International Transport Intermediaries Club Limited ("ITIC")

Solvency and Financial Condition Report ("SFCR")

For the year ended 31st May 2023

Contents

Directors' Statement

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

We are satisfied that:

a. throughout the financial year in question, International Transport Intermediaries Club Limited has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and

b. it is reasonable to believe that International Transport Intermediaries Club Limited has continued so to comply subsequently and will continue so to comply in future.

DocuSigned by:

Signed ....
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Mr J.D. Woyda, Director. For and on behalf of International Transport Intermediaries Club Limited

31 August 2023 | 16:55 BST

Date ....

Summary

Introduction

This document is arranged to fit into a template with standard headings across the industry.

Section A considers basic information such as the structure of ITIC and the recent results of ITIC.

Section B considers the governance and risk management of ITIC. It looks at the management and remuneration structure. It then takes the reader through the Own Risk and Solvency Assessment, the risk management framework, internal controls, internal audit, actuarial arrangements and outsourcing.

Section C looks at the risk profile of ITIC considering underwriting, market, credit, liquidity and operational risks.

Section D shows the Solvency II financial position and explains how the GAAP financial statements are converted into a Solvency II format. Sections are shown for assets and liabilities (technical provisions and other liabilities).

Section E explains how ITIC manages its capital and shows how the eligible own funds cover the solvency capital requirement and the minimum capital requirement. Again, the difference between the financial statements retained reserves and the Solvency II eligible own funds is explained.

The PRA regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1st January 2016. The regime required new reporting and public disclosure arrangements to be put in place by insurers and some of that is required to be published on the company's public website. This document is the 7th year of the Solvency and Financial Condition Report ("SFCR") that is required to be published by ITIC.

ITIC's financial year runs to 31st May each year and it reports its results in US dollars.

Main output and conclusions

For solvency purposes, ITIC uses the standard formula to calculate its Solvency Capital Requirement ("SCR") and as a mutual mono-line insurer of the professional indemnity risks of its members, ITIC's insurance business is classified as general liability insurance for Solvency II purposes. Business is largely underwritten from the United Kingdom other than EU policies incepting after 1st November 2019 which are underwritten from the Netherlands. Members are dispersed internationally.

During the year to 31st May 2023, ITIC made UK GAAP surplus for the year of US$2.1m. This is a similar level to the previous year. The surplus for the year increased the free reserves at 31st May 2023 to US$50.5m.

This is the 28th year that ITIC has returned premium to its renewing members by way of a continuity credit scheme and the credit expected for the coming 2023/24 year will cost about US$15.6m out of total forecast premium of US$71.5m.

For solvency purposes:

a. Minimum Capital Requirement ("MCR") coverage. ITIC's eligible own funds stood at US$55.4m (2022: US$58.1m) against an MCR of US$4.0m (2022: US$4.3m) thus showing 1,397% coverage (2022: 1,349% covered).
b. Solvency Capital Requirement ("SCR") coverage. ITIC's eligible own funds stood at US$55.4m (2022: US$58.1m) against an SCR of US$11.3m (2022: US$12.1m) thus showing 489% coverage (2022: 479% covered).

Material changes

Following Brexit, ITIC set up a fronting arrangement in the Netherlands in November 2019 and now reinsures EEA business which has been underwritten in the Netherlands through UK P&I NV. This arrangement commenced underwriting for ITIC on 1st November 2019 and has caused little disruption to its EEA members. ITIC is now exploring setting up its own subsidiary in Cyprus through which to underwrite its EEA business. It is hoped that this subsidiary will be set up during 2023. Once underwriting has commenced, it is expected that the existing portfolio of claims and ongoing policies will be transferred from UK P&I NV into the new subsidiary.

There are not considered to have been any other material changes over the reporting period.

Audit of SFCR

The ITIC board decided in March 2023 that the SFCR for the year ended 31st May 2023 did not need to be audited as permitted under the exemption granted by the PRA to smaller insurance firms It is expected that the board will review the decision for a potential SFCR audit for the year ending 31st May 2024 at its meeting in March 2024.

A. Business and performance

A.1. Business

A.1.1 Name and legal form: International Transport Intermediaries Club Limited ("ITIC") is incorporated in England and Wales under the Companies Act 2006 as a company limited by guarantee and not having a share capital.

A.1.2 Supervisory authority: The authority responsible for the financial supervision and review of the SFCR of ITIC is the Prudential Regulation Authority ("PRA") which is located at 20 Moorgate, London, EC2R 6DA.

The authority responsible for protecting consumers, enhancing market integrity and promoting competition is the Financial Conduct Authority ("FCA") whose address is 12 Endeavour Square, London E20 1JN.

A.1.3 External auditor: The auditors of the financial statements for the year ended 31st May 2023 were BDO LLP, Statutory Auditor of 55 Baker Street, London, W1U 7EU. Having completed 20 years as auditors, they retire by rotation after this audit and, following a tender process, will be replaced by PKF Littlejohn LLP of 15 Westferry Circus, London, E14 4HD.

A.1.4 Owners of the undertaking: ITIC is incorporated in England as a company limited by guarantee and not having share capital. Every person or company insured by ITIC shall be recorded as a member of ITIC. Every director of ITIC shall be a member, unless at the time of appointment the directors, in their sole discretion, decide otherwise. For example, ITIC's two non-member non-executive directors are not members.

In the event of ITIC's liquidation, the net assets of ITIC are to be distributed among the current members in proportion to the amounts of premium payable by them during the preceding three years.

A.1.5 ITIC's position within the legal structure of the group: ITIC is not part of a group. ITIC has a 90% quota share reinsurance contract with Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). TIMIA is a parallel mutual insurer but the managers of the business will often consider the pre quota share financial position of the two entities when considering strategy or financial performance.

A.1.6 ITIC's business: The principal activity of ITIC during the year was the insurance of professional indemnity and public liability risks of professionals in the transport industry. For Solvency II purposes, ITIC's business is classified general liability insurance.

As at 31st May 2023, 615 members' main activity was ship agency (port and liner agency), 652 ship and bunker brokers, 390 ship, crew, commercial and yacht managers, 1,200 marine surveyors (including Lloyd's Agents, hydrographic surveyors and P&I Club Correspondents) and naval architects and 720 representing other professionals in the transport and aviation industry. Some members carry on more than one of these activities and many members are insured jointly with their subsidiary or related companies.

The membership is drawn from 132 countries the majority being from Europe, with a substantial number of members from North America, Australasia, the Far East and the Middle East.

A.1.7 Business planning: For management purposes, and consistent with the ITIC's business planning, strategy and ORSA, ITIC considers its forecasts and results pre-quota share. Its quota share reinsurer is TIMIA. Whilst most tables / financial amounts will relate to the entity ITIC, if the amounts have been presented in as pre-quota share (ITIC and TIMIA combined) then this will be stated as such.

A.1.8 Trends and factors: The following summary of the year to 31st May 2023 has been extracted from the Chairman's statement which is posted on the ITIC website. It should be noted that this statement refers to the pre-quota share position (i.e. the combined ITIC and TIMIA). Comments on the underwriting and investment result of ITIC as a solo entity are shown in sections A.2 and A.3.

"I am delighted to be writing my first statement as Chairman of ITIC, having succeeded Lars Safverstrom in March 2023. Lars was Chairman of ITIC since 2019 and a director since 2009, guiding ITIC through the challenges of Brexit, the Covid-19 pandemic and ITIC's response to the war in Ukraine. On behalf of the board and all members, I thank Lars for his stewardship and contribution to ITIC's growth and success.

I can report that in its 31st financial year, ITIC has produced a strong surplus. ITIC, combined with its mutual reinsurer TIMIA, returned a US$8.1m surplus for the year to 31st May 2023 ("2022/23") after paying US$14.5m in continuity credit. This follows the US$14.2m credit paid in the previous year.

The continuity credit is paid to renewing members and effectively reduces the cost of your insurance. Your board, at its meeting in March 2023, reviewed the level of ITIC's free reserves and decided that, notwithstanding the high inflationary environment and continued volatility in the investment markets, as ITIC's free reserves are strong, and well above the amount required for ITIC's solvency purposes, they would pay a continuity credit for the 29th consecutive year for all renewals in the 2023/24 year.

For one year policies, a credit of 15% of the premium.

For two year policies, a credit of 25% for year one and at least 15% for year two.

Those in the second year of a policy, begun in 2022/23, will receive a credit of 25%, which was substantially more than the original 15% promised by the board at its meeting in March 2022.

Your board considers the payment of continuity credits to be an extremely important benefit of being covered by a mutual insurer. Since the continuity credit payments began 28 years ago, I am pleased to report that more than US$190.0m has been returned to you, the members.

The risk for all claims up to US$1.0m continues to be retained by ITIC, as well as an additional two retentions in excess of the primary US$1.0m level and one retention excess of US$2.0m. We are comfortable that the reinsurance in place reduces the risks of large claims to an acceptable level at a reasonable cost.

ITIC's total annual premium increased in 2022/23 by 4.4% and so ITIC has now had four good years of growth. In past years, total premium has remained static largely because of consolidation in the transport services market, so it is pleasing to have again returned this year to strong growth. ITIC continues to retain approximately 96% of its members at renewal each year; a good retention rate and an indication of how highly our members view the quality of service and cover given.

It is important for ITIC to maintain its level of free reserves both for solvency reasons and to allow the levels of continuity credit to be paid to the membership. I am pleased to advise that the combined free reserves of ITIC and TIMIA have increased from US$221.9m as at 31st May 2022 to US$230.0m as at 31st May 2023.

In common with past years, the board decided to close the preceding policy year, meaning that no additional premium can be requested from members for the 2021/22 policy year or any earlier year. The only full year that remains open is 2022/23. ITIC has never requested additional premium for any policy year.

The insurance, claims, contractual advice and practical help that we can provide through our staff in London to members, advisers, brokers and introducers around the world, continues to set us apart. In 2023 ITIC will, for the first time, have a presence outside of London with the establishment of a subsidiary company in Cyprus, International Transport Intermediaries Insurance Company (Europe) Ltd ("ITIICE") through which to underwrite ITIC's EEA business. This new structure will mean that ITIC will become less reliant on third party fronting arrangements whilst members and brokers will continue to enjoy the same high level of service to which you have become accustomed.

Most of you will know ITIC as an insurer of risks in the marine sector, however for a number of years ITIC has also provided cover to aviation professionals. This is a market in which your board sees strong growth potential and to this end you can expect to see more activity from the managers as, with the support of the board, they look to grow this sector of ITIC's business. ITIC provides cover for companies whose services include areas such as aircraft lease and operational management, continuous airworthiness management, charter broking, design and surveying/inspection services.

ITIC reports fully to Solvency II standards and is regulated by the Prudential Regulation Authority. Details of ITIC's solvency position can be found in the Solvency and Financial Condition Report, which is available on the ITIC website: https://www.itic-insure.com/about-itic/solvency-ii-reporting/

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance cover) with valuable, high quality loss prevention advice to businesses servicing the marine, aviation, and general transport industry through a mutual insurance company supported by at least "A-" rated security from its external reinsurers. The focus will firmly continue to be on maintaining strong reserves and the provision of quality service and sound risk management advice by a highly competent staff.

The accounts and financial highlights for the 2022/23 year will be available on the website (www.itic-insure.com) before the AGM on 21st September 2023."

A.1.9 Business Objectives: ITIC's objectives are as follows:

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance covers) with valuable, high quality loss prevention advice to businesses servicing the marine and transport industry through a mutual insurance company supported by at least "A-" rated security from its external reinsurers. Strong reserves will be maintained and quality service and sound risk management provided by its highly competent staff.

A.2. Underwriting Performance

A.2.1 Underwriting performance: The following has been summarised from ITIC's financial statements:

- Premium increased by 4.4% coming from a net increase in members and strong renewals.
- Acquisition costs and excess of loss reinsurance costs remained steady.
- Net claims costs increased following the very low preceding year due to releases in provisions from earlier years in prior year figures.
- Management fees reduced to reflect lower incentive fees this year whilst other expenses increased because of set up costs incurred in the initial set up of an overseas subsidiary which is expected to start underwriting later in 2023.
- In response to the ongoing strong performance, the board decided to maintain the level of continuity credit for 2023/24 at 20%-30%, the same as 2022/23.
- The combined loss ratio before continuity credit and quota share reinsurance for the financial year was a healthy 67.6% compared with the prior year's 56.3%.

It should be noted that the figures relate to ITIC on its own.

ITIC writes only one class of business. Premium is written in one or two year policies and the renewal of these policies is uneven. A break clause is in place for the midpoint of two year policies. More premium is written in years ending in an even number. The business review clearly summarises the premium on an earned basis and this shows a more even split between consecutive years. On 1st November 2019, as part of the Brexit solution, ITIC commenced underwriting through UK P&I NV in the Netherlands to write business in other EU countries. This is done on a fronting arrangement and the business is 100% reinsured to ITIC.

	Notes	2023 US$ 000s	2023 % of gross earned premium	2022 US$ 000s	2022 % of gross earned premium
Gross earned premium	5	68,545	100.0%	65,672	100.0%
Less acquisition costs including management fee element	8	(11,512)	16.8%	(11,575)	17.6%
Less excess of loss reinsurance costs	6	(5,303)	7.7%	(5,365)	8.2%
Net retained premium		51,730	75.5%	48,732	74.2%
Claims incurred net of excess of loss recoveries including management fee element	7	(21,161)	30.9%	(11,818)	18.0%
Management Fee (excluding acquisition and claims elements)	9	(6,103)	8.9%	(6,602)	10.1%
Other expenses	8	(2,240)	3.3%	(1,613)	2.5%
Total claims and other expenses		(29,504)	43.0%	(20,033)	30.5%
Total costs (excluding continuity credit)		*(46,319)*	*67.6%*	*(36,973)*	*56.3%*
Operating surplus before continuity credit and quota share reinsurance		22,226	32.4%	28,699	43.7%
Less continuity credit	5	(14,586)	21.3%	(14,201)	21.6%
Net cost of quota share reinsurance		(5,013)	7.3%	(8,953)	13.6%
Surplus / (deficit) on technical account before investment result		2,627	3.8%	5,545	8.4%

Further geographical analysis is presented in appendix S.05.02 which forms part of ITIC's annual Quantitative Reporting Template ("QRT") requirement.

A.2.2 Mitigation techniques: ITIC's reinsurance programme is designed to manage risk to an acceptable level to optimise ITIC's capital position. The programme comprises excess of loss reinsurance cover to protect against individual large losses, and a 90% quota share arrangement with TIMIA.

A.3. Investments performance

A.3.1 Performance of investments: Below shows ITIC's investment result for the years to 31st May 2022 and 2023. All of ITIC's investments are in fixed income securities and UCITS, however its investment result is adjusted to reflect 10% of the combined return of ITIC and its quota share reinsurer TIMIA.

	2023	2022
	US$	US$
	000s	000s
Investment result - realised		
Interest on bank deposits and bonds	1,267	1,080
Realised gains on disposals	(1,462)	51
Transfer of investment return between ITIC and TIMIA	172	2,565
	(23)	3,696
Unrealised gains / (losses) on investments	8	(4,337)
	(15)	(641)

A.3.2 Other information on investments: Information on investment expenditure is not shown separately. There are no gains or losses recognised directly in equity. There are no investments in tradable securities or other financial instruments based on repackaged loans.

A.4. Performance of other activities

ITIC does not carry on any other activities.

A.5. Any other information

EEA business. ITIC underwrites approximately 27% of its business in the European Economic Area excluding the United Kingdom. Since 1st November 2019, ITIC is providing cover via a fronting arrangement with UK P&I Club NV based in Rotterdam in the Netherlands.

Other. ITIC considers no other information relevant to the disclosure relating to its business and performance.

B. System of governance

B.1. General information on the system of governance

B.1.1 Structure of the undertaking's administrative, management or supervisory bodies: The Articles of Association ("the Articles") give the board of directors extensive powers to manage the affairs of ITIC, and the Articles set out how these powers are to be exercised. The board delegate the day to day running of ITIC to the managers, International Transport Intermediaries Management Company Ltd ("ITIM").

Board meetings are held at least three times a year. The Chairman has the power to call a board meeting at any time, and the Secretary of ITIC may call a board meeting at the request of any director.

