IGIUK risk concentrations in respect of Underwriting Risk as reported to the Q4 2019 IGIUK Board. The $m amounts are reported net of all reinsurance and allowing for reinstatement premiums where relevant. The % SII Own Funds column demonstrates the impact of each scenario in terms of its potential to deplete available Solvency II Own Funds at Q4 2019.

Line of Business	Basis	Maximum Exposure	$m (Net of Reinsurance)	% SII Own Funds
All Nat Cat Exposed Risks	All Natural Perils - AEP (Note 1) (1 in 100)	Mexico	$9.3m	8%
	All Natural Perils - OEP (Note 2) (1 in 250)	Worldwide	$6.9m	6%
	All Natural Perils - AEP (1 in 250)	Worldwide	$12.9m	11%
Non Marine	Deterministic Scenario	India Wind 04 Western	$8.9m	8%
Political Violence	Terrorism - 250 Meter Bomb Blast	New York - United States	$6.9m	6%
	SRCC (Note 3) - Largest City Exposures - (Internal PML based on AKE rating)	Kampala - Uganda	$2.1m	2%
	War - Country Exposures - (Internal PML based on AKE rating)	Israel	$2.2m	2%
General Aviation (Note 4)	Deterministic (largest 2 combined Hull / Liability)		$16.7m	15%

Casualty & Professional	Deterministic (2 max lines)	$9.2m	8%
Financial Institutions	Deterministic (2 max lines)	$7.6m	7%

Note 1 AEP (Aggregate Exceedance Probability) – the probability that the associated loss level will be exceeded by the aggregate losses in the given year.

Note 2 OEP (Occurrence Exceedance Probability (OEP) – the probability that the associated loss level will be exceeded by any event in the given year.

Note 3 SRCC refers to Strikes, Riots and Civil Commotion and is based on a deterministic scenario resulting in the loss amounting to 20% of the total insured value of all exposures in a given major city.

Note 4 This is a somewhat theoretical and extreme return period scenario as it requires the two largest combined Hull/Liability exposures in our worldwide portfolio colliding with each other resulting in a total loss.

Based on the above, the Company's most significant exposure to a Realistic Disaster Scenario would amount to 8% of available Solvency II Own Funds and hence would fall within the headroom held.

As an enhancement to the monitoring of the Underwriting portfolio, IGI now monitors Aggregate Exceedance Probability (AEP) All Natural Perils (ANP) metrics by country at 1 in 100 year return period (the most material being Mexico as shown above) and at a 1 in 250 year return period for worldwide regions. This allows IGI to also account for the frequency of losses as this is considered to be a key driver of risk, particularly given the frequency of losses experienced during 2017.

In addition, IGI now monitors the Worldwide ANP 1 in 250 year return period OEP metric, being the single occurrence target IGI aims to cover by the XOL Reinsurance Treaty programme.

Underwriting Risk Mitigation

The primary tools for managing Underwriting Risk include:

- Having a versatile and diversified book of business
- Having effective underwriting guidelines and authority matrices in place and monitoring compliance against these
- Underwriting within prudent aggregate loss and probable maximum loss limits at individual and combined portfolio levels
- Maintaining an effective exposure management system (detailed further below)
- Having a matching stratified reinsurance programme
- Maintaining effective and frequent monitoring and performance review practices

Underwriting Catastrophe Risk

The Company has limited appetite for Catastrophe Risk in high-risk areas and takes a conservative approach to catastrophe risk. IGI Group has a dedicated catastrophe and exposure management team responsible for continually developing and enhancing the reporting, analysis and methodology underpinning the aggregation systems upon which it relies.

The team has extensive risk management, underwriting, actuarial and data management skills and works closely with risk management, internal actuaries, proprietary modelling entities and other related entities as required.

Natural Catastrophe Risk

The Company uses a range of approaches to managing Catastrophe Risk incorporating a combination of both stochastic probabilistic loss modelling and deterministic event sets to measure and quantify exposures.

For territories for which there are either no loss models available or for which the Company does not consider loss models sufficiently robust, the Company uses several alternative deterministic or probable maximum loss (‘PML’) approaches to assess its exposure to individual loss scenarios.

In addition, the Company produces actual historical loss scenarios that have resulted in large industry wide insured losses along with cloned events to produce a deviation around these scenarios.

Political Violence

As an additional critical part of the underwriting and portfolio management process of the Political Violence class of business, it is imperative that accurate up-to-date exposure figures are available. The Company employs the Sequel Impact tool for aggregating terrorism exposures on the basis of individually geocoded risk exposures.

Risk Mitigation Effectiveness

In addition to the range of operational and risk management controls detailed above, the Company employs an extensive reinsurance programme designed to contain underwriting risk to acceptable levels.

The programme is designed and purchased at the level of IGI Bermuda in order to afford protection to all IGI insurance risk taking entities and with full oversight from IGIUK. It encompasses:

- ‘Excess of Loss’ treaty arrangements to contain peak or catastrophe losses to an acceptable level
- ‘Quota Share’ or ‘Proportional’ treaty arrangements to share the risk of particular lines of business, particularly newer lines, with partner reinsurers
- ‘Facultative’ reinsurances placed on a case by case basis to contain individual risk exposures and protect the treaty reinsurance
- ‘Bermuda Risk Transfer’ proportional treaty under which 50% of the retained risk net of the remaining reinsurances is ceded to IGI Bermuda in return for a ceding commission designed to compensate IGIUK for the expenses incurred in sourcing and processing the inwards business

The effectiveness of these arrangements is monitored on a current and retrospective basis through the reserving process whereby their impact on mitigating the gross risk and potential default risk is explicitly considered.

On a prospective basis, the effectiveness and risk / return profile of the arrangements is considered through the business planning and reinsurance placement process using a combination of internal and external deterministic and stochastic analysis.

The impact of reinsurance recoveries and the potential for these to result in counterparty default risk is explicitly considered in the Company’s SCR capital calculations using the Standard Formula.

The following specific risks relating to the programme are monitored on an ongoing basis to ensure that it continues to provide protection consistent with the risk appetite and the basis upon which capital requirements have been calculated:

- The potential for ‘vertical exhaustion’ (i.e. the potential for gross losses to exceed the amount of protection provided by the programme) is monitored through the modelling of catastrophe exposures – the gross and net of reinsurance potential losses from a series of deterministic and stochastic scenarios being reported in full to management and the IGIUK Board on at least a quarterly basis.
- The potential for ‘horizontal exhaustion’ (i.e. the potential for a number of losses to exhaust the number of reinstatements available under one or more elements of the programme) is considered through a combination of monitoring utilisation to date and modelling the potential volume and quantum of losses that might be expected to attach to the programme in a given return period.