The governance structure of ITIC is explained in the Risk Management Policy. In summary, this covers the following administrative, management and supervisory bodies.

a. Board. The board bear ultimate responsibility for the management of risk and for maintaining a sound system of internal control that supports the achievement of the business plan, policies, aims and objectives of ITIC.
b. Audit Investment & Risk ("AIR") committee. The AIR committee supports the board, particularly in overseeing matters concerning audit, investment and risk.
c. Risk owners. The risk owners include the chief executive officer, underwriting director, claims director, commercial director, chief financial officer, chief operating officer and the investment manager.
d. International Transport Intermediaries Management Company Ltd board ("ITIM board") (including the risk management function). The ITIM board carries out the role of managers of the business.
e. Compliance function. The compliance function is largely carried out by the risk and compliance officer, an individual who does not get involved in the day to day running of the business and whose line management is outside of the business.
f. Actuarial Function. The actuarial function contributes to the effective oversight of the risk management system, risk modelling and the ORSA process.
g. Internal audit function. The internal audit function operates at the direction of the AIR committee. It assesses risks, forms and internal audit programme and undertakes internal audits.
h. Statutory auditors.

B.1.2 Material changes in the system of governance: There have been no material changes in the system of governance that have taken place over the reporting period.

B.1.3 Remuneration: There are no direct employees of ITIC. The non-executive directors of ITIC are remunerated by a fixed fee proposed by the managers and approved by the board which is not linked to the performance of ITIC. Directors' fees are not subject to pension or early retirement schemes. The directors are paid an annual fee and a fee for each meeting attended as authorised under the bye-laws. The current fees are:

	2023 Annual fee £	2023 Attendance fee £	2022 Annual fee £	2022 Attendance fee £
Chairmen of main ITIC board and Audit Investment & Risk Committee	18,750	5,200	18,750	5,200
Chairman of Nominations Committee	10,000	5,200	10,000	5,200
Directors	5,200	5,200	5,200	5,200

The fees for the non-member non-executive directors are individually negotiated. There are no fees paid to the executive directors who receive their remuneration via the management company.

B.1.4 Variable remuneration components and shares: As detailed above, there are no direct employees and therefore no variable remuneration components other than that mentioned above.

B.1.5 Transactions with related parties: ITIC has no share capital and is controlled by the members who are also the insured. Subsequently, all insurance transactions are deemed to be between related parties. These are the only transactions between ITIC and its members.

ITIC's two non-member non-executive directors are not members of ITIC and ITIC's two executive directors are not members either. The remaining directors are current representatives of member companies and, other than the member interests of their companies, the directors have no financial interests in ITIC. No loans have been made to the directors and none are contemplated.

ITIC reinsures with Transport Intermediaries Mutual Insurance Association Limited of Bermuda on a 90% quota share basis both its liabilities from 1st September 1992 and its liabilities assumed under the agreement to run-off Transport Intermediaries Mutual Insurance Association Limited and the Chartered and International Shipbrokers P&I Club Limited (CISBA).

International Transport Intermediaries Management ("ITIM") provides key management personnel for ITIC. ITIM is a subsidiary of Thomas Miller Holdings Limited.

B.1.6 Assessment of the adequacy of ITIC's system of governance: The following has been extracted from the financial statements for the year to 31st May 2023:

ITIC has risk management procedures in place which address the five risk areas laid out in the Prudential Regulation Authority's Handbook. These are credit risk, market risk, liquidity risk, operational risk and insurance risk. ITIC has developed a business risk assessment which defines the risks and sets out the procedures that are in place to mitigate those risks. The business risk assessment is reviewed regularly by the board.

ITIC has taken steps, where appropriate and possible, to mitigate the risks with internal controls and procedures and management oversight. Where appropriate, ITIC monitors its risks through regular reporting of monetary and non-monetary risks via a series of key risk indicators. These are presented to the board and / or AIR committee four times per year. ITIC's principal risks and uncertainties are to insurance (including Loss of financial strength and Loss of business to competition); market (including loss or impairment of investments), currency, credit, liquidity and cashflow risks are further explained in note 4 of these financial statements. ITIC accepts levels of risk in different areas as set out in its Risk Appetite Statement.

ITIC addresses other risks namely political (including change to UK tax agreement) and climate change risk. ITIC considers how these could impact the financial risks and insurance risk exposures via its emerging risks log as well as via the climate change policy and plan. ITIC also considers fraud risks (including misappropriation of investment funds) and this is managed through the fraud risks register.

ITIC currently has a climate change policy and plan to address the relevant environmental, social and governance requirements and this is being refined during 2023. ITIC has put in place a policy to assist in managing the financial risks associated with the effects of climate change and to ensure that ITIC has adequate oversight and control of this area and understands how climate change relates to other risk groups. The financial risks emanating from climate change can impact other risk groups, specifically the strategy, insurance, credit and market risk areas. Financial risks from climate change arise through two primary channels, being physical and transition factors. In addition, liability can arise from third parties who have suffered loss or damage from physical or transition risk factors associated with climate change.

The objective of the climate change policy is to:

i. embed the consideration of the financial risks from climate change in ITIC's governance arrangements;
ii. incorporate the financial risks from climate change into existing financial risk management practice;
iii. use (long term) scenario analysis to inform strategy setting and risk assessment and identification; and
iv. develop an approach to disclosure on the financial risks from climate change.

The board is responsible for setting the climate change policy and ensuring that there are adequate processes in place to monitor and manage the financial risks from climate change within the parameters defined by the risk appetite. The risk function is responsible for assessing and monitoring the risk profile from climate change against the risk appetite and its tolerances. Stress and scenario testing relating to financial risks from climate change is being developed by the risk function and will be monitored regularly. There is a review at the board and Audit Investment and Risk committee of key risks, including risks associated with climate change. The ORSA considers the impact of climate change on the organisation. Risk identification and management is in progress at 31st May 2023.

ITIC is comfortable that it has identified and taken into consideration its risk environment, as summarised above, and that it holds sufficient capital and reserves to cover its potential impact. The ITIC board approved its Own Risk and Solvency Assessment at the board meeting in March 2023 and this was submitted to the Prudential Regulation Authority shortly afterwards.

B.1.7 Delegation of responsibilities, reporting lines and allocation of functions: ITIC has no direct employees as ITIC's management is wholly outsourced to International Transport Intermediaries Management Co Ltd ("ITIM") or other companies within the Thomas Miller Holdings Ltd Group of companies (the "managers") in accordance with the management agreements. The management agreements also cover the management fees between ITIC and ITIM.

B.2. Fit & Proper requirements

B.2.1 Process: ITIC maintains a Fit & Proper policy which sets out its approach to the Fitness & Propriety of persons who effectively run ITIC, including the board, executive senior management and key function holders. It describes key aspects of the Fit & Proper processes and identifies the main internal reporting and review procedures.

B.2.2 Requirements: The objectives of the policy are to ensure that:

a. All persons who are within the scope of the policy meet the definitions of fit & proper as set out above;

b. Collectively and at any given time, the directors of ITIC possess sufficient knowledge, competence and experience to provide sound and prudent decision making in all areas relevant to business;

c. Collectively, the executive senior management, including individuals subject to the Certification Regime and key function holders ("management") possess sufficient knowledge, competence and experience to manage and operate ITIC effectively on a day-to-day basis. This will cover at least the following areas:

   i. Insurance and financial markets;
   ii. Business strategy and the business model;
   iii. System of governance;
   iv. Financial and actuarial analysis; and
   v. Regulatory framework and requirements;

d. Adequate and timely notifications and submissions are made to the relevant regulatory authorities.

In addition to the above it is appropriate that all those within scope of this policy understand the conduct standards and rules set out by the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA").

B.2.3 List of responsible persons: The following is a list of those persons that are responsible for the key functions.

	Controlled functions if any	Length of time on board	Length of time as chair	Potential years remaining
ITIC board - non exec				
RM Bishop	SMF13 Chair of the Noms Committee	11.4		3.8
JD Woyda	SMF9 Chair of the Governing Body	8.4		8.7
C Devantier	-	4.2		13.2
S Portunato	-	4.2		1.5
C Schou	-	4.2		4.5
F Bognin	SMF10 Chair Risk Committee & SMF11 Chair Audit Committee	2.2	0.3	28.9
Resigned in last 12 months				
T Jones				
LG Safverstrom				
M. Shakesheff				
Joined in last 12 months				
J Palin	-	0.7		20.6
A Leach	-	0.7		10.2
B Maclehose	-	0.7		27.6
ITIC board - non-member non-exec				
TG Durkin (non-member)		2.5		
AJ Groom (non-member)		2.5		
ITIC board - exec				
TJ Irving	SMF1 Chief Executive & SMF3 Executive Director	1.7		
TM Evans	SMF2 Chief Finance & SMF3 Executive Director	6.6		
TIMIA board - non-exec				
T Neijmeijer		2.2		13.8
M Seymour Smith (chair)		0.9	0.1	20.4
AK Mactavish		0.7		17.9
M. Shakesheff		0.1		22.1
TIMIA - Resigned in last 12 months				
SM Jones				
	Amber if	>12 years	>5 years	<3 years

ITIC managers			ITIM director (years)
CJ Kirk	-	CF1 Director app. rep.	25.4
AK Mactavish	SMF23 CUO & SMF24 COO	CF1 Director app. rep.	16.9
TM Evans	See above	CF1 Director app. rep.	14.2
IG Rosenthal	SMF4 Chief Risk & SMF16 Compliance	CF1 Director app. rep.	10.9
TJA Irving	See above	CF1 Director app. rep.	4.7
ML Brattman	SMF18 Other Overall Responsibility	CF1 Director app. rep.	2.2
RG Hodge	-	CF1 Director app. rep.	2.2
RD Sniffen	-	CF1 Director app. rep.	0.4
S Matthews	SMF20 Chief Actuary		n/a
A Holder-Holdsworth	SMF5 Head of Internal Audit		n/a
M Carroll	SMF17 Money Laundering Reporting Officer (MLRO)		n/a
L Gibbard	SMF24 Chief Operations Officer (IT)		n/a

B.3. Risk management system

The following information considers the process that ITIC has adopted to fulfil its obligation to conduct an ORSA. The following is an edited extract from the introduction to the ORSA overview report which was approved by the Board of Directors on 23rd March 2023 and subsequently filed with the PRA.

B.3.1 The Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") forms part of ITIC's requirements under Solvency II to conduct an ORSA. The ORSA is an annual process and is used by ITIC to manage its financial and solvency position over the period of its medium-term rolling Business Plan. In particular, it is necessary to ensure that the decisions underlying that plan are consistent with ITIC's risk appetite and business strategy. As such, the ORSA forms an important part of ITIC's business planning process.

ITIC has a 90:10 quota share reinsurance arrangement with its parallel reinsurer Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). ITIC and TIMIA are not a corporate group and, as a result, ITIC has to satisfy its regulatory solvency requirements as a solo entity. ITIC is managed on a solo basis but for certain decisions, it is useful to consider the position on a pre-quota share basis or combined basis with TIMIA.

The ORSA process for 2022/23 has been conducted in line with ITIC's ORSA policy and has culminated in this report which, together with the regular Key Risk Indicators of board agendas, provides a high-level overview to help directors understand the risks around ITIC's business strategy and in particular its medium-term business plan. The following table provides a summary guide to this report:

Sections	Title	Description
2	Executive summary	
3	Strategy	A recap of ITIC's strategy and high-level risk appetites.
4	Summary of recent performance	A summary of recent experience to provide some background.
5	Risk profile	An overview of ITIC's risk profile broken down by Solvency II risk categories.
6	Business planning	Forecasts (and underlying assumptions) of ITIC's financial position and capital adequacy over the medium term. Scenario tests in respect of possible variances.
7	Entities	A summary of the capital requirements and risk profile for ITIC on a solo entity basis.
8	Appendix A: Key judgements, validation and limitations	A summary of the key judgements, assumptions, sensitivities and limitations around the capital model. Some model validation via scenario testing is also included.
9	Appendix B: Appropriateness of the standard formula SCR	A comparison of ITIC's risk profile to that assumed by the Solvency II standard formula. This is a key regulatory requirement of the ORSA.
10	Appendix C: Risk appetite graphs for continuity credit options	The risk appetite graphs for each of the continuity credit options proposed for the forthcoming renewal.
11	Appendix D: Risk appetite graphs for investment mandate options	The risk appetite graphs for each of the investment mandate options proposed by the investment manager.
12	Appendix E: Glossary	

This report was high-level in nature and references were made to supporting documents throughout.

B.3.2 Description of risk management framework: The risk management framework is explained in the Risk Management Policy. It explains the ITIC's underlying approach to risk management:

a. It describes key aspects of the risk management process;
b. Identifies the main reporting procedures; and
c. Forms part of the ITIC's internal control and governance arrangements.

The document also describes the process that the board use to evaluate the effectiveness of ITIC's risk management and internal control.

ITIC has identified its meaningful risks and considers that its risk universe comprises the list below. These exposures could threaten ITIC's viability, materially impact asset values or result in material underperformance.

a. Strategic risks: exposures arising from inadequate or ineffective strategy formulation as well as the risk of ineffective execution;
b. Underwriting and reserving risks;
c. Concentration risks: exposures from being a mono-line insurer in a specialist area;
d. Reputational risks;
e. Financial risks: encompassing liquidity, credit, reinsurance, investment and asset liability management risks;

f. Operational risks: exposures arising in day-to-day business activities and include organisational risks which take in the potential of having ineffective or insufficient leadership as well as the quality of talent and effectiveness of human resource systems such as development, compensation and performance management;
g. Compliance risks; and
h. External risks: exposures the enterprise cannot control.

Each risk identified in ITIC's business risk assessments is linked to one of the above.

The risk universe helps shape the ITIC board agenda and tasks management to undertake initiatives to reduce exposures and improve performance. This is summarised in this policy and works alongside the ITIC rolling business plan.

The objectives of the ITIC risk management policy are to identify, manage and report risk in a consistent and timely fashion on the basis of the ITIC's risk appetite as agreed by the ITIC board and documented in the business plan.

The risk management policy seeks both to ensure that all activities of the business are appropriately aligned to the furtherance of business plan and to provide the necessary independent challenge to those activities. It also helps to both support and relay the business plan throughout the organisation.

The following key principles outline the ITIC's approach to risk management:

a. to recognise and disclose the financial and non-financial implications of risks;
b. to be compliant with all laws and regulations;
c. to maintain processes that address all risks associated with the business;
d. to be proportionate to the nature, scale and complexity of the risks inherent in the business;
e. to be integrated into planning, decision-making and operational processes, and responsive to changing circumstances; and
f. to deliver continuous improvement in the control environment.

ITIC's internal control and risk management systems apply the 'three lines of defence' model:

a. First line of defence: the risk owners – these are the business units such as underwriting, claims, actuarial and finance responsible for matters such as the identification and effective management and mitigation of risks;
b. Second line of defence: risk management and compliance functions, providing challenge to activities and decisions that materially affect ITIC's risk profile; and
c. Third line of defence: internal and external audit providing independent assurance.

B.3.3 Information on strategies processes and risks: The following has been disclosed in the notes to the financial statements.

ITIC is governed by the board of directors which drives decision making within ITIC from board level through to operational decision making within the managers. The board considers the type and scale of risk that ITIC is prepared to accept in its ordinary course of activity and this is used to develop strategy, risk appetite and decision making.

ITIC is focused on the identification and management of potential risks. This covers all aspects of risk management including that to which ITIC is exposed through its core activity as a provider of insurance services plus the broader range of risks. ITIC's considers its key risks as the following:

- Insurance risk - incorporating underwriting and reserving risk;
- Market risk - incorporating investment risk, and interest rate risk;
- Currency risk - the risk of adverse currency exchange movements;
- Credit risk - the risk that a counterparty is unable to pay amounts in full when due; and
- Liquidity and cash flow risk - the risk that cash may not be available to pay obligations as they fall due.

B.3.4 Financial risk management objective: ITIC is exposed to financial risk through its financial investments, reinsurance assets and liabilities to policy holders. In particular, the key financial risk is that the proceeds from financial investments are not sufficient to fund the obligations arising from policies as they fall due. The most important components of this financial risk are market risk or investment risk (comprised of interest rate risk, equity price risk and currency risk) together with credit risk and liquidity risk.

ITIC manages these risks using a risk governance structure incorporating the managers' risk committee and the Audit Investment & Risk Committee.

The board is responsible, advised by ITIC's Chairman working with the Audit Investment & Risk Committee, for setting investment policy and the appropriate level of market or investment risk. This is set with reference to the overall risks faced by ITIC which are analysed as part of the ORSA process.

The processes used to manage risks within ITIC are unchanged from the previous period.

Underwriting process: ITIC has an underwriting policy which is approved by the board annually which manages the underwriting risk. The policy sets out the processes by which the risk is managed. ITIC operates a risk rating system which provides underwriting parameters for assessing the premium to be charged. All policies are signed off by the underwriting director or an individual delegated by the underwriting director.

Reinsurance: ITIC's reinsurance programme is designed to manage risk to an acceptable level to optimise ITIC's capital position. The programme comprises excess of loss reinsurance cover to protect against individual large losses, and a 90% quota share arrangement with TIMIA.