3.3. Market Risk

Market Risk considers the risk of the Company's economic position being negatively impacted due to market changes and the corresponding impacts on investment, credit, liquidity and other exposures.

Market Risk Profile

The following table provides a summary of the market and credit risk profile of the IGIUK investment portfolio as reported to the Q4 2019 IGIUK Board.

The 'Target' represents the IGIUK Board's stated appetite for each measure as at the last full update of its Risk Appetite and Investment Policy.

Measure	Description	Target	Actual
Equities Proportion	% total assets held in equities	<=15%	3%
Fixed Income Proportion	% total assets held in fixed income securities	<=75%	47%
Fixed Income Counterparty	% fixed income assets at S&P BBB or better	>=90%	100%
Alternative Funds Proportion	% total assets held in alternative funds	<=5%	0%
Real Estate Proportion	% total assets held in real estate	<=5%	0%
Call / Term Deposit Quality (Note 1)	% with minimum rating of Moody's A1 or S&P A-2	>=75%	99.7%

Note 1 Excludes current and investment feeder bank accounts

Market Risk Mitigation

The Company operates a relatively low appetite for Market Risk as demonstrated in the table above – its primary focus for value creation being underwriting rather than investment activity.

The primary tools for managing Market Risk include:

- Maintaining compliance with the prudent Investment Policy
- Clear investment guidelines with limited exposure to non-traditional investment classes and requirements as to minimum investment counterparty quality

Prudent Person Principle

Both IGI Group and IGIUK 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 decision to invest assets must be in a manner which is generally accepted as being sound for the average person.

The Company ensures sufficient liquidity in the investment portfolio to cater for both day to day projected requirements and the potential for an accelerated pay out of claims reserves or an outsized underwriting loss.

The average duration of the bond portfolio of IGIUK is 1.64 years (1.91 years for IGI Group) and, along with the cash and cash equivalents held, is designed to approximate the nature and duration of Insurance liabilities.

Generally, the Company keeps around 50% of its investments in cash and cash equivalents which are more than sufficient to take care of liquidity requirements of the operation.

3.4. Counterparty Risk

In addition to the Counterparty Risk inherent in its investment portfolio, the Company is exposed to the risk of default in respect of premiums receivable and reinsurance recoverables.

The potential impact of such default is explicitly captured in the Standard Formula SCR calculation.

Counterparty Risk Mitigation

The Company has a low appetite for Counterparty Risk in respect of receivables however accepts a degree of risk as an unavoidable consequence of its underwriting and reinsurance activity.

The primary tools for managing Counterparty Risk include:

- Minimum credit quality criteria in respect of outwards reinsurance counterparties coupled with concentration limits to contain exposures in extremis
    - Reinsurers to be either BBB rated or better by S&P or securitised by a Letter of Credit at time of placement
    - No individual reinsurer to accept more than 25% of any reinsurance programme at time of placement
- Applying effective credit control procedures in respect of broker and reinsurer receivables

3.5. Liquidity Risk

The Company considers Liquidity Risk both in terms of the risk of having insufficient liquidity to satisfy policyholder liabilities and maintaining financial flexibility in the event of a stress event.

The risk is mitigated through the investment policy requiring a highly liquid asset portfolio sufficient to cater for a combination of a significant payout of reserves plus gross underwriting stress loss.

Cash and short term deposits represented 50% of the overall IGIUK portfolio at 2019 Year End and can be considered liquid (IGIUK's term deposits can easily be withdrawn without any significant restrictions or penalties).

The remainder of the portfolio is invested in Fixed Income Securities that are quoted and listed in established actively traded markets and hence easily liquidated albeit with the potential to realise unrealised losses. In addition, were the Company to require additional liquidity over and above that provided by its own portfolio (or as a short term measure to avoid the realisation of unrealised investment losses) it could draw upon intra-group support through the transfer of assets to IGI Bermuda in return for cash.

As specifically required to be disclosed by the EIOPA SFCR requirements, it should be noted that the total expected profits included in future premiums (EPIFP) as calculated in accordance with Article 260(2) is negative as at 31 December 2019 and is therefore not reported in the QRT S.23.01 Own Funds schedule.

3.6. Operational Risk

Operational Risk is concerned with the risk of losses resulting from inadequate or failed internal processes and controls, people, systems and from external events.

Operational Risk events may impact the Company in terms of financial loss, reputational damage, regulatory sanction, inefficiency or opportunity loss.

An allowance for the potential capital impact of Operational Risks is made under the Standard Formula.

Operational Risk is monitored via the Risks & Controls Register that articulates the material sources of potential Risk and the Key Controls in place to manage them.

The control and risk mitigation approach includes:

- Established procedural controls including workflow management
- Monitoring of compliance with established procedures and processes
- Maintaining a robust future looking framework of hardware and software to support business needs and market expectations
- Maintaining effective human resource management and development practices
- A series of 'zero tolerance' appetite statements for controllable risks and a risk management process focusing on the adequacy of the control environment

3.7. Other Material Risks

In addition to the above risks that have the potential to result in capital depletion, the Company considers Strategic Risk – this being the risk arising from an inability to identify and respond to general economic risks in addition to failures in, or poor quality of, executive/strategic decision making or execution.

The risks are managed through the strategic and business planning / performance monitoring processes to ensure that changes in the economic and market environment are factored into the long term and tactical plans for the Company.

3.8. Other Material Information

Brexit

On 31st January 2020 the UK withdrew from the EU and has entered a transition period during which the UK will negotiate its future relationship with the EU.

The implementation period is currently due to operate until 31st December 2020. During the implementation period, EU law will continue to apply in the UK. Passporting rights continue, as do consumer rights and protections derived from EU law.

IGI is in the process of setting up an EU insurance operation and therefore can continue to underwrite EU business during the current transitional period. New EU legislation that takes effect before the end of the implementation period will also apply to the UK.

In the unlikely event that IGI does not establish an EU operation during the transition period IGI will continue to honour all contractual commitments including the payment of valid claims (in accordance with our commitment to Treating Customers Fairly).

The potential impacts and contingency plans remain under review and form a standing item on the quarterly Board agenda.

Climate Change

The Company continues to consider the impact and potential risks of climate change following an extensive exercise conducted across its insurance portfolio and investment portfolio during late 2019 and reported to Boards.