Reserving process: ITIC establishes provisions for unpaid reported claims and relating expenses to cover its expected liability. These provisions are established through the application of actuarial techniques and assumptions as set out in the financial statements as directed and reviewed by the Audit Investment & Risk Committee. In order to minimise the risk of understating these provisions, the assumptions made and actuarial techniques employed are reviewed in detail by senior members of the managers and ITIC's Audit Investment & Risk Committee. ITIC considers that the liability for insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected result.

B.3.5 Capital management: ITIC maintains capital, comprising of policyholders' funds (surplus and reserves), consistent with ITIC's risk profile and the regulatory requirements of the business. At the 31st May 2023, the total retained GAAP reserves available amounted to US$50.5m (2022: US$48.3m).

ITIC's strategy is to maintain sufficient capital to exceed the Standard Formula Solvency II Capital Requirements such that there is less than a 1 in 200 chance of breaching this requirement over the subsequent year.

B.3.6 Information on material risks not fully included in the calculation of the Solvency Capital Requirement ("SCR"): No material risks have been omitted from the calculation of the SCR. However, the Own Solvency Needs Assessment, which evaluates the ITIC's own view, as opposed to the regulatory view, of solvency needs, portrays a capital requirement with a more complete view of the various risk elements.

B.4. Internal control system

B.4.1 Description of internal control system: The main objectives of ITIC's internal control policy are to help secure:

a. the effectiveness and efficiency of operations in view of ITIC's business strategy and objectives, and the protection of its resources; and
b. the availability and reliability of appropriate, accurate and complete financial and non-financial information for internal and external reporting.

It is acknowledged that because of its inherent limitations, internal control can provide only reasonable assurance that ITIC's objectives and goals will be achieved.

ITIC's internal control and risk management systems apply the 'three lines of defence' model:

a. First line of defence: the risk owners – these are the business units such as Underwriting, Claims, Actuarial and Finance responsible for matters such as the identification and effective management and mitigation of risks;
b. Second line of defence: risk management and compliance functions, providing challenge to activities and decisions that materially affect ITIC's risk profile; and
c. Third line of defence: internal audit providing independent assurance.

The board bears ultimate responsibility for maintaining an internal control policy that supports the achievement of the business strategy and objectives of ITIC. Its responsibilities include:

a. Setting the tone and influencing a strong culture of internal control within ITIC, including the standards and expectations for staff with respect to conduct and probity;
b. Providing governance, guidance and oversight;
c. Reviewing and challenging the key performance indicators ("KPI"), key risk indicators ("KRI") and key control indicators ("KCI") at each board meeting; and
d. Reviewing at least annually ITIC's overall approach to internal control and assessing the effectiveness of this policy in managing the mitigating controls associated with business risks, challenging findings and recommendations for

change or to maintain the status quo as necessary and approving changes or improvements to this policy as appropriate.

The AIR committee supports the board by:

a. Considering the effectiveness of this policy, management information and internal control processes;
b. Reviewing and challenging the KPI, KRI and KCI at each committee meeting;
c. Considering the incidence of any material control failings or weaknesses identified at any point within the year and the impact that they have had or could have on financial results and regulatory requirements;
d. Reviewing this policy on an annual basis and approving recommendations by the ITIM board for changes or for the maintenance of the status quo. Then recommending this policy for approval by the board on an annual basis; and
e. Reporting and making recommendations as appropriate, to the board on the activities, reviews and evaluations set out above and as required.

Whereas the board bears ultimate responsibility for Internal Control, the Managers are responsible for establishing, maintaining and promoting efficient business practices and effective internal control processes. The ITIM board is responsible for:

a. Carrying the tone set by the board through to the managers and promoting a strong culture of internal control;
b. Maintaining an overview of the adequacy of control activities to mitigate risk exposures, identify material control failings and weaknesses, reviewing Electronic Quality Management System ("EQMS") management reviews, internal and statutory audit reports (on internal control), considering loss / near miss events, control failures, and identifying and assessing improvement needs and opportunities, monitoring their implementation as required;
c. Monitoring the relevant KPI, KRI and KCI at each meeting;
d. Monitoring the implementation of agreed improvements to internal control processes arising from the findings of EQMS management reviews, internal and statutory audit reports;
e. Reviewing this policy for its effectiveness, and considering suggestions for change or the maintenance of the status quo at least annually, challenging as appropriate; and
f. Ensuring the application of this policy and the design, development, implementation, embedding, documentation and maintenance of effective internal control processes in each ITIM board member's area of operation.

The risk management function's responsibilities in respect of internal control include:

a. challenging the effectiveness of internal control processes to mitigate risk; and
b. identifying and reviewing notifications by others of loss / near miss events in the Operational Risk Database.

The Regulatory Compliance function's responsibilities include monitoring compliance with policies and procedures in respect of Internal Control as set out in the Regulatory Compliance Framework.

The Actuarial function's responsibilities include contributing to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements; and the ORSA process.

All staff are responsible for:

a. Accurate input of data and production of information;
b. Accurate performance of internal control activities;

c. Reporting of operational problems, non-compliance or other policy violations or illegal actions; and
d. Suggesting improvements which may increase the effectiveness and efficiency of processes including EQMS processes and procedures as appropriate.

The internal audit function's responsibilities in respect of internal control include:

a. Monitoring that this policy and the internal control processes throughout ITIC are properly designed and implemented in furtherance of the internal control objectives and that they are operating in an effective and efficient manner; and
b. Reporting to the AIR committee and board on the adequacy and effectiveness of this policy and internal control processes, compliance therewith, and making recommendations for improvement as appropriate.

Statutory auditors provide the boards, members and managers with assurance by:

a. Giving an opinion on whether the financial statements give a true and fair view of the state of ITIC's affairs at the year-end and of its result for the year just ended; and
b. Informing the AIR committee on the operation of the internal financial controls reviewed as part of the annual audit.

The managers are responsible for promoting the strong culture of internal control and for establishing and maintaining an effective control environment, linked to and in support of risk management and the risk appetite set by the boards, throughout the organisation.

The policy is underpinned by a series of policies, processes, procedures and plans, designed to define and support effective, efficient and appropriate activities at every level of the business. Amongst other things, these ensure that all staff have a sound understanding of ITIC, its objectives and the risks it faces, and are fully aware of the policy and understand their role within it.

B.4.2 Key procedures: Control activities designed to prevent, detect or mitigate are in place to address business risks, protect assets and ensure that all material control failures and issues are identified and managed.

The nature of the controls implemented and the level of control exercised are based on the assessment of frequency and impact of the risk, ITIC's risk appetite and the cost of implementing controls relative to the significance of the risk.

Management monitoring activities include analyses and reconciliations, and the monitoring of the following indicators:

a. Key Performance Indicators ("KPI") covering financial performance for the period;
b. Key Risk Indicators ("KRI") covering the areas of risk in relation to the risk appetite represented in the form of ratios, tolerances & limits; and
c. Key Control Indicators ("KCI") summarise assurance results for the period.

Reviews, including reports on loss / near miss events, existing and emerging risks, and all Internal and statutory audit findings are all evaluated by the ITIM board in order to implement appropriate improvement to internal control processes.

B.4.3 Review of internal control policy: Reviews are undertaken as set out throughout this policy. Unless otherwise stated, all reviews are carried out at least annually. The purpose of these reviews is to provide assurance throughout the business and to the board in relation to the effectiveness of the managers' ongoing processes for designing, operating and monitoring the system of internal control.

B.5. Internal audit function

B.5.1 How the internal audit function is implemented: Internal audit is defined as the examination and evaluation of the design effectiveness and operation of the systems of internal control and all other elements of the system of governance.

Internal audit is the "third line of defence" in a company's internal control framework, established to provide independent assurance that the risk mitigation processes established by management ("first line") and the monitoring and oversight provided by the risk management and compliance functions ("second line") are working effectively.

The objectives of the internal audit function are to provide assurance that business risks are recognised and are being well managed and controlled by effective systems and controls through:

a. Evaluating the functioning of the systems of internal control and all other elements of the system of governance in place for ITIC which includes:
    - policies, procedures and controls;
    - risk management;
    - management and financial information;
    - methods of safeguarding, verifying and accounting for assets; and
    - efficient use of resources.
b. Examining and evaluating the compliance of activities compared with strategies, policies and reporting procedures;
c. Providing the AIR committee and the board with information and recommendations which will assist them to have in place an adequate and effective system of internal control;
d. Sharing recommendations of internal audit findings between other Thomas Miller managed clubs, whilst maintaining appropriate confidentiality, where they may be relevant and appropriate;

The following key principles outline the approach to internal audit and the internal audit function:

a. to provide impartial analysis and appraisal that is independent of the operations of the business;
b. to make recommendations for cost effective continuous improvement of internal control;
c. to be proportionate to the nature, scale and complexity of the risks inherent in the business;
d. to ensure compliance with applicable laws and regulations.

B.5.2 Independence: The Thomas Miller Holdings Ltd ("TMH") internal audit function is independent from the organisational activities audited and free to exercise its assignments without impairment and on its own initiative in all areas. It is not authorised to carry out any operational work on behalf of any area of any business.

The internal audit function shall:

a. have full authority to access any of ITIC's records, files or data, including management information and the minutes of decision-making bodies whenever relevant for the performance of its tasks;
b. have full authority to speak without hindrance to any member of staff in connection with the discharge of its responsibilities;
c. be free to express its opinions and to disclose its findings and appraisals to the AIR committee;
d. be impartial and perform its assignments with complete objectivity; and
e. have direct and independent access to the Chairman of the AIR committee or a nominated alternate.

B.5.3 Internal Audit reports: Audits are carried out regularly and contribute to checking of controls and improvements in processes.

B.5.4 Internal Audit policy: This document is maintained by the ITIC board and is reviewed at least annually. It explains the approach to internal audit. It describes the scope and status of the internal audit function, the roles and responsibilities of the different parties involved in the high-level processes and the reporting procedures. It forms part of the governance arrangements for both ITIC and the managers. This document also describes the way in which the board and AIR committee evaluate the effectiveness of the internal audit function and the internal control policy.

B.6. Actuarial function

ITIC's board of directors are ultimately responsible for ensuring an effective actuarial function. The actuarial function is a designated function under section 6 of Conditions governing general business of the PRA rulebook for Solvency II firms.

ITIC's actuarial function is performed by Thomas Miller's actuarial team, led by its Chief Actuary. For line management purposes, the actuarial function reports to Thomas Miller's Chief Finance Officer and is independent of the ITIC's management team. However, for operational purposes, the actuarial function is integrated into the ITIC's internal control system, often through its role on a selection of its committees.

The ITIM board and, ultimately, the board of ITIC are responsible for ensuring an effective actuarial function, in particular that:

a. The actuarial function is free from influences that may compromise its ability to undertake its duties in an objective, fair and independent manner; and
b. The actuarial function shall be able to communicate at its own initiative with the Board or any staff member and shall have the necessary authority, resources and expertise and ensure that it has unrestricted access to all relevant information necessary to carry out its responsibilities.

The actuarial function shall, as a minimum:

a. coordinate and oversee the calculation of technical provisions;
b. ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
c. assess the sufficiency and quality of the data used in the calculation of technical provisions;
d. inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;

e. express an opinion on the overall underwriting policy;
f. express an opinion on the adequacy of reinsurance arrangements; and
g. contribute to the effective implementation of the risk-management system, in particular with respect to:
    i. the risk modelling underlying the calculation of the capital requirements; and
    ii. the ORSA process.

In performing its duties, the actuarial function shall:

a. carry out actuarial activities in accordance with prevailing actuarial professional guidance / technical standards;
b. achieve the necessary level of compliance with all relevant laws and regulations;
c. be proportionate to the nature, scale and complexity of the strategies, structure and activities of the business and their inherent risks;
d. maintain practical control processes that require and encourage all staff to carry out their duties and responsibilities in a manner that achieves the above objectives; and
e. ensure that the techniques and assumptions employed are appropriate, taking into account current information, progress in actuarial science and generally accepted market practice.

The ITIC's actuarial function compiles an actuarial function report for the board of directors on an annual basis.

The actuarial function has undertaken its key responsibilities under Solvency II. In particular it has produced the Data Opinion, the technical provisions opinion, underwriting opinion and reinsurance opinion.

B.7. Outsourcing

Outsourcing is an arrangement of any form whereby a service provider performs a service or activity whether directly or subcontracted, which would otherwise be performed by ITIC. The outsourcing policy is directed at services which are particularly important to ITIC's business. These are known as material business activities.

B.7.1. Material business activities

Material business activities include the key functions of ITIC's system of governance, i.e. risk management, compliance, actuarial and internal audit as applicable, and all functions or activities that are fundamental to enable it to carry out its core business, including underwriting, claims handling, accounting and investments. A material business activity is one that has the potential, if disrupted, to have a significant impact on ITIC's business operations or its ability to manage risks effectively, having regard to such factors as:

a. the financial and operational impact and impact on reputation;
b. the degree of difficulty in finding an alternative service provider or bringing the business activity in-house;
c. the ability of ITIC to meet its regulatory requirements;
d. potential losses to ITIC's members and other affected parties; and
e. the relationship between ITIC and the service provider.

ITIC's management is wholly outsourced under a management agreement to its managers, the Thomas Miller Holdings Limited group of companies ("Thomas Miller"), of which its subsidiary, International Transport Intermediaries Management Company Limited ("ITIM") is ITIC's appointed representative. The role of the appointed representative is undertaken by the CEO of ITIM acting as an executive director of ITIC, and the CFO of ITIM is also a director of ITIC. The managers' duties under the management agreement may be delegated by them, in particular but not exclusively, to other companies within Thomas Miller while retaining full responsibility under the management agreement.

In addition to this main function, investment management and internal audit are also subject to outsourcing arrangements.

With respect to the three keys areas of outsourcing identified:

a. Management outsourcing. The management outsourcing has been structured in compliance with UK regulatory requirements. In order to comply with its regulatory obligations, the board has developed monitoring and reporting procedures and the AIR committee monitors, among other things, internal controls and risk. The risk control and reporting procedures to be followed by the managers form part of their obligations under the management agreement.

b. Investment management outsourcing. Management of ITIC's investments is outsourced to Thomas Miller Investment Limited, part of Thomas Miller, under an investment management agreement. The performance of the investment managers is monitored and supervised by the board and the AIR committee of the board.

c. Internal audit outsourcing. ITIC's internal audit function is outsourced to Thomas Miller Internal Audit, under a services agreement. Internal audit is supervised by the AIR committee and the board.

B.7.2. Jurisdictions

Outsourced service providers operate mainly within the United Kingdom. However, fronting for EU policies incepting after 1st November 2019 is undertaken in the Netherlands.

B.8. Any other information

ITIC considers no other information material to be disclosed.

C. Risk profile

ITIC has identified its meaningful risks and considers that its risk universe comprises the list below. These exposures could threaten ITIC's viability, materially impact asset values or result in material underperformance.

a. Strategic risks: exposures arising from inadequate or ineffective strategy formulation as well as the risk of ineffective execution;
b. Underwriting and reserving risks;
c. Concentration risks: exposures from being a mono-line insurer in a specialist area;
d. Reputational risks;
e. Financial risks: encompassing liquidity, credit, reinsurance, investment and asset liability management risks;
f. Operational risks: exposures arising in day-to-day business activities and include organisational risks which take in the potential of having ineffective or insufficient leadership as well as the quality of talent and effectiveness of human resource systems such as development, compensation and performance management;
g. Compliance risks; and
h. External risks: exposures the enterprise cannot control.

Each risk identified in ITIC's business risk assessments is linked to one of the above.

The risk universe helps shape the ITIC board agenda tasks management to undertake initiatives to reduce exposures and improve performance. This is summarised in ITIC's risk management policy and works alongside the ITIC rolling business plan.

The following considerations of each type of risk are largely summarised from the financial statements for the year ended 31st May 2023.

C.1. Underwriting risk

Underwriting risk is the risk that ITIC's net insurance obligations (i.e. claims less premiums) are different to expectations. ITIC considers the risk of existing obligations (Reserve Risk) separately to the risk of future obligations (Premium Risk).

Reserve risk is managed by ITIC's reserving policy. ITIC establishes provisions for unpaid claims and related expenses to cover its expected ultimate liability. These provisions are established through the application of actuarial techniques and assumptions. In order to minimise the risk of understating these provisions the assumptions made and actuarial techniques employed are reviewed in detail by management.

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

ITIC's exposure to insurance risk is initiated by the underwriting process and incorporates the possibility that an insured event occurs, leading to a claim on ITIC from a member. The risk is managed by the underwriting process, acquisition of the reinsurance cover, and the management of claims costs.

ITIC's main insurance risks can arise from:

a. Inappropriate underwriting of risks;
b. Failure of one or more reinsurers;
c. Prohibitive cost / unavailability of reinsurance;
d. Inappropriate or inconsistent reserving methodologies;
e. Failure to react to major increase in claims;
f. Impact of new legislation on risks written; and
g. Over reliance on significant premium payers.

The objective of ITIC's insurance risk management process is to establish effective underwriting, reinsurance and reserving strategies which are agreed and monitored by ITIC's board in accordance with its risk appetite statement.

ITIC establishes provisions for unpaid claims and related expenses to cover its expected liability. These provisions are established through the application of actuarial techniques and assumptions. In order to minimise the risk of understating these provisions, the assumptions made and actuarial techniques employed are reviewed in detail by management.

ITIC considers that the liability for insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome and this is monitored in ITIC's Key Risk Indicators which are reported to the board and Audit Investment & Risk Committee at their meetings.

The results of sensitivity testing are set out below, showing the impact on the surplus before tax, gross and net of reinsurance. The impact of the change in a single factor is shown, with the assumption unchanged. The sensitivity was chosen because the loss ratio is a key performance indicator of the business. The analysis assumes that a change in loss ratio is driven by the change in claims incurred.

	2023	2022
	US$	US$
Increase in loss ratio (see definition below) by 5 percentage points from 37% to 42% (2022 - 22% to 27%)	000s	000s
Based on gross premium net of acquisition costs	(2,852)	(2,705)
Based on gross premium net of acquisition costs and reinsurances	(259)	(244)
A 5 per cent decrease in loss ratios would have an equal and opposite effect.		

C.2. Market risk

Market risk arises through fluctuations in interest rates, corporate bond spreads and foreign currency exchange rates. Such movements will affect not only the ITIC's investments, but also the value of other assets and liabilities such as premium income, claims payments and reinsurance recoveries.

Interest rate risk arises primarily from investments in fixed interest securities. In addition, to the extent that claims inflation is correlated to interest rate, liabilities to policyholders are exposed to interest rate risk.

ITIC's investment policy is set to ensure that the duration of the investment portfolio is appropriately matched to the duration of the policyholders' liabilities. Interest rate risk is monitored by comparing the mean duration of the investment portfolio and that of the policyholders' liabilities. The mean duration is an indicator of the sensitivity of the assets and liabilities to changes in the current interest rates.

Interest rate is considered a key factor impacting the investment result of the business. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. In the event of a parallel shift of yield curve up by 100 basis points, the benchmark portfolio value will move by the modified duration of approximately three years. This will result in a circa 3.1% loss on the fixed income portfolio. For ITIC's actual fixed income investments, a parallel shift of the yield curve up by 100 basis points would result in a loss for the period and a decrease in investment values of approximately US$1,726,000 (2022: US$1,667,000) if all other assumptions remain unchanged. A parallel shift of the yield curve down by 100 basis points would result in an increase of approximately equal magnitude in investment values if all other assumptions remain unchanged.

A list of assets and derivatives may be found in S.06.02 and S.08.02 as reported to the PRA under ITIC's annual regulatory reporting requirement. This list is not included within the SFCR. With the exception of operational cash funds, these assets are subject to ITIC's investment policy and mandate and as a result the prudent person principle.

C.2.1 The prudent person principle

ITIC's investment policy states that the AIR committee should monitor and advise whether the investment managers have adhered to the "prudent person principle" with regards to its management of the investments. This is stated in the Investment policy and repeated below:

"ITIC's investments are invested and managed as follows:

a. only in assets and instruments whose risk can properly be identified, measured, monitored, managed, controlled and reported;
b. in such a manner as to ensure the security, quality and liquidity of the portfolio as a whole;
c. in a manner appropriate to the nature and duration of ITIC's insurance liabilities. All assets are invested in the best interest of the policy holders insured by ITIC;
d. the use of derivative instruments are possible insofar as they contribute to a reduction of risks or facilitate efficient portfolio management;
e. investments and assets which are not admitted to trading on a regulated financial market are kept to levels advised by the investment mandate and ultimately the risk appetite;
f. investments are properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings, or geographical area and excessive accumulation of risk in the portfolio as a whole; and
g. such that investments in assets issued by the same issuer, or by issuers belonging to the same group, does not expose ITIC to excessive risk concentration."

The AIR committee approved this statement at its meeting on 13th July 2023.

C.3. Credit risk

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

The main areas where ITIC is exposed to credit risk are:

a. Reinsurers' share of insurance liabilities;
b. Amounts due from reinsurers in respect of claims already paid;
c. Amounts due from policyholders;
d. Amounts due from insurance intermediaries;
e. Amounts due from bond issuers;
f. Cash at banks and deposits with credit institutions; and
g. Counterparty risk with respect to derivative transactions.

Reinsurance is used to manage insurance risk. This does not, however, discharge ITIC's liability as primary insurer. If a reinsurer fails to pay a claim, ITIC remains liable for the payment to the policyholder.

Credit risk on reinsurance balances is mitigated by assessing the creditworthiness of the reinsurer before it is used and strict criteria are applied (including rating the financial strength of the reinsurer) before a reinsurer is approved. All excess of loss reinsurance contracts are subject to an A- or above rating. The quota share reinsurance is placed with TIMIA. TIMIA is unrated but ITIC holds a fixed charge of US$41.3m on the TIMIA investments portfolio. This provides satisfactory mitigation comfort over the credit risk.

Debtors arising out of direct insurance operations comprise premium owed by the members of the club. Credit risk relating to this risk is managed through take on procedures for the assured. Furthermore, if the assured does not pay, then cover may be cancelled back to inception.

Counterparty limits based on the credit ratings are also in place in relation to the amounts due from bond issuers and cash and bank deposits.

The following table provides information regarding aggregated credit risk exposure for financial assets with external credit ratings as at 31st May 2023. The credit rating bands are provided by independent ratings agencies:

2023	AAA US$ 000s	AA US$ 000s	A US$ 000s	BBB+ or less or not rated US$ 000s	Total US$ 000s
Fixed interest - Government	-	51,028	-	-	51,028
Fixed interest - Corporate	-	-	-	-	-
Forward Contracts	-	-	-	-	-
UCITS	2,578	-	-	-	2,578
Claims recoveries excess of loss reinsurance	-	-	6,130	-	6,130
Claims recoveries quota share reinsurance	-	-	-	61,973	61,973
Cash	-	-	-	3,647	3,647
Arising for insurance and reinsurance operations	-	-	-	25,628	25,628
Total	2,578	51,028	6,130	91,248	150,984

2022	AAA US$ 000s	AA US$ 000s	A US$ 000s	BBB+ or less or not rated US$ 000s	Total US$ 000s
Fixed interest - Government	-	53,490	-	-	53,490
Fixed interest - Corporate	-	-	-	-	-
Forward Contracts	-	-	-	-	-
UCITS	4,348	-	-	-	4,348
Claims recoveries excess of loss reinsurance	-	-	8,935	-	8,935
Claims recoveries quota share reinsurance	-	-	-	62,661	62,661
Cash	-	-	-	8,759	8,759
Arising for insurance and reinsurance operations	-	-	-	33,089	33,089
Total	4,348	53,490	8,935	104,509	171,282

After assessing all other financial assets at the end of the year, no objective evidence was found to suggest that any were impaired (2022: no impairments).

C.4. Liquidity risk

Liquidity and cash flow risk is the risk that cash may not be available at a reasonable cost to pay obligations as they fall due. ITIC maintains holdings in short term deposits to ensure there are sufficient funds available to cover anticipated liabilities and unexpected levels of demand. As at 31st May 2023 ITIC's short term deposits amounted to US$3.6m (2022: US$8.8m). The tables below provide a maturity analysis of ITIC's financial instruments. The assets in the below tables are not impaired due to the fact that their full value are deemed to be recoverable.

2023	Less than 6 months or on demand US$ 000s	6 months - 1 year US$ 000s	1 - 2 years US$ 000s	2-5 years US$ 000s	> 5 years US$ 000s	Carrying value in the statement of financial position US$ 000s
Debt securities	2,578	10,764	3,217	27,082	9,966	53,606
Forward Contracts	(22)	-	-	-	-	(22)
Reinsurers share of technical provisions - unearned premiums		-	-	-	-	-
Reinsurers share of technical provisions - claims outstanding	15,744	10,201	13,279	8,967	19,912	68,103
Debtors arising out of direct insurance operations	10,148	6,270	8,019	-	-	24,437
Debtors arising out of reinsurance operations	1,191	-	-	-	-	1,191
Other debtors	213	-	-	-	-	213
Cash and cash equivalents	3,647	-	-	-	-	3,647
Technical provisions - claims outstanding	(17,181)	(11,133)	(14,492)	(9,786)	(21,731)	(74,323)
Creditors	(1,553)	-	-	-	-	(1,553)
Creditors arising from reinsurance operations	(1,138)	5,002	-	-	(23,672)	(19,808)
Total	13,627	21,104	10,022	26,263	(15,525)	55,491

2022	Less than 6 months or on demand US$ 000s	6 months - 1 year US$ 000s	1 - 2 years US$ 000s	2-5 years US$ 000s	> 5 years US$ 000s	Carrying value in the statement of financial position US$ 000s
Debt securities						-
Forward Contracts	4,348	-	11,047	42,443	-	57,838
Reinsurers share of technical provisions - unearned premiums	(2)	-	-	-	-	(2)
Reinsurers share of technical provisions - claims outstanding	15,473	10,701	14,506	9,844	21,072	71,596
Assets arising from reinsurance contracts held	16,566	13,039	2,206	-	-	31,811
Debtors arising from insurance contracts	1,278	-	-	-	-	1,278
Other debtors	134	-	-	-	-	134
Cash and cash equivalents	8,759	-	-	-	-	8,759
Technical provisions - claims outstanding	(16,841)	(11,647)	(15,788)	(10,714)	(22,935)	(77,925)
Creditors	(1,738)	-	-	-	-	(1,738)
Creditors arising from reinsurance operations	(1,186)	(12,166)	-	-	(23,630)	(36,982)
Total	26,791	(73)	11,971	41,573	(25,493)	54,769

The assets in the above tables are not impaired due to the fact that their full value is deemed to be recoverable.

C.4.1 Reliance on expected future profit: As ITIC is a mutual insurer, it does not aim to make "profit" from its activities. However, surpluses or deficits may arise in the course of its operations due to actual experience being different to expectations. Given the holding in liquid assets, ITIC does not rely on expected future surpluses to ensure its liquidity.

ITIC's Solvency II balance sheet as at 31st May 2023 recognises expected future premium from members in its technical provisions in respect of outstanding premium income for business already bound at the balance sheet date. Comparing this to the corresponding expected claims outcome and associated expenses, this premium is expected to produce a surplus of US$1.8m (2022: US$6.7m).

C.5. Operational risk

Operational risks are the risks of monetary or other losses arising from failed or inadequate processes, people, systems or external events. ITIC creates a framework of policies, procedures and controls to minimise the potential for these events.

ITIC creates a framework of policies, procedures and controls to minimise losses from these mistakes. Procedure manuals are maintained on the EQMS.

ITIC accepts that on occasion, operational loss events can occur, but there should be control mechanisms in place to reduce the likelihood and ensure that the same mistake is not made twice.

All events that lead to a loss greater than US$10,000 are recorded in the Operational Risk Database. Near misses with the potential to lose more than the same amount are also recorded. Summaries are provided in the KCIs and lessons should be learned from them.

This is detailed further in the risk management policy.

C.6. Other material risks

ITIC has not identified any other material risks that it considers should be disclosed.

C.7. Any other information

ITIC carries out stress and scenario testing as part of its risk management and ORSA process. For management purposes stress and scenario testing are carried out combining ITIC with its parallel quota reinsurer TIMIA.

The base case business plan forecast for the next three years is used as the starting point for scenario testing. The impacts of adverse scenarios are then evaluated.

A key part of validating the internal model is to test the reasonableness of the outputs. To provide an independent test, the managers consider scenarios for each risk and attribute a likelihood of occurrence to the scenario. These scenarios are then compared to the internal model outputs to determine whether the internal model captures the range of scenarios adequately.

Given that market risk makes up over half of ITIC's OSNA, scenarios have been considered specifically for this risk. These are compared with the internal model outputs. The managers have not considered it necessary at this stage to consider specific, additional scenarios for validation of the other risks beyond those noted earlier in the medium term forecasting and also in the reverse stress testing. Further scenarios may be considered for these risks in the future if the Managers feel it is appropriate to do so.

The following scenarios are included in ITIC's latest ORSA and assessed against ITIC's risk corridor:

a. A very soft market and net lost business;
b. Soft market (competition & capacity), higher claims inflation and deterioration in back years; and
c. High inflation scenario.

The management team also considered:

a. Loss of key members of the management team (say four at once);
b. Loss of operational performance following known imminent changes in the non-executive board of directors.
c. Lack of reinsurance available in the market place;
d. A major broker decides to not place business with ITIC;
e. Change in insurance environment;
f. Mergers;
g. Decision to give excessive amounts of funds back to members via continuity credit;

h. Climate change:
i. Loss of electronic data and cyber risks:
j. Inflation;
k. Stressed departure by ITIC from managers; and
l. Conduct risk.

The investment managers' quantitative risk consultants, Redington, also considered a series of market risk scenarios. Given that market risk makes up over half ITIC's Own Solvency Needs Assessment ("OSNA"), scenarios have been considered specifically for this risk. These are compared with the model outputs. The managers have not considered it necessary at this stage to consider specific, additional scenarios for validation of the other risks beyond those were consider in the medium term forecasting and also in the reverse stress testing. Further scenarios may be considered for these risks in the future if felt appropriate.

Furthermore, ITIC undertook reverse stress testing considering:

a. Severe Economic Collapse;
b. Gap in reinsurance cover;
c. Shipping Market Collapse; and
d. "Super" reverse stress test

The results of the various tests were incorporated into the ORSA and referred to in its executive summary. ITIC is expected to continue to meet its overall capital risk appetite over the medium term on its base case assumptions. However, alternative adverse planning scenarios based on a softer insurance market indicate that there is a chance that the risk appetite could be breached under extreme scenarios (e.g. a repeat of the 2009 shipping market collapse). Nevertheless, the SCR, itself a form of stress test, shows that ITIC can maintain its solvency over a one year period with 99.5% certainty.

ITIC addresses other risks namely political (including change to UK tax agreement) and climate change risk. ITIC considers how these could impact the financial risks and insurance risk exposures via its emerging risks log as well as via the climate change policy and plan. ITIC also considers fraud risks (including misappropriation of investment funds) and this is managed through the fraud risks register. ITIC currently has a climate change policy and plan to address the relevant environmental, social and governance requirements and this continues to be refined. ITIC has put in place a policy to assist in managing the financial risks associated with the effects of climate change and to ensure that ITIC has adequate oversight and control of this area and understands how climate change relates to other risk groups. The financial risks emanating from climate change can impact other risk groups, specifically the strategy, insurance, credit and market risk areas. Financial risks from climate change arise through two primary channels, being physical and transition factors. In addition, liability can arise from third parties who have suffered loss or damage from physical or transition risk factors associated with climate change.

ITIC has not identified any other material information that it considers should be disclosed.

D. Valuation for solvency purposes

A basic principle of Solvency II is that assets and liabilities are valued on the basis of their economic value. This is the price which an independent party would pay or receive for acquiring the assets or liabilities. The value of the assets less the value of the liabilities is then taken as the starting point for determining the available own funds.

Materially all of the valuation differences between the Solvency II balance sheet and the current accounting balance sheet relate to the valuation of insurance liabilities ("technical provisions") which is further discussed in D.2 – Technical Provisions. ITIC prepares its financial statements under UK GAAP including FRS 102 and 103.

The Solvency II balance sheet is presented in appendix S.02.01.02.

D.1. Assets

	Solvency II 31/05/2023 US$000s	UKGAAP 31/05/2023 US$000s	Solvency II 31/05/2022 US$000s	UKGAAP 31/05/2022 US$000s
Deferred Acquisition costs	-	583	-	638
Financial investments and derivatives	53,823	53,823	58,019	58,019
Reinsurers' share of technical provisions	67,541	104,091	73,929	115,487
Insurance and intermediaries receivables	4,066	21,460	4,114	30,608
Reinsurance receivables	1,191	1,191	1,278	1,278
Receivables, trade not insurance	213	213	186	186
Cash and cash equivalents	3,647	3,647	8,759	8,759
Any other assets, not elsewhere shown	2,977	2,977	1,203	1,203
Total	**133,458**	**187,986**	**147,488**	**216,178**

The above table shows amounts at Solvency II and UK GAAP valuation bases respectively. For classification purposes the Solvency II classification of amounts has been used. UK GAAP assets shown above US$188.0m, less UK GAAP liabilities detailed in D.3 of US$137.5m, equal US$50.5m of retained income and expenditure reserves at 31st May 2023 as per the amount shown in the statutory accounts. The breakdown between assets above and liabilities is different to the financial statements, largely because 'Deferred Acquisition Costs' being presented net for the purposes of Solvency II in addition to differing valuation bases used for Technical Provisions under GAAP and Solvency II bases.