Our current assessment is that climate change presents limited risk at least in the medium term on either the asset or liability side of the balance sheet from the perspective of either physical, transition or liability risks.

From a physical risk perspective, the annual nature of the majority of our insurance contracts means that the latest view on elemental catastrophe risks can be factored into risk selection, pricing and exposure management.

From a transition risk perspective, the longer-term pressures from climate change can be expected to impact some of the industries to which the company is exposed both in terms of underwriting and investments.

In terms of underwriting, we mitigate the potential impact through writing a diversified portfolio of risks – the increase in renewables and green technologies for example helping to balance the more traditional energy risks written to date.

In terms of investments, the company retains a very limited exposure to equities and continues to focus on high quality Bonds and Term Deposits where the impact of transition risks and changing investor sentiments is less marked.

Finally, we consider the potential for climate risk to exacerbate losses under liability classes such as Directors and Officers and Professional Indemnity coverages as people or businesses seek to recover compensation for actual losses or loss of value arising from climate change related physical or transition risks.

The Company is a member of the IUA Climate Change Committee, participates in related London Market working groups and includes the topic of Climate Change as a standing item on its Board agenda.

COVID-19

On 30th January 2020, the World Health Organisation declared the outbreak of coronavirus (COVID-19) to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact the Company's results, operations or liquidity is uncertain. Management and the Group have performed a COVID-19 impact analysis as part of their going concern assessment using information available as at 31st March 2020. The key risk areas considered included investment and market risks including foreign exchange, potential insurance claims, counterparty credit risk in respect of reinsurance and premium receivables, liquidity in extreme scenarios, and operational risks. The analysis included modelling a number of adverse scenarios to assess the potential impact that COVID-19 may have on the Company's and Group's operations, liquidity, solvency and capital position. This analysis indicates that the solvency position is and will likely remain within the Company's 'Capital Management Framework' targets with the support of the Group if necessary. Management believe the preparation of the financial statements on a going concern basis remains appropriate and that the Company will be able to meet its regulatory solvency requirements and liabilities with sufficient liquidity.

Management continues to monitor the impact that the COVID-19 pandemic has on the Company, the insurance industry and the economies in which the Company operates updating the impact analysis for any significant developments as they occur.

Following measures announced by the Government, the directors have made the decision to implement aspects of the Company's business continuity plan (BCP), specifically requiring staff at all levels and in all functions to work remotely wherever practicable, and to limit the need for gatherings of staff so far as possible. The Company's IT facilities are adequate to maintain operations on this basis for the foreseeable future. The directors are mindful of the differing pressures on individual members of staff, and also of the fact that these pressures will change as the position nationally and locally develops. The directors expect that these operational changes will continue to be required as the position develops. Notwithstanding the above, the Company continues to monitor the evolving regulatory landscape and ensures as a minimum it complies with government legislation and regulations.

Litigation

The Group, which arranges reinsurance policies which cover the Company's underwriting, is currently engaged in an arbitration proceeding with certain reinsurers represented by an underwriting agent ("agent") with respect to certain matters related to the Group's outward reinsurance programme for the years 2012 to 2017.

The Group commenced the arbitration proceeding with the agent for these reinsurers after they failed to make payment of approximately US$ 5.7m which the Group believes is due from them (based on figures as at 30th June 2019). As at 31st December 2019, the Group is seeking to recover approximately US$ 6.9m from the reinsurers, plus interest and legal costs. In response, the agent alleges that certain matters were not adequately disclosed and is seeking to avoid the policies. The Group believes that the allegations are without merit and will vigorously defend itself in this matter. Accordingly, no provision for any liability has been made in these financial statements.

Were the policies in question to be avoided, approximately US$ 33.2m (Company, net of internal quota share, US$ 6.0m) of premiums paid by the Group to the reinsurers would be returned to the Group, and the Group would similarly return approximately US$ 29.6m (Company, net of internal quota share, US$ 8.8m) of claims previously paid by the reinsurers and would not collect a further US$ 6.9m (Company, net of internal quota share, US$ 2.0m) which the Group believes is due from the reinsurers as at 31st December 2019. In addition, the Group would be unable to make further recoveries under the policies in respect of claims it is yet to pay and would not be required to pay any further premiums to the reinsurers.

4. Valuation for Solvency Purposes

4.1. Assets

The following table summarises the assets held by the Company as at 31st December 2019 with analysis of the main differences between Solvency II and IFRS valuation rules:

Asset Class *US$ '000*	**Value as per UK IFRS Financial Statements**	**Reclassification / Adjustment for Solvency Purposes**	**Value as per Solvency II**
Deferred Acquisition Costs	8,963	(8,963)	-
Property, plant & equipment held for own use	467	(467)	-
Investments	109,028	713	109,741
Reinsurance Recoverable	177,058	(44,038)	133,020
Insurance and Intermediaries Receivables	46,973	(27,423)	19,550
Cash and Cash Equivalents	108,690	-	108,690
Other Assets	3,422	(1,123)	2,299
Total Assets	**454,601**	**(81,301)**	**373,300**

The valuation principles applied to each material asset class are explained below:

Deferred Acquisition Cost:

There is no concept of Deferred Acquisition Cost ('DAC') in Solvency II. The DAC is implicitly included in the premium provisions valuation and therefore not included as an asset.

Fixed Assets for Own Use

Under IFRS these assets are held at cost less accumulated depreciation. For Solvency II purposes they can be valued at fair value less depreciation or impairment but for prudence have been given a nil valuation.

Investment

All the investment securities, both bonds and equities, are quoted in active markets and are therefore valued at fair value as at the balance sheet date. All term deposits are recognised at fair value as at the balance sheet date which is consistent with the Solvency II valuation rules for these assets.

Cash and Cash Equivalents

These financial assets are recognised at fair value as at the balance sheet date. The Solvency II valuation rules are consistent and in line with those applied in the IFRS financial statements.

Reinsurance Recoverable

The valuation rules applied in the reinsurance assets calculation are covered in the Best Estimate Technical Provision section. The impact of the valuation rules is to reduce the valuation of the reinsurance recoverables by US$ 44,038k from US$ 177,058k under IFRS to US$ 133,020k under Solvency II.

Insurance and Intermediaries Receivables

The Solvency II valuation is based on the best estimate of the recoverable value, discounted to present value where the expected recovery is greater than one year. In addition, the undue insurance receivables are reclassified and included as part of the Premium Provisions.