ITIC's assets are valued using the following principles. These principles highlight where there are adjustments between GAAP accounting and Solvency II accounting.

D.1.1 Financial Investments: Investments are carried at market value. Market value is calculated at the close of business on the balance sheet date. The market value of foreign currency investments is translated at the rate of exchange ruling at the balance sheet date.

Fair values of investments traded in active markets are measured at bid price. Where there is no active market, fair value is measured by reference to other factors such as independent valuation reports.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.1.2 Derivatives – forward currency contracts: Further detail on ITIC's valuation policy for derivatives may be found in D.3.1.

D.1.3 Reinsurer's share of technical provisions: Reinsurer's share of technical provisions is treated consistently to gross technical provisions. Technical provisions are further discussed in D.2.

D.1.4 Reinsurance receivables: This balance includes amounts recoverable from excess of loss reinsurance contracts in respect of claims payments made and covered by these contracts. Due to the short-term nature of these items, the carrying amount is considered to be a suitable proxy for its fair value.

D.1.5 Receivables, trade not insurance: This balance includes sundry, short term receivable balances the value and settlement of which contains little to no uncertainty. Due to the short-term nature of these items, the carrying amount is considered to be a suitable proxy for its fair value.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.1.6 Insurance and intermediaries' receivables: These represent balances that are due for existing insurance contracts. Due to the short term nature of these balances, the carrying amount is considered to be a suitable proxy for its fair value. These amounts are reviewed annually for impairment.

When these amounts are not yet due, they are included as a future cash flow in the calculation of technical provisions for Solvency II purposes as further detailed in D.2. This is materially different to statutory account requirements which require these balances to be presented separately on the face of the balance sheet whether they are due or not yet due.

D.1.7 Cash and cash equivalents: Cash and cash equivalents include cash at bank or in hand, deposits held at call with banks and other short term highly liquid investments. The carrying value of these balances is considered to be a suitable proxy for fair value.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.1.8 Any other assets, not elsewhere shown: This balance represents sundry receivables. Due to its short term nature the carrying amount equals its fair value.

D.2.Technical provisions

Net technical provisions as at 31st May 2023 are shown below.

	31/05/2023 US$000s	31/05/2022 US$000s
Gross best estimate	69,645	71,530
Risk Margin	924	1,165
	70,570	72,695
Reinsurance best estimate	(67,541)	(73,929)
Net technical provisions	**3,029**	**(1,234)**

Refer to Appendices S.17.01.02 and S.19.01.21 for further details on technical provisions.

ITIC's technical provisions are valued using the following principles. These principles highlight where there are adjustments between GAAP accounting and Solvency II accounting.

D.2.1 Bases, methods and main assumptions

The technical provisions are valued using the methodology prescribed by the Solvency II Directive and associated regulations. They consist of a "best estimate" of future cash flows (claims, premiums and expenses), which are discounted in line with risk-free interest rates to give the "present value" of those cash flows. Finally, a (market value) "risk margin" is added to take the total to a notional market value (i.e. equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations).

D.2.2 Claims: As ITIC only covers general liabilities, all claims are analysed together in one risk group. Standard actuarial techniques are used to project these cash flows including chain ladder and Bornhuetter-Ferguson methods. The key assumptions related to the initial expected claims cost for each policy year and the projected notified claims development pattern. These methods are considered appropriate given the longevity and stability of ITIC and its claims handling processes.

Allowance is made for claims on contracts bound, but for which coverage has not yet incepted (corresponding to the premium provision). These are valued using an inflation assumption applied to the previous year ultimate.

The future claims cash flows are the most uncertain element of the technical provisions. The uncertainty involved was further discussed in Section C1 on Underwriting Risk.

D.2.3 Premiums: The premium cash flows in the technical provisions cover:

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

D.2.4 Expenses: The technical provisions include expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. The provision is calculated directly in respect of the provision for claims outstanding (for expired business) and a corresponding amount is derived in respect of the premium provision (for bound but not incepted and unexpired business).

D.2.5 Risk margin: The risk margin is calculated based on the requirement to hold capital to meet the SCR until all claims liabilities are settled and a prescribed cost-of-capital rate of 6% per annum. This calculation is based on the assumption that a "reference undertaking" takes on the insurance obligations (and associated reinsurance arrangements). The SCR in this context is made up of underwriting risk, counterparty default risk and operational risk only; assets are assumed to be invested in such a way that market risk will be zero and the referencing undertaking does not take on any new insurance obligations. The SCRs in future time periods have been assumed to be directly proportional to the best estimate claims liabilities net of reinsurance recoverables at those points in time.

D.2.6 Reinsurance recoverables: This relates to ITIC's expected reinsurance recoverables from its reinsurance arrangements at the valuation date. It is made up of two elements: reinsurance payments and reinsurance premiums. These are valued on a consistent basis with the corresponding claims and premiums elements of the technical provisions. In addition, an adjustment is made to take account of expected losses due to default of the reinsurance counterparties. See also the note on ITIC's fixed charge on TIMIA investments (section C.3); these assets were valued at US$40.4m at 31st May 2023.

D.2.7 Sources of uncertainty: The estimation of the ultimate liability arising from claims made under insurance contracts is ITIC's most critical estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that ITIC will ultimately pay for such claims. Estimates are made for the expected ultimate cost of reported claims at the end of the reporting period. The estimate of incurred but not enough reserved ("IBNER") is generally subject to a greater degree of uncertainty. In calculating the estimated liability, ITIC uses a variety of estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments.

In particular the following represents the main sources of uncertainty that may impact the outcome of ITIC's technical provisions:

- Certain claims may turn out to be significantly longer, or shorter tailed than the whole book leading to an over / underestimation of claims reserves. There is also an uncertainty around numbers and average cost of these claims.
- There is potential for IBNER to deteriorate to a greater extent than allowed for in the projections.
- New and unexpected claims types could impact the reserving methodology. This is partly allowed for in ITIC's provision for Events not in Data.
- Uncertainty surrounding the development and cash flow patterns may impact the outcome of ITIC's technical provisions.
- Currency and exchange rates are inherently uncertain and may impact the outcome of the final technical provisions amount.

D.2.8 Differences between GAAP and Solvency II technical provisions

A reconciliation of UK GAAP technical provisions to Solvency II technical provisions is shown in the table below:

	Notes	31/05/2023 Gross US$000s	31/05/2023 Reinsurance US$000s	31/05/2023 Net US$000s	31/05/2022 Gross US$000s	31/05/2022 Reinsurance US$000s	31/05/2022 Net US$000s
UK GAAP technical provisions		**114,310**	**104,091**	**10,218**	**126,692**	**115,487**	**11,206**
Eliminate UPR reserve	1	(39,987)	(35,988)	(3,999)	(48,767)	(43,891)	(4,877)
Eliminate margin	2	(10,203)	(9,183)	(1,020)	(10,208)	(9,187)	(1,021)
Reallocate premiums not yet due	3	(1,303)	(1,878)	(130)	(26,494)	(24,479)	(2,015)
Adjustment to expense reserve	3	1,000	1,000	-	874	874	-
Unexpired and BBNI contract cash flows	4	12,446	15,694	(3,248)	33,942	39,382	(5,440)
Reinsurance counterparty default adjustment	5	-	(10)	10	-	(20)	20
Effects of discounting	6	(8,070)	(7,573)	(497)	(5,904)	(5,566)	(339)
ENID adjustment	7	1,453	1,388	65	1,395	1,329	66
Solvency II risk margin	2	924	-	924	1,165	-	1,165
Total Solvency II technical provisions		**70,570**	**67,541**	**3,029**	**72,695**	**73,929**	**(1,234)**

Notes

1. Unearned premium. The Solvency II balance sheet contains no concept of deferral of premium, and as such any such balances are eliminated upon transition to the Solvency II balance sheet. These balances are replaced by a provision for future cash flows expected on unexpired business.

2. Contingency margin and Solvency II risk margin: Since the Solvency II technical provisions figure is a best estimate, margins for prudence are removed under the Solvency II valuation methodology. This is replaced by an explicit Solvency II risk margin which is intended to represent a notional market value adjustment as discussed above. This is calculated on a prescribed “cost of capital” approach, based on the idea of a market insurer taking over ITIC’s insurance liabilities having to raise capital to meet its own regulatory capital requirements over the run-off of the liabilities following the transfer.

3. Adjustment to expense reserve: When calculating the Solvency II best estimate, a provision is made for all expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses.

4. Provision for cash flows on unexpired contracts and contracts bound but not incepted: Solvency II valuation methodology requires an insurer to estimate the cash flows on future coverage that the insurer will provide. This includes the unexpired portion of existing contracts and contracts that have been bound, but for which coverage has not yet incepted. These contracts are to be recognised when the insurer becomes party to the contract which is usually when the contract between undertaking and policyholder is legally formalised. All of these amounts are recognised under premium provisions and include unexpired amounts not yet due previously recognised on the UK GAAP balance sheet as debtors or creditors. It should be noted that the cash flow movements determined in relation to the excess of loss reinsurance cost on bound but not incepted premium has been calculated as a percentage of premium. This approach is considered to be in line with the guidance provided by EIOPA for reinsurance cash outflows.

5. Reinsurance counterparty default adjustment: Amounts recoverable from reinsurance counterparties must be adjusted for expected losses due to counterparty default for the Solvency II balance sheet. This adjustment approximates the expected present value of the losses in the event of default, weighted by the probability of default for each counter party. Under UK GAAP accounting a provision for bad debts is only made where there is objective evidence that a counter party may default on its obligation.

6. Effects of discounting: Since Solvency II technical provisions take into account the time value of money, an adjustment is made for the discounting of all future cash flows based on risk-free interest rates. Under UK GAAP accounting, insurance liabilities and reinsurance recoveries are shown as undiscounted figures.

7. ENID adjustment: Solvency II requires that all possible outcomes are allowed for when setting the technical provisions. Therefore, an additional provision needs to be made for "events not in data", i.e. potential adverse claims outcomes that have not been observed to date and hence are not taken into account in assessing the claims provisions.

8. Future reinsurance recoverables: Within ITIC's financial statements, allowance is made for future reinsurance recoverables. For the purposes of the Solvency II balance sheet, this is derived from the gross claims reserves set as part of the reserve review.

9. Adjustment to expense provision: Unlike UK GAAP, Solvency II recognises all expense cash flows incurred in serving insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. As such, an adjustment is made.

10. Future management actions: There are no significant management action assumptions used in the valuation of ITIC's assets, technical provisions and other liabilities.

11. Policyholder behaviour assumptions: There are no significant policyholder behaviour assumptions used in the valuation of ITIC's assets, technical provisions and other liabilities.

D.3. Other liabilities

Valuation of ITIC's other liabilities as at 31st May 2023.

	Solvency II 31/05/2023 US$000s	**UKGAAP 31/05/2023 US$000s**	**Solvency II 31/05/2022 US$000s**	**UKGAAP 31/05/2022 US$000s**
Technical provisions	70,570	114,310	72,695	126,692
Derivatives	22	22	2	2
Insurance and intermediaries payables	98	98	51	51
Reinsurance payables	4,057	19,782	11,317	35,796
Payables, trade not insurance	3,309	3,309	5,304	5,304
Total	**78,054**	**137,520**	**89,369**	**167,846**

The above table presents amounts at Solvency II and UK GAAP valuation bases respectively. For classification purposes the Solvency II classification of amounts has been used.

D.3.1 Derivatives: Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of foreign exchange forward contracts is based on current forward exchange rates.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.3.2 Technical provisions: Further detail on ITIC’s valuation policy for technical provisions may be found in D.2.

D.3.3 Reinsurance payables: These represent balances that are due to be paid for existing reinsurance contracts. When these amounts are not yet due to be paid, they are included as a future cash flow in the calculation of reinsurance technical provisions.

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

D.3.4 Insurance & Intermediaries payables: These represent balances payable on insurance contracts. Due to the short term nature of these balances, its carrying amount is considered a suitable proxy for fair value. There is no difference between the valuation for solvency purposes and the valuation used in ITIC’s financial statements.

D.3.5 Payables, trade not insurance: These balances include sundry, short term payable balances the value and settlement of which contains little to no uncertainty. Due to the short-term nature of these items, the carrying amount is considered to be a suitable proxy for its fair value. There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.4. Alternative methods of valuation

ITIC does not utilise any alternative methods of valuation.

D.5. Any other information

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

E. Capital Management

Basic own funds of the businesses comprise the excess of assets over liabilities. They can also comprise subordinated liabilities but ITIC does not have any of these.

Ancillary own funds consist of items other than basic own funds which could be called upon to provide additional capital. These may comprise the following:

a. Letters of credit or guarantees;
b. Unpaid share capital or initial funds that has not been called up;
c. Any other legally binding commitments received by insurance and reinsurance undertakings; and
d. Supplementary premium.

These have **NOT** been considered in assessing the solvency of ITIC within the Solvency II process.

In order, to be able to recognise ITIC's ability to recover quota share reinsurance balances from its unrated parallel mutual, TIMIA, ITIC maintains a fixed charge over a portfolio of investments held by TIMIA. The minimum value of these investments has currently been fixed at US$35.0m and were valued at US$40.5m at 31st May 2023 (2022 – US$40.4m).

Capital management encompasses the monitoring and measurement of the own-funds which maintain the solvency of the business. ITIC maintains a policy which sets out the principles used behind ITIC's approach to capital management. These principles cover: classification, monitoring, encumbrances, arrangements, contractual terms, return of capital and the impact of stress scenarios.

The policy also includes the Medium-term Capital Management plan which sets out the options which are used to maintain sufficient levels of capital in the business. These options include decisions on:

a. The terms for the underwriting for the new club year;
b. The level of continuity credit for the forthcoming club year for one and two year deals;
c. The reinsurance program to be decided on for the new club year;
d. The approach towards targeting new business and non-renewing other business;
e. Reviewing and agreeing the approach for any cases requiring consideration;
f. Agreeing the financial statements and regulatory returns including the agreement of the appropriate level for claims provisions;
g. Deciding on the appropriate investment mandate for ITIC.
h. Monitoring the investment portfolio for liquidity as well as asset maturity profile; and
i. Reviewing and approving the ORSA report and any projections contained therein.

E.1 Own funds

All amounts are as at 31st May 2023 and presented in thousands of US Dollars unless otherwise stated:

	31/05/2023 US$000s	31/05/2022 US$000s
SCR ratio	489%	479%
SCR	11,319	12,139
Eligible own funds	55,404	58,119
Excess	44,084	45,980
MCR Ratio	1397%	1349%
MCR	3,966	4,309
Eligible own funds	55,404	58,119
Excess	51,438	53,810
Total Tier 1 Basic own funds	55,404	58,119

Further information on ITIC's own funds may be found in appendix S.23.01.

As a mutual insurer with no share capital ITIC's capital structure consists of an accumulated income and expenditure account reserve and reconciliation reserve, which falls under Tier 1 and counts as Basic Own Funds ("BOF"). These funds may be fully utilised to meet both the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR").

Tier 1 BOF contains no significant restrictions affecting the availability and transferability of these own funds.

E.1.1 Material differences between equity as shown in the financial statements and the excess of assets over liabilities

This table represents a reconciliation of UK GAAP capital reserves to Solvency II capital reserves.

	Notes	31/05/2023 US$000s	31/05/2022 US$000s
UK GAAP reserves		**50,466**	**48,332**
Solvency II gross technical provisions adjustment		43,740	53,997
Of which reallocation of amounts not yet due	*1*	(1,303)	(26,494)
Solvency II reinsurance technical provisions adjustment		(36,550)	(41,558)
Of which reallocation of amounts not yet due	*1*	1,243	24,479
Elimination of deferred acquisition cost - gross	*2*	(5,827)	(6,379)
Elimination of deferred acquisition costs - reinsurance	*2*	5,245	5,741
Application of Solvency II boundary (net)	*3*	(1,609)	-
Total Solvency II basic own funds		**55,404**	**58,119**

Notes

The most material adjustment to reserves is as a result of the differences in valuation of technical provisions which has been further discussed in D.2.

1. Reallocation of amounts not yet due: Under Solvency II valuation requirements, any amounts not yet due are included as a future cash flow as part of technical provisions. Under statutory accounting requirements, these amounts are included in debtors and creditors on the face of the balance sheet.