Other Assets

The valuation of the other assets is the same under Solvency II and IFRS, the only exceptions being prepayments which do not meet the Solvency II valuation criteria – as prepayments could not be exchanged between knowledgeable willing parties in an arm's length transaction and are therefore valued at nil.

4.2. Technical Provisions

Technical Provisions reflect an amount of money as at the evaluation point (year-end) that would be needed to cover the future cost of claims and related expenses for all policies we have either written or committed to write, plus a Risk Margin. These are split into three component parts:

- Provision for future claim payments for events that have already taken place prior to the evaluation point – referred to here as the "Claims Provision".
- Provision for future claims on exposures yet to take place at the evaluation point – referred to here as the "Premium Provision".
- Risk Margin deemed to reflect a margin that would be necessary to effect a commercial portfolio transfer to another insurer.

The Technical Provisions total US$ 106.6m split as follows:

Line of Business US$ '000	Abbrev	Claims Provision	Premium Provision	Risk Margin	Technical Provisions
Marine, aviation and transport insurance and proportional reinsurance	MAT	6,847	110	1,443	8,400
Fire and other damage to property insurance and proportional reinsurance	Fire	9,034	700	980	10,714
General liability insurance and proportional reinsurance	Liability	44,613	12,487	7,368	64,468
Miscellaneous financial loss insurance and proportional reinsurance	Financial	8,646	3,358	2,260	14,264
Legal Expenses	LE	1,983	892	346	3,221
Non-proportional property reinsurance	NP prop	2,827	721	1,209	4,757
Non-proportional casualty reinsurance	NP cas	197	(5)	94	286
Non-proportional marine, aviation and transport reinsurance	NP MAT	344	(14)	171	501
Total		**74,491**	**18,249**	**13,871**	**106,611**

Methods

The following sets out the methods used to calculate the individual components shown in the above table.

Claims Provision

The Company evaluates both outstanding ('O/S') individual claim case reserves and Incurred But Not Reported ('IBNR') bulk claims estimates. IBNR includes an allowance for the likely run-off of case reserves.

The IBNR reserve is estimated according to a range of widely-used actuarial methods including evaluation of run-off patterns of paid and incurred claims (both internal and external), and evaluation of expected loss ratios (again both internal and external) having regard to the impact of the underwriting cycle. This analysis takes place separately for each material line of business.

The total starting point for Claims Provision is then O/S+IBNR. This is estimated both gross and net of reinsurance, having regard to how the reinsurance program should respond on known claims, historical recovery rates from reinsurance contracts and considering current gross: net ratios for each line of business, accident year and reinsurance contract type. This is estimated without margins for prudence as required by the regulations.

Using the patterns of claims payments and risk-free interest rates published by EIOPA in accordance with the Solvency II Directive, a discount factor is applied to allow for the likely income on invested claims reserves.

Provision is made for Events Not In Data ('ENID') by making an allowance for possible adverse outcomes that may not yet have occurred during the Company's trading history. There is a further loading for Reinsurance Default ('RI Default') which is calculated on a different basis from IFRS bad debt provisions: this takes account of the amount of total expected recoveries within the claims reserve banded by the credit ratings of the reinsurers.

The Claims Provision is then: O/S+IBNR ***less*** Discount ***plus*** ENID ***plus*** RI Default

Premium Provision

This component takes account of future payments for claims yet to occur on policies that have already been underwritten, including 'bound but not yet incepted' policies which the Company is contractually committed to but which are not yet on-risk.

The approach is to estimate likely future claims and remove future premium to be received.

Likely future claims are estimated according to IFRS Unearned Premium Reserves multiplied by appropriate loss ratios which vary by line of business and are consistent with the loss ratios adopted in the Claims Provision calculations. Future premiums are estimated according to the actual payment terms of the policies. Both components are calculated gross and net of reinsurance, with assumptions where appropriate that future reinsurance terms will be consistent with projections within the Company's business plan. The future reinsurance recoveries allowed for in the net loss ratios take account of historical recovery rates from reinsurance contracts and consider current gross:net ratios for each line of business, accident year and reinsurance contract type.

Where the allowance for future reinsurance anticipates recoveries on reinsurance contracts that are to be paid for after the valuation date allowance is made for this cost. The largest element of this is likely to be the renewal of Treaties purchased on a Losses Occurring During ("LoD") basis.

The starting point for Premium Provision is then: future claims ***less*** future premiums.

A further allowance is calculated for additional expense reserves, being an estimate of future expenses that would be required to manage the claims without regard for future underwriting and which is calculated on a different basis from the allowance for claims management expenses in IFRS reserves. A single loading across Claims and Premium Provisions is calculated and included within Premium Provisions.

As with the Claims Provision calculation above, allowance is made for discounting, ENID, and RI Default. The calculation methods are the same but the results are different to allow for different claim payment timings and different exposure to reinsurers.

The Premium Provision is then:

Future claims ***less*** future premiums ***less*** Discount ***plus*** Future cost of Reinsurance, ***plus*** ENID, ***plus*** RI Default, ***plus*** total additional expense reserves.

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.

The risk margin has been calculated based on the estimated capital requirements to run off the insurance obligations and applying a cost of capital of 6% as specified by the Solvency II regulations. The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk and reinsurance counterparty risk.

Uncertainties

The key areas of uncertainty in the Technical Provisions are:

Outstanding Case Reserves

As a specialty insurer IGIUK is exposed to large individual claims which both in 1st party and especially in 3rd party coverages can change over time as new information emerges and negotiations take place. This risk is managed through regular claims reviews, consistent reserving philosophy and the allowance in IBNR for expected future movements on case reserves.

IBNR Claims

Uncertainty in the estimate of IBNR is usually greater than for outstanding case reserves because much of the IBNR is in respect of claims that have not yet been reported. Regular Reserve Review meetings are held with the Claims Department and Underwriters in which movements in the account are discussed and differences in the Actual-to-Expected critically examined to identify random timing or fluctuations as distinct from clear reserving signals. A formal Reserving Committee containing representatives of Underwriting, Claims, Finance, Management and Actuarial meet at least quarterly providing robust reserving governance.

Estimation of claims on future exposures

Estimations of future claims are generally more uncertain than reserves for claims that have already taken place. The Company has a formal Business Plan to derive expected loss ratios for future exposures which considers attritional, large and catastrophe claims separately and takes account of historical and expected future movements in premium rates. These loss ratios, which are consistent with the IBNR reserving analysis, inform the Company's annual corporate plan and are used for future claims estimates in the Premium Provision.

Catastrophe losses

The Claims Provision incorporates known natural catastrophe events, whereas the future claims part of the Premium Provision is exposed to potential future catastrophes. The Company models its catastrophe exposure and incorporates the findings into its reinsurance purchases, risk capital and expected future loss ratios.

Market environment

IGIUK operates through brokers and is subject to uncertainties including rating environment, customer retention and broking trends such as creation of automatic acceptance facilities. Each line of business is affected differently. The Company responds to these uncertainties by regular monitoring of these trends and incorporating up to date insight in its forward-looking business plan and projections.

Description of Recoverable from Reinsurance Contracts

Reinsurance recoveries are provided on the basis of paid and incurred for each Line of Business ('LoB')/Accident Year by type (Facultative, external Quota Share and Excess of Loss Treaty) as factual inputs to the IBNR assessment process.

Reserves for outward reinsurance recoveries on estimated IBNR claims are determined by the application of reinsurance recovery ratios to the estimated gross IBNRs. Specifically, IBNR by line of business and year is apportioned by policy and Facultative and Proportional Treaty (excluding the Bermuda Reinsurance Treaty ('BRT'), a proportional reinsurance IGI Bermuda provides to IGIUK) covers are applied.

The resulting IBNR is then subdivided between Pure IBNR and Incurred But Not Enough Reported ('IBNER'). Pure IBNR is netted down using the Initial Expected reinsurance recovery ratio, derived in the business planning exercise and IBNER netted down by applying a judgementally selected net to gross ratio, based on the ratio of net to gross incurred claims for each line of business, year.

Having allocated gross and net (pre-BRT reinsurance) IBNR by policy, results for each risk-taking entity of IGI Group are readily derived. The BRT is then applied to IGIUK (pre-BRT) net position and the post BRT IGIUK and IGI Bermuda values derived.

Material Differences With IFRS

IGIUK's financial statements are prepared according to IFRS. The most material element in Technical Provisions – IFRS claims reserves (O/S + IBNR) – is common to both IFRS and Technical Provisions.

The following describes the linkage between IFRS reserves and Technical Provisions as quantified in the table:

- Removal of Unearned Premium Reserve: This is a material component of reserves on an IFRS balance sheet, but its removal is accompanied by the removal of premiums receivable as an offsetting asset. The effect when taking the balance sheet as a whole is therefore less material than when comparing only IFRS reserves against Technical Provisions. This is the most important difference arising from the cashflow basis of Solvency II compared with the accruals basis of IFRS, and is replaced by the inclusion of the Premium Provision
- Explicit consideration of contract boundaries, such as recognising 'bound but not incepted' business as a liability
- Applying discount factors to allow for risk-free interest income
- Inclusion of additional expense reserves to provide an amount reflecting the full cost of running off the Claims and Premium Provisions
- Inclusion of Risk Margin
- Inclusion of provision for ENID
- Different basis for provision for RI Default

Technical Provisions Reconciliation with IFRS by Line of Business

US$ '000	MAT	Fire	Liability	Financial	LE	NP prop	NP Cas	NP MAT	Total
CLAIMS PROVISION	6,847	9,034	44,613	8,646	1,983	2,827	197	344	**74,492**
Breakdown:									
Gross IFRS reserve Including ULAE	16,458	25,051	95,976	21,604	5,514	11,329	437	683	**177,053**
LESS Reinsurance amount	(9,765)	(16,077)	(52,165)	(13,037)	(3,592)	(8,506)	(235)	(344)	**(103,721)**
LESS Discount amount	(139)	(340)	(1,318)	(326)	(33)	(128)	(14)	(10)	**(2,309)**
PLUS ENID	266	344	1,718	312	78	108	8	14	**2,848**
PLUS RI Bad Debt	28	56	402	94	15	25	2	1	**622**
PREMIUM PROVISION	110	700	12,487	3,358	892	721	(5)	(14)	**18,249**
Breakdown:									
Gross IFRS UPR	11,771	10,241	53,612	18,038	2,986	5,322	566	430	**102,966**
PLUS UPR for Bound but not Incepted	256	1,017	1,110	91	0	168	57	527	**3,225**
Apply Expected Loss Ratio (for future claims)	9,324	8,149	39,426	12,119	2,423	4,084	396	517	**76,437**
Less Reinsurance amount	(5,278)	(5,665)	(24,241)	(7,240)	(1,493)	(2,830)	(216)	(284)	**(47,247)**
LESS Discount amount	(87)	(90)	(575)	(178)	(15)	(73)	(13)	(6)	**(1,039)**
LESS Future Premium (discounted)	(4,520)	(2,159)	(3,402)	(1,841)	(77)	(644)	(201)	(304)	**(13,147)**
PLUS ENID	176	106	649	209	41	52	7	10	**1,250**
PLUS RI Bad Debt	17	25	185	55	7	12	2	1	**304**
PLUS Expenses	478	334	444	235	7	120	20	52	**1,691**
Risk Margin	1,443	980	7,368	2,260	346	1,209	94	171	**13,871**
Total Technical Provisions	**8,400**	**10,715**	**64,468**	**14,265**	**3,221**	**4,758**	**286**	**501**	**106,612**

4.3. Other Liabilities

The following table provides a summary of insurance payables and liabilities other than Technical Provisions for the year ended 31st December 2019:

Description US$ '000	Value as per UK IFRS Financial Statements	Reclassification / Adjustment for Solvency Purposes	Value as per Solvency II
Insurance & Intermediaries Payables	7,873	-	7,873
Reinsurance Payables	9,857	(3,014)	6,843
Payables (trade, not insurance)	545	-	545
Subordinated Liabilities	35,000	(34,452)	548
Other Liabilities	4,924	-	4,924
Total Liabilities	**58,199**	**(37,466)**	**20,733**

For Solvency II purposes, Subordinated Liabilities are treated as Tier 2 capital, restricted to 50% of the Solvency Capital Requirement.

The only other difference in the valuation of the liabilities other than the Technical Provision between IFRS and Solvency II is the reinstatement premium payables which forms part of the best estimate Technical Provision calculation.

The amounts held under IFRS measurement principles in respect of the other liabilities are deemed to be approximations of fair value and therefore valued in accordance with the Solvency II valuation rules with no further adjustment required.

4.4. Alternative Methods For Valuation

The Company does not use any alternative methods for valuation of its assets and liabilities.