2. Elimination of deferred acquisition costs: The Solvency II balance sheet does not defer insurance cash flows. As such balances for deferred acquisition costs are eliminated upon transition to the Solvency II balance sheet.
3. Application of Solvency II boundary (net): On a GAAP basis, ITIC writes certain multi-year policies which are generally for two years. Under the contract boundary requirements of Solvency II, the exposure relating to these policies is modified to reflect the policy wording which includes a break clause after one year and as a result is adjusted for on a Solvency II basis.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The below table summarises the capital requirements for the current period comparable to the previous period. Further details can be found in appendices S.25.01.

	31/05/2023 US$000s	**31/05/2022 US$000s**
SCR	**11,319**	**12,139**
Made up of		
Market risk	5,226	4,583
Underwriting & reserving risk	5,075	6,507
Counterparty default risk	1,956	1,999
Diversification impact	(3,027)	(3,097)
Operational risk	2,089	2,146
MCR	**3,966**	**4,309**

The SCR has been calculated using the Solvency II Standard Formula and is subject to supervisory assessment. ITIC does not use any simplifications or undertaking specific parameters to calculate the SCR.

The main risks that drive the SCR is underwriting risk which stems from the insurance risk that ITIC assumes through the course of its normal business activities and is increased by lapse risk associated with future business.

The overall SCR has decreased by US$0.8m since last year, the decrease is mainly in underwriting and reserving risk.

The inputs used to calculate ITIC's MCR include net premiums written for general liability insurance of US$13.2m (2022: US$12.9m) and can be found in appendix S.28.01.

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

This sub-module is not used by ITIC.

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

ITIC uses the standard formula for the calculation of its SCR.

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

ITIC has fully complied with the SCR and MCR during the period under review.

E.6 Any other information

There is no other information to disclose.

S.01.02.01
Basic information - General

	General information	C0010
R0010	Undertaking name	INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED
R0020	Undertaking identification code	213800BCZOAY52YN8807
R0030	Type of code of undertaking	LEI
R0040	Type of undertaking	Non-life undertakings
R0050	Country of authorisation	GB
R0070	Language of reporting	en
R0080	Reporting submission date	
R0081	Financial year end	2023-05-31
R0090	Reporting reference date	2023-05-31
R0100	Regular/Ad-hoc submission	Regular reporting
R0110	Currency used for reporting	USD
R0120	Accounting standards	Local GAAP
R0130	Method of Calculation of the SCR	Standard formula
R0140	Use of undertaking specific parameters	Don't use undertaking specific parameters
R0150	Ring-fenced funds	Not reporting activity by RFF
R0170	Matching adjustment	No use of matching adjustment
R0180	Volatility adjustment	No use of volatility adjustment
R0190	Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
R0200	Transitional measure on technical provisions	No use of transitional measure on technical provisions
R0210	Initial submission or re-submission	Initial submission
R0250	Exemption of reporting ECAI information	Not exempted
R0255	URL to the webpage where the Solvency and Financial Condition Report (SFCR) is disclosed	UNDERTAKING WITH NO WEBSITE
R0260	Direct URL to download the Solvency and Financial Condition Report (SFCR) corresponding to this financial year reporting obligation (R0090)	NOT PROVIDED/NOT AVAILABLE

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
	Assets	C0010	C0020
R0010	Goodwill		
R0020	Deferred acquisition costs		
R0030	Intangible assets		
R0040	Deferred tax assets		582,713.53
R0050	Pension benefit surplus		
R0060	Property, plant & equipment held for own use	0.00	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	53,822,514.57	53,822,514.57
R0080	*Property (other than for own use)*	0.00	
R0090	*Holdings in related undertakings, including participations*	0.00	
R0100	*Equities*	0.00	0.00
R0110	*Equities - listed*		
R0120	*Equities - unlisted*		
R0130	*Bonds*	51,244,162.75	51,244,162.75
R0140	*Government Bonds*	41,673,472.19	41,673,472.19
R0150	*Corporate Bonds*	9,570,690.56	9,570,690.56
R0160	*Structured notes*	0.00	
R0170	*Collateralised securities*	0.00	
R0180	*Collective Investments Undertakings*	2,578,351.82	2,578,351.82
R0190	*Derivatives*	0.00	
R0200	*Deposits other than cash equivalents*	0.00	
R0210	*Other investments*	0.00	
R0220	Assets held for index-linked and unit-linked contracts		
R0230	Loans and mortgages	0.00	0.00
R0240	*Loans on policies*	0.00	
R0250	*Loans and mortgages to individuals*		
R0260	*Other loans and mortgages*		
R0270	Reinsurance recoverables from:	67,540,883.75	104,091,325.18
R0280	*Non-life and health similar to non-life*	67,540,883.75	104,091,325.18
R0290	*Non-life excluding health*	67,540,883.75	104,091,325.18
R0300	*Health similar to non-life*	0.00	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0.00	0.00
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	0.00	
R0360	Insurance and intermediaries receivables	4,066,008.76	21,460,337.25
R0370	Reinsurance receivables	1,191,194.63	1,191,194.63
R0380	Receivables (trade, not insurance)	213,175.14	213,175.14
R0390	Own shares (held directly)		
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0.00	
R0410	Cash and cash equivalents	3,647,017.55	3,647,017.55
R0420	Any other assets, not elsewhere shown	2,977,256.28	2,977,256.28
R0500	**Total assets**	133,458,050.68	187,985,534.13

		Solvency II value	Statutory accounts value
	Liabilities	C0010	C0020
R0510	Technical provisions - non-life	70,569,760.72	114,309,636.48
R0520	*Technical provisions - non-life (excluding health)*	70,569,760.72	114,309,636.48
R0530	*TP calculated as a whole*	0.00	
R0540	*Best Estimate*	69,645,423.35	
R0550	*Risk margin*	924,337.37	
R0560	*Technical provisions - health (similar to non-life)*	0.00	
R0570	*TP calculated as a whole*	0.00	
R0580	*Best Estimate*	0.00	
R0590	*Risk margin*	0.00	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0.00	0.00
R0610	*Technical provisions - health (similar to life)*	0.00	
R0620	*TP calculated as a whole*		
R0630	*Best Estimate*		
R0640	*Risk margin*		
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0.00	
R0660	*TP calculated as a whole*		
R0670	*Best Estimate*		
R0680	*Risk margin*		
R0690	Technical provisions - index-linked and unit-linked	0.00	
R0700	*TP calculated as a whole*		
R0710	*Best Estimate*		
R0720	*Risk margin*		
R0730	Other technical provisions		
R0740	Contingent liabilities	0.00	
R0750	Provisions other than technical provisions		

R0760	Pension benefit obligations		
R0770	Deposits from reinsurers		
R0780	Deferred tax liabilities		
R0790	Derivatives	21,705.60	21,705.60
R0800	Debts owed to credit institutions		
R0810	Financial liabilities other than debts owed to credit institutions		
R0820	Insurance & intermediaries payables	97,626.30	97,626.30
R0830	Reinsurance payables	4,056,558.06	19,782,027.24
R0840	Payables (trade, not insurance)	3,308,846.74	3,308,846.74
R0850	Subordinated liabilities	0.00	0.00
R0860	*Subordinated liabilities not in BOF*		
R0870	*Subordinated liabilities in BOF*	0.00	
R0880	Any other liabilities, not elsewhere shown	0.00	
R0900	**Total liabilities**	78,054,497.42	137,519,842.36
R1000	**Excess of assets over liabilities**	55,403,553.26	50,465,691.77

S.05.01.01

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and ...	
		General liability insurance	Total
		C0080	C0200
	Premiums written		
R0110	*Gross - Direct Business*	24,949,344.71	24,949,344.71
R0120	*Gross - Proportional reinsurance accepted*	19,189,352.56	19,189,352.56
R0130	*Gross - Non-proportional reinsurance accepted*		0.00
R0140	*Reinsurers' share*	31,827,432.32	31,827,432.32
R0200	*Net*	12,311,264.95	12,311,264.95
	Premiums earned		
R0210	*Gross - Direct Business*	30,500,160.46	30,500,160.46
R0220	*Gross - Proportional reinsurance accepted*	23,458,665.51	23,458,665.51
R0230	*Gross - Non-proportional reinsurance accepted*		0.00
R0240	*Reinsurers' share*	40,665,548.13	40,665,548.13
R0300	*Net*	13,293,277.84	13,293,277.84
	Claims incurred		
R0310	*Gross - Direct Business*	9,443,247.97	9,443,247.97
R0320	*Gross - Proportional reinsurance accepted*	6,474,259.00	6,474,259.00
R0330	*Gross - Non-proportional reinsurance accepted*		0.00
R0340	*Reinsurers' share*	14,136,573.78	14,136,573.78
R0400	*Net*	1,780,933.19	1,780,933.19
	Changes in other technical provisions		
R0410	*Gross - Direct Business*		0.00
R0420	*Gross - Proportional reinsurance accepted*		0.00
R0430	*Gross - Non-proportional reinsurance accepted*		0.00
R0440	*Reinsurers' share*		0.00
R0500	*Net*	0.00	0.00
R0550	**Expenses incurred**	8,889,915.05	8,889,915.05
	Administrative expenses		
R0610	*Gross - Direct Business*	1,213,589.13	1,213,589.13
R0620	*Gross - Proportional reinsurance accepted*	933,410.87	933,410.87
R0630	*Gross - Non-proportional reinsurance accepted*		0.00
R0640	*Reinsurers' share*		0.00
R0700	*Net*	2,147,000.00	2,147,000.00
	Investment management expenses		
R0710	*Gross - Direct Business*	3,229.98	3,229.98
R0720	*Gross - Proportional reinsurance accepted*	2,484.29	2,484.29
R0730	*Gross - Non-proportional reinsurance accepted*		0.00
R0740	*Reinsurers' share*		0.00
R0800	*Net*	5,714.27	5,714.27
	Claims management expenses		
R0810	*Gross - Direct Business*	1,724,574.02	1,724,574.02
R0820	*Gross - Proportional reinsurance accepted*	1,326,425.98	1,326,425.98
R0830	*Gross - Non-proportional reinsurance accepted*		0.00
R0840	*Reinsurers' share*		0.00
R0900	*Net*	3,051,000.00	3,051,000.00
	Acquisition expenses		
R0910	*Gross - Direct Business*	5,293,073.40	5,293,073.40
R0920	*Gross - Proportional reinsurance accepted*	4,071,074.92	4,071,074.92
R0930	*Gross - Non-proportional reinsurance accepted*		0.00
R0940	*Reinsurers' share*	14,021,164.40	14,021,164.40
R1000	*Net*	-4,657,016.08	-4,657,016.08
	Overhead expenses		
R1010	*Gross - Direct Business*	4,715,993.14	4,715,993.14
R1020	*Gross - Proportional reinsurance accepted*	3,627,223.72	3,627,223.72
R1030	*Gross - Non-proportional reinsurance accepted*		0.00
R1040	*Reinsurers' share*		0.00
R1100	*Net*	8,343,216.86	8,343,216.86
R1200	**Other expenses**		108,472.15
R1300	**Total expenses**		8,998,387.20

S.05.02.01

Premiums, claims and expenses by country

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Non-life	**Home Country**	**Top 5 countries (by amount of gross premiums written) - non-life obligations**					**Total Top 5 and home country**
R0010			**US**	**CN**	**NO**	**AU**	**DE**	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	*Gross - Direct Business*	8,090,754.14	307,862.00	2,577,697.62	0.00	0.00	0.00	10,976,313.76
R0120	*Gross - Proportional reinsurance accepted*	66,911.31	3,293,809.00	0.00	2,403,004.94	2,356,696.26	2,221,075.08	10,341,496.60
R0130	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0140	*Reinsurers' share*	5,882,311.01	2,597,084.80	1,858,720.39	1,732,753.38	1,699,361.23	1,601,567.81	15,371,798.64
R0200	*Net*	2,275,354.44	1,004,586.20	718,977.23	670,251.56	657,335.03	619,507.27	5,946,011.73
	Premiums earned							
R0210	*Gross - Direct Business*	15,161,445.00	218,455.50	1,239,138.38	0.00	0.00	0.00	16,619,038.87
R0220	*Gross - Proportional reinsurance accepted*	24,097.79	3,955,912.03	-41.92	1,823,585.20	2,728,310.03	2,343,085.53	10,874,948.68
R0230	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0240	*Reinsurers' share*	11,444,437.68	3,145,971.78	933,833.08	1,374,327.38	2,056,164.51	1,765,843.78	20,720,578.22
R0300	*Net*	3,741,105.11	1,028,395.75	305,263.38	449,257.82	672,145.52	577,241.75	6,773,409.33
	Claims incurred							
R0310	*Gross - Direct Business*	5,487,464.12	0.00	34,809.89	-147,239.92	0.00	-45,187.59	5,329,846.49
R0320	*Gross - Proportional reinsurance accepted*	0.00	2,018,489.42	0.00	486,184.35	393,161.18	53,347.79	2,951,182.74
R0330	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0340	*Reinsurers' share*	4,998,882.36	1,631,054.25	29,965.32	168,158.31	416,410.53	-44,934.58	7,199,536.19
R0400	*Net*	488,581.76	387,435.17	4,844.57	170,786.11	-23,249.34	53,094.79	1,081,493.05
	Changes in other technical provisions							
R0410	*Gross - Direct Business*							0.00
R0420	*Gross - Proportional reinsurance accepted*							0.00
R0430	*Gross - Non-proportional reinsurance accepted*							0.00
R0440	*Reinsurers' share*							0.00
R0500	*Net*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0550	**Expenses incurred**	1,643,024.32	725,407.66	519,170.58	483,985.96	474,658.99	447,343.72	4,293,591.22
R1200	**Other expenses**							52,389.15
R1300	**Total expenses**							4,345,980.37

S.17.01.01
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance General liability insurance	Total Non-Life obligation
		C0090	C0180
R0010	**Technical provisions calculated as a whole**	0.00	0.00
R0020	Direct business		0.00
R0030	Accepted proportional reinsurance business		0.00
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		0.00
	Technical provisions calculated as a sum of BE and RM		
	Best estimate		
	Premium provisions		
R0060	**Gross - Total**	9,470,404.64	9,470,404.64
R0070	Gross - direct business	5,829,652.69	5,829,652.69
R0080	Gross - accepted proportional reinsurance business	3,640,751.95	3,640,751.95
R0100	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	12,874,315.66	12,874,315.66
R0110	*Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses*	12,874,315.66	12,874,315.66
R0120	*Recoverables from SPV before adjustment for expected losses*		0.00
R0130	*Recoverables from Finite Reinsurance before adjustment for expected losses*		0.00
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	12,871,690.51	12,871,690.51
R0150	**Net Best Estimate of Premium Provisions**	-3,401,285.87	-3,401,285.87
	Claims provisions		
R0160	**Gross - Total**	60,175,018.70	60,175,018.70
R0170	Gross - direct business	46,267,844.20	46,267,844.20
R0180	Gross - accepted proportional reinsurance business	13,907,174.50	13,907,174.50
R0200	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	54,676,163.72	54,676,163.72
R0210	*Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses*	54,676,163.72	54,676,163.72
R0220	*Recoverables from SPV before adjustment for expected losses*		0.00
R0230	*Recoverables from Finite Reinsurance before adjustment for expected losses*		0.00
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	54,669,193.24	54,669,193.24
R0250	**Net Best Estimate of Claims Provisions**	5,505,825.47	5,505,825.47
R0260	**Total best estimate - gross**	69,645,423.35	69,645,423.35
R0270	**Total best estimate - net**	2,104,539.60	2,104,539.60
R0280	**Risk margin**	924,337.37	924,337.37
	Amount of the transitional on Technical Provisions		
R0290	TP as a whole		0.00
R0300	Best estimate		0.00
R0310	Risk margin		0.00
R0320	**Technical provisions - total**	70,569,760.72	70,569,760.72
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	67,540,883.75	67,540,883.75
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total**	3,028,876.97	3,028,876.97
	Line of Business (LoB): further segmentation (Homogeneous Risk Groups)		
R0350	*Premium provisions - Total number of homogeneous risk group*		
R0360	*Claims provisions - Total number of homogeneous risk groups*		
	Cash-flows of the Best estimate of Premium Provisions (Gross)		
	Cash out-flows		
R0370	*Future benefits and claims*	14,955,431.68	14,955,431.68
R0380	*Future expenses and other cash out-flows*	2,033,862.68	2,033,862.68
	Cash in-flows		
R0390	*Future premiums*	7,518,889.72	7,518,889.72
R0400	*Other cash in-flows (incl. Recoverables from salvages and subrogations)*		0.00
	Cash-flows of the Best estimate of Claims Provisions (Gross)		
	Cash out-flows		
R0410	*Future benefits and claims*	53,799,657.35	53,799,657.35
R0420	*Future expenses and other cash out-flows*	6,375,361.36	6,375,361.36
	Cash in-flows		
R0430	*Future premiums*		0.00
R0440	*Other cash in-flows (incl. Recoverables from salvages and subrogations)*		0.00