4.5. Any Other Disclosures

The following table analyses the differences between the equity in the IFRS financial statements and the excess of the assets over liabilities as calculated for Solvency II purposes as at 31st December 2019:

Excess of assets over liabilities - attribution of valuation differences	US$ ‘000
Total Equity in the financial statements	88,505
Difference in the valuation of assets	(81,301)
Difference in the valuation of technical provisions	68,266
Difference in the valuation of other liabilities	37,466
Excess of assets over liabilities under Solvency II	**112,936**

5. Capital Management

The objective in managing IGIUK's own funds is to ensure that capital meets the Solvency Capital Requirement, with an appropriate margin, and that sufficient liquidity is available for the payment of claims in order that the Company is able to meet its legal obligations as they fall due. IGIUK maintains the protection of a full Parental Guarantee providing additional policyholder protection beyond that provided by its own capital resources.

The Company has an Investment Policy that sets out the principles and minimum standards for investment of the financial assets as well as for asset liability management. The Policy also deals with liquidity risk, credit risk, market risk, the asset/liability management process and the process for appointing investment managers.

Cash at hand and projected cash flows are reviewed to ensure the most efficient use of funds and to ensure that sufficient cash is available for the payment of obligations as they fall due.

5.1. Own Funds

As at 31st December 2019, Own Funds of US$ 112,936k include US$ 78,484k (Tier 1 funds) which are eligible to cover both the Solvency Capital Requirement and the Minimum Capital Requirement. The balance of US$ 34,452k (Tier 2 funds) comprises of Subordinated Liabilities.

5.2. Solvency Capital Requirement and Minimum Capital Requirement

IGIUK has chosen the Solvency II Standard Formula method to calculate its regulatory capital.

The Company has assessed the appropriateness of the Standard Formula on both a qualitative and quantitative basis and considers it to provide a good fit to the Company's business and risk profile.

Specifically, the assessment confirms that the Standard Formula:

- Captures the full scope of risks to which the Company is exposed and for which the holding of capital is an appropriate response;
- Is sufficiently sensitive to future changes in the risk profile on both the asset and liabilities side of the balance sheet including the influence of outwards reinsurance arrangements;
- Has been applied in full with no application of undertaking specific parameters, simplifications or transitional measures;
- Is applied with no consideration for the risk absorbing effect of technical provisions and deferred taxes resulting in an SCR requirement that is more prudent.

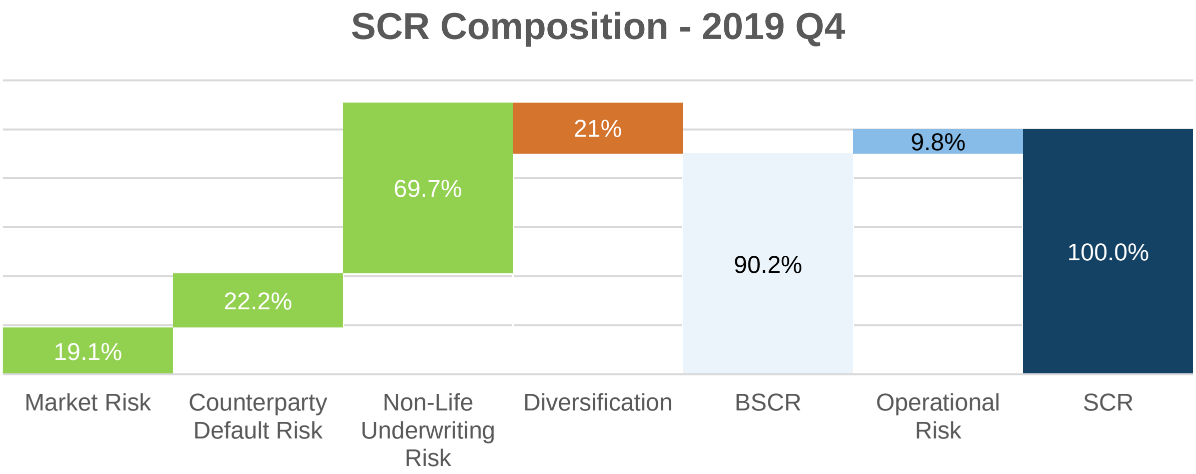
As required by the IGIUK Own Risk & Solvency Assessment process, the Standard Formula SCR is recalculated at least quarterly and at other times in response to an actual or projected material change in the risk profile and its results reported in full to the Audit, Risk and Compliance Committee of the Board. The adequacy of the Company's Own Funds to meet the SCR is monitored on an ongoing basis and particularly in the event of an anticipated or actual material impairment in the level of Own Funds.

In addition, the 2019 Year End calculation of the Solvency Capital Requirement as included in this report has been subject to internal validation.

The Solvency Capital Requirement as of 31st December 2019 amounts to US$ 68.9m comprising the Basic Solvency Capital Requirement ('BSCR') of US$ 62.1m and the Operational Risk charge of US$ 6.8m with the diversification between risk categories comprising US$ 14.3m as shown below:

Composition of IGIUK SCR as at 31st December 2019

SCR Component	US$ '000
Market Risk	13,146
Counterparty Default Risk	15,291
Non-life Underwriting Risk	47,998
Diversification between Risk Categories	(14,303)
BSCR	**62,132**
Operational Risk	6,773
Total SCR	**68,905**



With the allocation of the diversification benefit on a pro-rated basis, it is noted that the SCR is mainly driven by Non-Life Underwriting Risk contributing 56.6% of the total SCR with Counterparty Risk and Market Risk contributing 18.0% and 15.5% respectively.

SCR Component	US$ '000	%
Market Risk	10,686	15.5%
Counterparty Default Risk	12,430	18.0%
Non-life Underwriting Risk	39,016	56.6%
BSCR	**62,132**	**90.2%**
Operational Risk	6,773	9.8%
Total SCR	**68,905**	**100.0%**

Solvency Position

The Solvency Capital Requirement of US$ 68,905k is covered to 164% by Own Funds of US$ 112,936k and to 114% by the Tier 1 Own Funds of US$ 78,484k which is within the target range specified by the IGIUK Board.

Information on inputs used in the calculation of the MCR

The inputs used in the calculation of the MCR are provided in template S.28.01.01 and the MCR at 31st December 2019 amounts to US$ 21,083k.

Material Changes to the SCR and MCR

The SCR has increased by approximately 43% over the course of 2019 consistent with the relatively stable nature of the overall risk profile and the organic growth in the business.

The following table tracks the SCR as reported to the Audit, Risk and Compliance Committee from 2018 Year End to the current 2019 Year End showing both percentage movement quarter on quarter and total cumulative movements against the baseline of 2018 Year End.

US$ '000	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Solvency Capital Requirement	48,135	51,771	54,573	60,435	68,905
SCR Movement vs Prior Quarter		+8%	+5%	+11%	+14%
SCR Movement vs Q4 2018		+8%	+13%	+26%	+43%

The underlying movements in the SCR over the period reflect the general organic growth in the business and this can be expected to continue over the near term given that the Company projects modest expansion of its underwriting activity and has no plans to materially change its investment strategy.

Given the above, the Boards of IGIUK and its parent company, IGI Bermuda, agreed to increase the solvency capital of IGIUK by US$ 10m in Q1 and by US$ 25m in Q4 2019.

The SCR continues to be projected and calculated on at least a quarterly basis as part of the Own Risk & Solvency Assessment process and any material changes either actual or anticipated will be considered in the context of the IGIUK Board's risk and solvency appetite.

The MCR requirement over the period has remained relatively stable and, given its quantum in the context of the solvency position of IGIUK, is not considered material.

5.3. Use of the Duration Based Equity Risk Sub Module In The SCR Calculation

Not applicable.

5.4. Difference Between The Standard Formula And Any Internal Model Used

Whilst the Company uses stochastic capital modelling to support its decision making and pricing processes, it does not use a model in the sense of an 'Internal Model' for the purpose of calculating its regulatory capital requirements.

5.5. Non-Compliance With The SCR And MCR

The Company has maintained a Solvency Capital Ratio in excess of 100% from the inception of the Solvency II regime and has no foreseeable risk of non-compliance given its relatively stable risk profile and extensive risk mitigation arrangements.

Were the Company to project a material lowering of its solvency ratio (either through a significant increase in the SCR or an adverse development in the level of Own Funds) the Board would determine the appropriate action to be taken. This might include risk mitigation, the injection of further capital from its parent (via an arrangement that is already explicitly in place) or through a hybrid of these two approaches.

In extremis, it should be noted that IGIUK maintains the protection of a full Parental Guarantee providing additional policyholder protection beyond that provided by its own capital resources.

5.6. Other Material Information

None.

6. Quantitative Reporting Templates

The templates listed below form part of the Annual Regulatory Templates required to be published alongside the SFCR and are provided as an Appendix to this document.

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

7. Approval

Approval by the IGIUK Board of Directors of the Solvency and Financial Condition Report

Financial period ended 31st December 2019

We certify that:

- The Solvency and Financial Condition Report ('SFCR') has been properly prepared in all material respects in accordance with the Prudential Regulation Authority ('PRA') rules and Solvency II Regulations; and
- We are satisfied that:
    - throughout the financial year in question, the Company has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the Company; and
    - it is reasonable to believe that, as at the date of the publication of the SFCR, the Company has continued to comply, and will continue to do so in future.

On behalf of the Board

Andreas Loucaides

CEO, IGIUK Board

1 June 2020

8. External Auditors

With effect from 15th November 2018 IGIUK qualifies as a small firm for external audit purposes and receives a waiver from the "Solvency II external audit of the public disclosure requirement". This waiver was introduced by PRA 2018/20 'External Audit Amendments Instrument 2018' for firms whose Gross Written Premiums and Technical Provisions were below the audit threshold.

International General Insurance Company (UK) Ltd

Solvency and Financial Condition Report

Disclosures

31 December

2019

(Monetary amounts in USD thousands)

General information

Undertaking name	International General Insurance Company (UK) Ltd
Undertaking identification code	2138009PPGB2LQ8XZC76
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	USD
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

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

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	109,741
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	6,915
R0110	*Equities - listed*	6,915
R0120	*Equities - unlisted*	
R0130	*Bonds*	102,640
R0140	*Government Bonds*	25,267
R0150	*Corporate Bonds*	77,373
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	0
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	185
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	133,020
R0280	*Non-life and health similar to non-life*	133,020
R0290	*Non-life excluding health*	133,020
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	19,550
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	0
R0410	Cash and cash equivalents	108,690
R0420	Any other assets, not elsewhere shown	2,299
R0500	**Total assets**	373,300

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	239,631
R0520	*Technical provisions - non-life (excluding health)*	239,631
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	225,761
R0550	*Risk margin*	13,869
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*	
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	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	7,873
R0830	Reinsurance payables	6,843
R0840	Payables (trade, not insurance)	545
R0850	Subordinated liabilities	35,000
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	35,000
R0880	Any other liabilities, not elsewhere shown	4,924
R0900	**Total liabilities**	294,817
R1000	**Excess of assets over liabilities**	78,484

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						8,451	9,289	101,289		10,067		20,665					149,761
R0120	Gross - Proportional reinsurance accepted						14,079	19,258	4,384		-4		1,635					39,351
R0130	Gross - Non-proportional reinsurance accepted														981	1,250	15,651	17,882
R0140	Reinsurers' share						12,831	20,201	62,830		5,969		12,365		545	726	10,697	126,163
R0200	Net						9,699	8,347	42,843		4,094		9,934		436	523	4,955	80,832
	Premiums earned																	
R0210	Gross - Direct Business						7,045	8,088	72,969		9,347		12,398					109,847
R0220	Gross - Proportional reinsurance accepted						12,959	19,484	4,228		97		1,121					37,889
R0230	Gross - Non-proportional reinsurance accepted														768	1,115	13,104	14,987
R0240	Reinsurers' share						12,351	19,594	44,645		5,610		8,228		436	660	9,074	100,599
R0300	Net						7,653	7,978	32,552		3,834		5,290		332	455	4,029	62,123
	Claims incurred																	
R0310	Gross - Direct Business						2,403	-4,255	43,695		5,217		4,208					51,269
R0320	Gross - Proportional reinsurance accepted						9,600	11,905	859		80		30					22,473
R0330	Gross - Non-proportional reinsurance accepted														148	118	6,560	6,826
R0340	Reinsurers' share						7,582	3,518	25,246		3,171		1,852		94	60	6,581	48,103
R0400	Net						4,421	4,131	19,308		2,126		2,386		54	58	-21	32,465
	Changes in other technical provisions																	
R0410	Gross - Direct Business																	0
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net						0	0	0		0		0		0	0	0	0
R0550	**Expenses incurred**						2,858	2,999	14,593		1,796		1,966		106	181	1,616	26,115
R1200	**Other expenses**																	221
R1300	**Total expenses**																	26,335