R0450	Percentage of gross Best Estimate calculated using approximations		
R0460	Best estimate subject to transitional of the interest rate		0.00
R0470	Technical provisions without transitional on interest rate		0.00
R0480	Best estimate subject to volatility adjustment		0.00
R0490	Technical provisions without volatility adjustment and without others transitional measures		0.00

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**General liability insurance**
Z0020	Accident year / underwriting year	**Accident year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0170	C0180
		Development year																	In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +			
R0100	Prior																1,055,950.97		1,055,950.97	1,055,950.97
R0110	N-14	3,118,928.79	5,729,579.97	4,352,685.24	2,531,038.72	1,038,639.05	1,311,937.23	392,998.10	1,402,672.63	37,052.21	27,703.62	36,573.52	47,472.57	5,890.41	265,087.23	8,403.82			8,403.82	20,306,663.10
R0120	N-13	2,440,377.84	15,207,409.08	7,041,759.73	4,740,156.32	1,817,506.63	1,466,643.87	129,614.61	224,852.42	132,143.86	61,429.68	16,854.60	8,503.33	-2,578.84	8,797.90				8,797.90	33,293,471.03
R0130	N-12	2,490,013.93	10,503,536.49	4,422,865.16	5,574,360.06	260,123.43	960,815.89	1,119,264.29	824,418.03	293,704.08	10,039.90	399.72	0.00	0.00					0.00	26,459,540.98
R0140	N-11	3,639,362.20	4,250,780.25	2,180,296.74	1,594,225.76	545,866.32	507,199.40	107,815.55	1,126,195.74	663,039.77	7,569.02	2,722.78	20,351.91						20,351.91	14,645,425.43
R0150	N-10	3,641,348.26	3,231,362.88	1,837,649.40	1,490,027.19	2,159,418.46	1,077,770.55	2,781,236.61	433,917.99	1,104,646.94	45,572.29	9,006.70							9,006.70	17,811,957.27
R0160	N-9	3,125,159.78	3,695,009.24	5,132,880.44	3,786,917.58	1,016,267.29	122,146.46	669,904.74	138,930.90	67,393.01	340,771.08								340,771.08	18,095,380.50
R0170	N-8	2,975,933.37	3,484,709.42	562,718.90	594,053.36	558,072.84	4,016,495.31	1,087,096.48	1,153,055.17	98,168.30									98,168.30	14,530,303.16
R0180	N-7	3,573,729.51	4,059,158.07	2,078,046.59	4,053,386.94	99,877.35	180,766.45	382,542.35	68,084.12										68,084.12	14,495,591.39
R0190	N-6	2,450,083.68	1,278,585.29	1,278,585.29	532,935.03	204,324.19	188,957.23	40,261.17											40,261.17	5,973,731.89
R0200	N-5	2,883,576.80	5,258,364.62	7,941,389.67	2,367,615.37	1,249,306.13	2,036,881.96												2,036,881.96	21,737,134.54
R0210	N-4	5,067,653.30	3,106,879.18	2,368,364.08	1,683,864.55	537,386.03													537,386.03	12,764,147.14
R0220	N-3	3,611,352.34	16,372,389.20	4,089,595.32	4,269,117.14														4,269,117.14	28,342,454.00
R0230	N-2	4,689,340.53	5,632,852.47	2,975,863.98															2,975,863.98	13,298,056.98
R0240	N-1	4,613,300.75	4,787,735.77																4,787,735.77	9,401,036.52
R0250	N	3,846,979.56																	3,846,979.56	3,846,979.56
R0260																		**Total**	20,103,760.39	256,057,824.46

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

	Year	C0600	C0610	C0620	C0630	C0640	C0650	C0660	C0670	C0680	C0690	C0700	C0710	C0720	C0730	C0740	C0750		C0760	C0770
		Development year																	In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +			
R0300	Prior																1,049,982.23		1,049,982.23	1,049,982.23
R0310	N-14	2,822,796.26	5,156,628.45	3,969,746.78	2,410,427.66	961,282.34	1,191,908.21	367,126.70	1,326,073.44	33,346.99	24,933.26	32,916.17	42,725.31	5,301.37	238,578.50	7,563.43			7,563.43	18,591,354.86
R0320	N-13	2,198,750.11	14,636,866.53	6,499,062.22	4,489,202.35	1,658,082.47	1,319,979.49	116,653.15	202,367.18	118,929.48	55,286.71	15,169.14	7,653.00	-2,320.95	7,918.11				7,918.11	31,323,598.97
R0330	N-12	2,335,632.19	10,677,326.51	4,452,530.80	5,614,876.35	491,416.73	1,093,794.77	1,635,396.98	880,619.43	379,955.36	342,252.26	79,103.19	39,114.28	25,153.06					25,153.06	28,047,171.92
R0340	N-11	3,275,425.98	3,825,702.23	1,962,267.06	1,434,803.18	491,279.68	456,479.46	97,034.00	1,013,576.16	596,735.79	6,812.11	2,450.50	18,316.72						18,316.72	13,180,882.88
R0350	N-10	3,277,213.43	2,908,226.59	1,653,884.46	1,341,024.47	1,943,476.61	969,993.50	2,503,112.95	390,526.19	994,182.25	41,015.06	8,106.03							8,106.03	16,030,761.54
R0360	N-9	2,812,643.80	3,325,508.32	4,619,592.39	3,408,225.82	914,640.56	109,931.82	602,914.27	125,037.81	60,653.71	306,693.97								306,693.97	16,285,842.45
R0370	N-8	2,678,340.04	3,136,238.48	506,447.01	534,648.02	502,265.56	3,614,845.78	978,386.83	1,037,749.65	88,351.47									88,351.47	13,077,272.84
R0380	N-7	3,216,356.56	3,653,242.27	1,870,241.93	3,648,048.24	89,889.62	162,689.80	344,288.11	61,275.71										61,275.71	13,046,032.25
R0390	N-6	2,205,075.31	2,704,731.20	1,150,726.76	479,641.53	183,891.77	170,061.51	36,235.05											36,235.05	6,930,363.14
R0400	N-5	2,595,219.12	4,732,528.16	7,147,250.71	2,130,853.83	1,124,375.51	1,833,193.76												1,833,193.76	19,563,421.09
R0410	N-4	4,560,887.97	2,796,191.26	2,131,527.67	1,515,478.10	483,647.43													483,647.43	11,487,732.42
R0420	N-3	3,250,217.11	14,735,150.28	3,680,635.79	3,842,205.43														3,842,205.43	25,508,208.60
R0430	N-2	4,220,406.48	5,069,567.23	2,678,277.58															2,678,277.58	11,968,251.28
R0440	N-1	4,151,970.67	4,308,962.19																4,308,962.19	8,460,932.87
R0450	N	3,462,281.61																	3,462,281.61	3,462,281.61
R0460																		**Total**	18,218,163.77	238,014,090.96

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

		C1200	C1210	C1220	C1230	C1240	C1250	C1260	C1270	C1280	C1290	C1300	C1310	C1320	C1330	C1340	C1350	C1360	C1370
	Year								Development year									In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0500	Prior																5,968.74	5,968.74	5,968.74
R0510	N-14	296,132.53	572,951.52	382,938.47	120,611.06	77,356.70	120,029.02	25,871.40	76,599.19	3,705.22	2,770.36	3,657.35	4,747.26	589.04	26,508.72	840.38		840.38	1,715,308.24
R0520	N-13	241,627.73	570,542.55	542,697.51	250,953.97	159,424.16	146,664.39	12,961.46	22,485.24	13,214.39	6,142.97	1,685.46	850.33	-257.88	879.79			879.79	1,969,872.06
R0530	N-12	154,381.75	-173,790.02	-29,665.64	-40,516.28	-231,293.30	-132,978.89	-516,132.69	-56,201.40	-86,251.27	-332,212.36	-78,703.47	-39,114.28	-25,153.06				-25,153.06	-1,587,630.93
R0540	N-11	363,936.22	425,078.03	218,029.67	159,422.58	54,586.63	50,719.94	10,781.56	112,619.57	66,303.98	756.90	272.28	2,035.19					2,035.19	1,464,542.54
R0550	N-10	364,134.83	323,136.29	183,764.94	149,002.72	215,941.85	107,777.06	278,123.66	43,391.80	110,464.69	4,557.23	900.67						900.67	1,781,195.73
R0560	N-9	312,515.98	369,500.92	513,288.04	378,691.76	101,626.73	12,214.65	66,990.47	13,893.09	6,739.30	34,077.11							34,077.11	1,809,538.05
R0570	N-8	297,593.34	348,470.94	56,271.89	59,405.34	55,807.28	401,649.53	108,709.65	115,305.52	9,816.83								9,816.83	1,453,030.32
R0580	N-7	357,372.95	405,915.81	207,804.66	405,338.69	9,987.74	18,076.64	38,254.23	6,808.41									6,808.41	1,449,559.14
R0590	N-6	245,008.37	-1,426,145.90	127,858.53	53,293.50	20,432.42	18,895.72	4,026.12										4,026.12	-956,631.24
R0600	N-5	288,357.68	525,836.46	794,138.97	236,761.54	124,930.61	203,688.20											203,688.20	2,173,713.45
R0610	N-4	506,765.33	310,687.92	236,836.41	168,386.46	53,738.60												53,738.60	1,276,414.71
R0620	N-3	361,135.23	1,637,238.92	408,959.53	426,911.71													426,911.71	2,834,245.40
R0630	N-2	468,934.05	563,285.25	297,586.40														297,586.40	1,329,805.70
R0640	N-1	461,330.07	478,773.58															478,773.58	940,103.65
R0650	N	384,697.96																384,697.96	384,697.96
R0660																	Total	1,885,596.62	18,043,733.50

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Non-Life ins

Z0010
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Z0040

Gross Claim (absolute a | **Gross undiscounted Best Estimate Claims Provisions** (absolute amount)

			C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350		C0360
	Year	**Year**								**Development year**										**Year end (discounted data)**
			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0100	Prior	Prior																1,740,564.45		1,637,893.81
R0110	N-14	N-14									51,237.00	231,068.16	683,896.57	605,480.13	678,138.29	474,849.09	571,970.05			536,579.24
R0120	N-13	N-13								2,015,383.02	1,850,487.78	1,592,816.47	1,424,146.67	1,456,153.25	1,296,056.86	20,981.76				19,281.96
R0130	N-12	N-12							2,559,964.55	1,408,021.99	348,262.20	216,025.97	327,662.66	175,667.90	167,231.51					151,549.39
R0140	N-11	N-11						3,371,353.63	2,892,535.11	1,587,097.96	792,398.70	824,945.83	738,027.95	703,398.31						623,959.04
R0150	N-10	N-10					5,317,064.04	8,235,683.24	3,673,267.10	942,803.03	397,721.98	154,660.49	149,871.13							130,123.93
R0160	N-9	N-9				5,009,869.63	3,430,762.25	2,827,301.57	1,898,343.70	2,350,459.65	1,736,165.91	1,430,533.57								1,240,287.62
R0170	N-8	N-8			5,366,577.90	7,654,286.91	5,605,217.58	5,460,994.93	4,944,717.69	1,020,089.93	416,139.36									360,898.80
R0180	N-7	N-7		13,254,428.37	8,654,960.05	4,303,496.78	3,499,285.02	2,601,987.63	1,164,185.36	1,415,365.98										1,242,214.90
R0190	N-6	N-6	18,348,373.65	11,551,713.53	6,708,803.81	4,961,179.02	5,067,592.53	1,164,185.36	4,114,691.14											3,675,621.82
R0200	N-5	N-5	19,437,443.79	24,015,429.04	13,285,426.40	6,414,463.05	4,994,973.04	1,459,555.61												1,307,738.20
R0210	N-4	N-4	20,543,826.49	16,359,507.37	12,723,971.78	9,384,025.43	6,673,766.58													5,992,701.72
R0220	N-3	N-3	23,296,523.32	18,187,002.69	11,622,184.67	7,471,438.81														6,686,201.69
R0230	N-2	N-2	27,406,013.01	12,035,288.29	7,748,537.38															6,992,670.26
R0240	N-1	N-1	19,372,096.08	10,224,351.70																9,277,132.55
R0250	N	N	22,263,368.77																	20,300,163.78
R0260																			**Total**	60,175,018.70

Reinsuranc (absolute a | **Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable** (absolute amount)

			C0800	C0810	C0820	C0830	C0840	C0850	C0860	C0870	C0880	C0890	C0900	C0910	C0920	C0930	C0940	C0950		C0960
	Year	**Year**								**Development year**										**Year end (discounted data)**
			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0300	Prior	Prior																1,672,274.68		1,572,848.68
R0310	N-14	N-14									63,024.32	230,379.91	635,256.79	571,601.67	641,897.46	432,240.89	521,433.61			488,647.95
R0320	N-13	N-13								1,889,544.08	1,716,757.05	1,476,642.10	1,331,008.69	1,376,981.66	432,240.89	18,988.70				17,430.33
R0330	N-12	N-12							2,382,948.54	1,301,944.93	298,224.57	190,701.74	303,893.45	157,736.77	150,286.53					136,026.28
R0340	N-11	N-11						3,121,192.46	2,641,249.05	1,429,704.06	712,734.52	745,924.11	668,190.11	640,852.36						567,866.47
R0350	N-10	N-10					4,855,920.94	7,767,503.74	3,334,598.32	764,388.19	285,772.73	63,471.95	110,346.67							95,451.20
R0360	N-9	N-9				4,692,162.64	3,153,858.32	2,594,522.39	1,724,353.56	2,155,483.24	1,582,007.91	1,293,983.48								1,120,602.57
R0370	N-8	N-8			4,832,550.78	6,937,497.87	5,055,326.58	5,151,411.42	4,712,254.56	956,592.19	379,391.46									328,678.22
R0380	N-7	N-7		12,031,999.35	7,883,823.08	3,860,176.55	3,161,452.61	2,343,339.54	1,042,578.74	1,271,573.12										1,114,639.75
R0390	N-6	N-6	16,594,633.92	10,401,526.54	6,042,318.03	4,510,111.24	4,602,534.71	3,531,810.81	3,750,926.07											3,347,096.97
R0400	N-5	N-5	17,603,077.14	22,399,791.13	12,318,186.29	5,875,181.44	4,675,181.01	1,363,980.04												1,221,133.15
R0410	N-4	N-4	18,303,745.57	15,046,097.09	11,682,506.43	8,648,997.80	6,083,762.84													5,457,077.68
R0420	N-3	N-3	20,727,159.55	17,001,768.27	10,979,740.59	7,219,942.24														6,458,313.15
R0430	N-2	N-2	24,696,833.31	10,937,415.33	7,027,557.79															6,334,891.82
R0440	N-1	N-1	17,190,983.28	9,320,453.48																8,447,948.08
R0450	N	N	19,767,063.19																	17,960,540.94
R0460																			**Total**	54,669,193.24

	Net Claims (absolute a	Net Undiscounted Best Estimate Claims Provisions (absolute amount)																		
			C1400	C1410	C1420	C1430	C1440	C1450	C1460	C1470	C1480	C1490	C1500	C1510	C1520	C1530	C1540	C1550		C1560
	Year	Year	Development year																	Year end (discounted data)
			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0500	Prior	Prior																68,289.77		65,045.14
R0510	N-14	N-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-11,787.32	688.25	48,639.78	33,878.46	36,240.83	42,608.20	50,536.44			47,931.29
R0520	N-13	N-13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125,838.94	133,730.73	116,174.37	93,137.98	79,171.59	863,815.98	1,993.06				1,851.63
R0530	N-12	N-12	0.00	0.00	0.00	0.00	0.00	0.00	177,016.01	106,077.06	50,037.63	25,324.23	23,769.21	17,931.13	16,944.97					15,523.11
R0540	N-11	N-11	0.00	0.00	0.00	0.00	0.00	250,161.17	251,286.06	157,393.90	79,664.18	79,021.72	69,837.85	62,545.96						56,092.57
R0550	N-10	N-10	0.00	0.00	0.00	0.00	461,143.10	468,179.50	338,668.78	178,414.84	111,949.25	91,188.54	39,524.46							34,672.73
R0560	N-9	N-9	0.00	0.00	0.00	317,706.99	276,903.93	232,779.18	173,990.14	194,976.41	154,158.00	136,550.08								119,685.05
R0570	N-8	N-8	0.00	0.00	534,027.12	716,789.04	549,891.00	309,583.51	232,463.13	63,497.74	36,747.90									32,220.58
R0580	N-7	N-7	0.00	1,222,429.02	771,136.97	443,320.23	337,832.41	258,648.09	121,606.62	143,792.86										127,575.15
R0590	N-6	N-6	1,753,739.73	1,150,186.99	666,485.78	451,067.78	465,057.82	-2,367,625.46	363,765.07											328,524.85
R0600	N-5	N-5	1,834,366.65	1,615,637.91	967,240.11	539,281.61	319,792.04	95,575.57												86,605.05
R0610	N-4	N-4	2,240,080.92	1,313,410.28	1,041,465.35	735,027.64	590,003.74													535,624.04
R0620	N-3	N-3	2,569,363.77	1,185,234.42	642,444.08	251,496.57														227,888.54
R0630	N-2	N-2	2,709,179.70	1,097,872.97	720,979.59															657,778.43
R0640	N-1	N-1	2,181,112.80	903,898.22																829,184.47
R0650	N	N	2,496,305.59																	2,339,622.84
R0660																			**Total**	5,505,825.47