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			MX	IN	CL	KR	ES	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	145,687	-5	0	160	0	27	145,869
R0120	Gross - Proportional reinsurance accepted	516	13,885	5,688	2,874	1,890	-136	24,718
R0130	Gross - Non-proportional reinsurance accepted	85	8,964	914	1,599	684	1,060	13,306
R0140	Reinsurers' share	86,064	14,032	4,741	3,681	1,810	815	111,143
R0200	Net	60,224	8,812	1,862	952	765	135	72,751
	Premiums earned							
R0210	Gross - Direct Business	105,954	0	0	107	0	23	106,084
R0220	Gross - Proportional reinsurance accepted	574	11,397	4,903	2,591	1,549	38	21,053
R0230	Gross - Non-proportional reinsurance accepted	239	6,613	880	1,160	688	759	10,339
R0240	Reinsurers' share	62,778	11,588	4,118	3,104	1,575	675	83,838
R0300	Net	43,989	6,422	1,665	755	662	146	53,639
	Claims incurred							
R0310	Gross - Direct Business	56,444	0	0	18	0	0	56,462
R0320	Gross - Proportional reinsurance accepted	235	7,696	1,135	2,082	138	2,940	14,226
R0330	Gross - Non-proportional reinsurance accepted	-23	7,684	-70	658	251	584	9,082
R0340	Reinsurers' share	31,992	12,515	544	2,392	211	1,999	49,653
R0400	Net	24,664	2,865	520	365	177	1,525	30,117
	Changes in other technical provisions							
R0410	Gross - Direct Business							0
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	0	0	0	0	0	0	0
R0550	**Expenses incurred**	18,435	3,347	725	653	281	346	23,787
R1200	**Other expenses**							196
R1300	**Total expenses**							23,984

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Legal expenses insurance**	**Assistance**	**Miscellaneous financial loss**	**Non-proportional health reinsurance**	**Non-proportional casualty reinsurance**	**Non-proportional marine, aviation and transport reinsurance**	**Non-proportional property reinsurance**	**Total Non-Life obligation**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**						0	0	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 calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross						1,121	2,339	31,975		2,362		8,066		29	-380	1,916	47,427
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						1,011	1,638	19,488		1,470		4,708		34	-366	1,195	29,178
R0150	**Net Best Estimate of Premium Provisions**						110	700	12,487		892		3,358		-5	-14	721	18,249
	Claims provisions																	
R0160	Gross						16,768	25,130	96,860		5,642		21,536		423	690	11,287	178,335
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						9,921	16,095	52,246		3,659		12,889		226	346	8,459	103,843
R0250	**Net Best Estimate of Claims Provisions**						6,847	9,034	44,613		1,983		8,646		197	344	2,827	74,492
R0260	**Total best estimate - gross**						17,889	27,469	128,835		8,004		29,601		451	310	13,203	225,761
R0270	**Total best estimate - net**						6,957	9,735	57,100		2,875		12,005		192	330	3,549	92,741
R0280	**Risk margin**						1,443	980	7,368		346		2,260		94	171	1,209	13,869
	Amount of the transitional on Technical Provisions																	
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	**Technical provisions - total**						19,332	28,449	136,202		8,349		31,861		545	481	14,412	239,631
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**						10,932	17,734	71,735		5,129		17,597		259	-20	9,654	133,020
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**						8,400	10,715	64,468		3,220		14,264		286	501	4,758	106,611

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Non-Life insurance claims

Total Non-life business

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

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	**Development year**											**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											46	46	46
R0160	2010	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2011	0	703	334	379	401	23	13	-11	0			0	1,841
R0180	2012	7,460	6,174	5,260	837	239	124	26	-567				-567	19,554
R0190	2013	7,376	13,562	2,902	4,072	961	489	576					576	29,938
R0200	2014	6,976	16,948	2,135	1,067	3,435	1,103						1,103	31,664
R0210	2015	14,957	19,748	18,888	4,632	1,250							1,250	59,475
R0220	2016	10,726	58,551	24,750	4,977								4,977	99,002
R0230	2017	30,820	68,901	31,158									31,158	130,879
R0240	2018	16,927	21,427										21,427	38,354
R0250	2019	8,588											8,588	8,588
R0260												**Total**	68,557	419,342

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	**Development year**											**Year end (discounted data)**
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2010	0	0	0	0	0	0	0	0	0	0		0
R0170	2011	0	0	0	0	0	1,506	2,228	0	0			0
R0180	2012	0	0	0	0	2,630	3,170	2,964	1,939				1,933
R0190	2013	0	0	0	5,030	2,989	4,432	1,375					1,338
R0200	2014	0	0	12,051	7,549	3,569	1,820						1,797
R0210	2015	0	39,042	15,335	7,244	3,888							3,790
R0220	2016	97,443	44,146	18,426	5,773								5,634
R0230	2017	123,021	60,811	37,787									36,581
R0240	2018	63,235	52,229										50,780
R0250	2019	79,337											76,481
R0260												**Total**	178,335

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Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	68,447	68,447		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	19,324	19,324		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	-9,287	-9,287			
R0140	Subordinated liabilities	35,000		0	35,000	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	113,484	78,484	0	35,000	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	113,484	78,484	0	35,000	0
R0510	Total available own funds to meet the MCR	113,484	78,484	0	35,000	
R0540	Total eligible own funds to meet the SCR	112,936	78,484	0	34,452	0
R0550	Total eligible own funds to meet the MCR	82,700	78,484	0	4,217	
R0580	**SCR**	68,905				
R0600	**MCR**	21,083				
R0620	**Ratio of Eligible own funds to SCR**	163.90%				
R0640	**Ratio of Eligible own funds to MCR**	392.25%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	78,484
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	87,771
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	-9,287
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	13,146		
R0020	Counterparty default risk	15,291		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	47,998		
R0060	Diversification	-14,303		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	62,132		

USP Key

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

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

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	6,773
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**	68,905
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	68,905

	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

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

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

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	21,083

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	6,957	9,042
R0080	Fire and other damage to property insurance and proportional reinsurance	9,735	9,229
R0090	General liability insurance and proportional reinsurance	57,100	44,348
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	2,875	4,429
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	12,005	10,723
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	192	331
R0160	Non-proportional marine, aviation and transport reinsurance	330	236
R0170	Non-proportional property reinsurance	3,549	5,016

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

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

	Overall MCR calculation	C0070
R0300	Linear MCR	21,083
R0310	SCR	68,905
R0320	MCR cap	31,007
R0330	MCR floor	17,226
R0340	Combined MCR	21,083
R0350	Absolute floor of the MCR	4,127
R0400	**Minimum Capital Requirement**	21,083