S.19.01.01

Non-Life ins

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Z0030

Z0040

Gross Claim (absolute a | **Gross Reported but not Settled Claims (RBNS)** (absolute amount)

			C0400	C0410	C0420	C0430	C0440	C0450	C0460	C0470	C0480	C0490	C0500	C0510	C0520	C0530	C0540	C0550		C0560
			Development year																	
	Year	**Year**	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		**Year end (discounted data)**
R0100	Prior	Prior																2,768,582.24		74,802.36
R0110	N-14	N-14	11,876,992.58	10,585,136.32	6,764,178.30	2,319,650.35	2,254,540.39	1,248,236.12	1,202,264.35	271,278.48	212,153.69	220,713.28	626,665.38	593,529.08	616,605.91	489,630.17	497,710.04			495,784.22
R0120	N-13	N-13	8,283,397.29	18,544,685.18	15,251,905.02	7,368,225.53	4,577,497.99	3,428,460.68	2,264,708.49	1,736,048.92	1,564,669.26	1,434,593.44	1,363,908.89	1,338,970.65	1,164,255.10	11,589.88				11,529.26
R0130	N-12	N-12	11,916,002.92	6,330,549.20	5,130,482.68	5,294,214.72	4,350,599.55	3,165,445.78	2,238,978.66	1,003,684.00	477,269.80	264,585.00	232,781.10	155,665.28	145,665.28					144,527.03
R0140	N-11	N-11	7,653,676.99	5,365,686.33	3,421,454.78	3,158,429.37	3,544,248.02	3,028,572.24	2,521,814.94	1,472,862.79	793,510.78	773,390.02	692,459.13	598,446.73						590,997.99
R0150	N-10	N-10	8,204,822.02	7,455,273.33	6,182,677.74	4,422,417.31	4,531,620.89	6,614,870.99	3,252,284.32	852,663.73	412,409.78	171,503.87	155,407.84							153,041.14
R0160	N-9	N-9	7,945,143.18	7,560,535.62	6,274,667.21	2,887,526.58	2,097,776.55	1,954,322.28	1,780,656.37	1,962,074.76	1,557,282.04	1,234,550.35								1,211,806.43
R0170	N-8	N-8	6,839,777.98	5,268,995.72	2,976,077.21	5,279,913.52	4,031,732.64	4,399,943.14	4,230,273.31	754,944.38	362,186.85									355,791.72
R0180	N-7	N-7	8,409,276.68	9,535,392.40	6,016,699.46	2,717,445.22	1,791,218.36	1,231,167.51	317,606.99	460,451.63										453,329.32
R0190	N-6	N-6	9,818,406.37	7,351,463.97	3,090,593.87	2,250,466.07	2,230,681.35	1,540,971.20	1,595,040.51											1,574,313.30
R0200	N-5	N-5	9,882,879.75	16,252,483.75	8,518,349.44	3,775,057.68	3,140,864.98	722,930.51												713,897.28
R0210	N-4	N-4	10,849,900.92	11,171,787.80	9,820,494.68	6,252,594.39	4,799,600.99													4,730,807.89
R0220	N-3	N-3	11,994,222.03	11,668,518.97	8,636,222.41	5,122,441.69														5,044,338.72
R0230	N-2	N-2	13,472,466.67	9,006,947.20	6,062,029.05															5,966,212.63
R0240	N-1	N-1	8,847,179.75	7,276,372.34																7,158,005.19
R0250	N	N	12,923,228.62																	12,713,002.20
R0260																			**Total**	41,392,186.67

Reinsuranc (absolute a | **Reinsurance RBNS Claims** (absolute amount)

			C1000	C1010	C1020	C1030	C1040	C1050	C1060	C1070	C1080	C1090	C1100	C1110	C1120	C1130	C1140	C1150		C1160
			Development year																	
	Year	**Year**	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		**Year end (discounted data)**
R0300	Prior	Prior																2,703,977.12		78,585.97
R0310	N-14	N-14	10,905,928.28	9,842,528.12	6,342,609.80	2,121,157.79	2,054,395.88	1,136,849.22	1,106,101.37	244,150.68	190,938.32	198,641.95	563,998.85	535,542.54	556,311.69	440,667.16	447,939.04			446,077.06
R0320	N-13	N-13	7,516,596.36	17,536,959.55	14,503,238.50	6,820,279.71	4,225,734.40	3,166,717.43	2,097,979.66	1,609,200.97	1,458,890.27	1,336,737.88	1,272,931.32	1,261,079.43	1,089,294.85	9,678.21				9,638.66
R0330	N-12	N-12	10,918,887.17	5,771,180.60	4,768,278.71	4,851,844.82	3,970,612.35	2,872,307.88	2,055,157.82	917,999.44	430,879.82	239,463.50	210,839.99	137,935.75	128,935.75					128,273.49
R0340	N-11	N-11	6,889,009.29	4,840,667.70	3,096,718.44	2,859,156.96	3,243,653.56	2,767,925.19	2,311,807.65	1,333,577.06	713,758.56	695,649.87	622,812.07	538,200.91						534,094.58
R0350	N-10	N-10	7,384,339.82	6,732,919.84	5,567,661.34	3,992,574.51	4,201,208.80	6,339,505.07	3,048,458.44	764,192.75	372,964.20	151,148.88	136,662.45							135,003.34
R0360	N-9	N-9	7,144,166.36	6,804,482.05	5,787,792.45	2,662,904.50	1,888,596.68	1,763,785.47	1,597,388.66	1,764,614.79	1,399,355.34	1,108,479.85								1,092,105.96
R0370	N-8	N-8	6,155,300.19	4,742,096.14	2,678,469.49	4,885,376.12	3,751,425.44	4,119,751.26	4,008,330.97	679,449.94	325,968.16									320,339.58
R0380	N-7	N-7	7,568,349.01	8,780,853.16	5,615,029.51	2,445,700.70	1,612,096.52	1,108,050.76	285,846.29	414,406.47										406,932.20
R0390	N-6	N-6	8,895,565.74	6,675,317.58	2,781,534.48	2,025,419.47	2,007,613.21	1,386,874.08	1,435,536.46											1,413,062.92
R0400	N-5	N-5	8,894,591.78	15,216,311.17	7,736,514.50	3,397,551.91	2,930,804.62	650,637.46												642,017.04
R0410	N-4	N-4	10,068,489.76	10,283,510.01	9,108,910.68	5,864,824.45	4,527,795.18													4,470,279.81
R0420	N-3	N-3	10,805,200.27	10,760,298.21	7,976,549.15	4,677,936.08														4,610,167.84
R0430	N-2	N-2	12,426,885.30	8,077,516.23	5,430,240.50															5,346,807.84
R0440	N-1	N-1	7,962,461.78	6,636,007.07																6,530,074.32
R0450	N	N	11,808,697.30																	11,608,890.93
R0460																			**Total**	37,772,351.52

	Net Claims (absolute a	Net RBNS Claims (absolute amount)																		
			C1600	C1610	C1620	C1630	C1640	C1650	C1660	C1670	C1680	C1690	C1700	C1710	C1720	C1730	C1740	C1750		C1760
	Year	Year	Development year																	Year end (discounted data)
			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0500	Prior	Prior																64,605.12		-3,783.61
R0510	N-14	N-14	971,064.30	742,608.21	421,568.50	198,492.56	200,144.51	111,386.90	96,162.97	27,127.80	21,215.37	22,071.33	62,666.54	57,986.54	60,294.23	48,963.02	49,771.00			49,707.16
R0520	N-13	N-13	766,800.93	1,007,725.63	748,666.52	547,945.82	351,763.59	261,743.25	166,728.83	126,847.95	105,779.00	97,855.56	90,977.57	77,891.22	74,960.25	1,911.67				1,890.60
R0530	N-12	N-12	997,115.75	559,368.60	362,203.98	442,369.90	379,987.20	293,137.90	183,820.84	85,684.56	46,389.98	25,121.50	21,941.11	17,729.53	16,729.53					16,253.54
R0540	N-11	N-11	764,667.70	525,018.63	324,736.34	299,272.41	300,594.46	260,647.05	210,007.29	139,285.73	79,752.23	77,740.15	69,647.06	60,245.82						56,903.41
R0550	N-10	N-10	820,482.20	722,353.48	615,016.40	429,842.80	330,412.09	275,365.93	203,825.88	88,470.97	39,445.58	20,354.99	18,745.38							18,037.81
R0560	N-9	N-9	800,976.82	756,053.56	486,874.76	224,622.08	209,179.87	190,536.82	183,267.72	197,459.97	157,926.71	126,070.50								119,700.47
R0570	N-8	N-8	684,477.80	526,899.57	297,607.72	394,537.40	280,307.21	280,191.88	221,942.34	75,494.44	36,218.68									35,452.14
R0580	N-7	N-7	840,927.67	754,539.24	401,669.95	271,744.52	179,121.84	123,116.75	31,760.70	46,045.16										46,397.12
R0590	N-6	N-6	922,840.64	676,146.40	309,059.39	225,046.61	223,068.13	154,097.12	159,504.05											161,250.38
R0600	N-5	N-5	988,287.98	1,036,172.58	781,834.94	377,505.77	210,060.36	72,293.05												71,880.24
R0610	N-4	N-4	781,411.16	888,277.80	711,584.00	387,769.94	271,805.81													260,528.08
R0620	N-3	N-3	1,189,021.76	908,220.76	659,673.26	444,505.61														434,170.87
R0630	N-2	N-2	1,045,581.38	929,430.97	631,788.55															619,404.80
R0640	N-1	N-1	884,717.98	640,365.27																627,930.87
R0650	N	N	1,114,531.32																	1,104,111.27
R0660																			**Total**	3,619,835.15

S.23.01.01
Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0.00	0.00		0.00	
R0030	Share premium account related to ordinary share capital	0.00	0.00		0.00	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0.00	0.00		0.00	
R0050	Subordinated mutual member accounts	0.00		0.00	0.00	0.00
R0070	Surplus funds	0.00	0.00			
R0090	Preference shares	0.00		0.00	0.00	0.00
R0110	Share premium account related to preference shares	0.00		0.00	0.00	0.00
R0130	Reconciliation reserve	55,403,553.26	55,403,553.26			
R0140	Subordinated liabilities	0.00		0.00	0.00	0.00
R0160	An amount equal to the value of net deferred tax assets	0.00				0.00
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0.00	0.00	0.00	0.00	0.00
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0.00				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0.00				
R0290	**Total basic own funds after deductions**	55,403,553.26	55,403,553.26	0.00	0.00	0.00
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0.00				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0.00				
R0320	Unpaid and uncalled preference shares callable on demand	0.00				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0.00				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0.00				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0.00				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0.00				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0.00				
R0390	Other ancillary own funds	0.00				
R0400	**Total ancillary own funds**	0.00			0.00	0.00
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	55,403,553.26	55,403,553.26	0.00	0.00	0.00
R0510	Total available own funds to meet the MCR	55,403,553.26	55,403,553.26	0.00	0.00	
R0540	Total eligible own funds to meet the SCR	55,403,553.26	55,403,553.26	0.00	0.00	0.00
R0550	Total eligible own funds to meet the MCR	55,403,553.26	55,403,553.26	0.00	0.00	
R0580	**SCR**	11,319,479.41				
R0600	**MCR**	3,965,600.00				
R0620	**Ratio of Eligible own funds to SCR**	489.45%				
R0640	**Ratio of Eligible own funds to MCR**	1397.10%				

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	55,403,553.26
R0710	Own shares (held directly and indirectly)	0.00
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	0.00
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0.00
R0760	**Reconciliation reserve**	55,403,553.26
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,847,978.62
R0790	**Total Expected profits included in future premiums (EPIFP)**	1,847,978.62

S.25.01.01
Solvency Capital Requirement - for undertakings on Standard Formula

Z0010 Article 112 **Regular reporting**

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
		C0030	C0040	C0050	C0090	C0120
R0010	Market risk	5,226,262.93	5,226,263.09	0.00		
R0020	Counterparty default risk	1,956,032.47	1,956,032.47	0.00		
R0030	Life underwriting risk			0.00		
R0040	Health underwriting risk			0.00		
R0050	Non-life underwriting risk	5,074,977.10	5,074,977.10	0.00		
R0060	Diversification	-3,027,155.92	-3,027,155.96			
R0070	Intangible asset risk	0.00	0.00			
R0100	**Basic Solvency Capital Requirement**	9,230,116.58	9,230,116.70			

	Calculation of Solvency Capital Requirement	C0100
R0120	Adjustment due to RFF/MAP nSCR aggregation	0.00
R0130	Operational risk	2,089,362.70
R0140	Loss-absorbing capacity of technical provisions	0.00
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0.00
R0200	**Solvency Capital Requirement excluding capital add-on**	11,319,479.41
R0210	Capital add-ons already set	0.00
R0220	**Solvency capital requirement**	11,319,479.41
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0.00
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0.00
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0.00
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0.00
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0.00
R0450	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	No adjustment
R0460	Net future discretionary benefits	0.00

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

	Calculation of loss absorbing capacity of deferred taxes	Before the shock	After the shock	LAC DT
		C0110	C0120	C0130
R0600	**DTA**			
R0610	DTA carry forward			
R0620	DTA due to deductible temporary differences			
R0630	**DTL**			
R0640	**LAC DT**			
R0650	LAC DT justified by reversion of deferred tax liabilities			
R0660	LAC DT justified by reference to probable future taxable economic profit			
R0670	LAC DT justified by carry back, current year			
R0680	LAC DT justified by carry back, future years			
R0690	Maximum LAC DT			

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	1,958,186.98

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months			
		C0020	C0030	α	β	α.B + β.C
R0020	Medical expense insurance and proportional reinsurance	0.00		4.7%	4.7%	0
R0030	Income protection insurance and proportional reinsurance	0.00		13.1%	8.5%	0
R0040	Workers' compensation insurance and proportional reinsurance	0.00		10.7%	7.5%	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0.00		8.5%	9.4%	0
R0060	Other motor insurance and proportional reinsurance	0.00		7.5%	7.5%	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0.00		10.3%	14.0%	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0.00		9.4%	7.5%	0
R0090	General liability insurance and proportional reinsurance	2,104,539.60	13,293,277.84	10.3%	13.1%	1958186.975
R0100	Credit and suretyship insurance and proportional reinsurance	0.00		17.7%	11.3%	0
R0110	Legal expenses insurance and proportional reinsurance	0.00		11.3%	6.6%	0
R0120	Assistance and proportional reinsurance	0.00		18.6%	8.5%	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0.00		18.6%	12.2%	0
R0140	Non-proportional health reinsurance	0.00		18.6%	15.9%	0
R0150	Non-proportional casualty reinsurance	0.00		18.6%	15.9%	0
R0160	Non-proportional marine, aviation and transport reinsurance	0.00		18.6%	15.9%	0
R0170	Non-proportional property reinsurance	0.00		18.6%	15.9%	0
				TS MCR.12		1958186.975

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0.00

		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			3.7%	0
R0220	Obligations with profit participation - future discretionary benefits			-5.2%	0
R0230	Index-linked and unit-linked insurance obligations			0.7%	0
R0240	Other life (re)insurance and health (re)insurance obligations			2.1%	0
R0250	Total capital at risk for all life (re)insurance obligations			0.07%	0
				TS MCR.13	0

	Overall MCR calculation	C0070
R0300	Linear MCR	1,958,186.98
R0310	SCR	11,319,479.41
R0320	MCR cap	5,093,765.73
R0330	MCR floor	2,829,869.85
R0340	Combined MCR	2,829,869.85
R0350	Absolute floor of the MCR	3,965,600.00
R0400	**Minimum Capital Requirement**	3,965,600.00