International Transport Intermediaries Club Limited (“ITIC”)

Solvency and Financial Condition Report (“SFCR”)

For the year ended 31st May 2025

Contents

Directors' Statement

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency UK 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 UK 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 ……026232674B5E413...……

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

Date 07 October 2025 | 17:39 BST ……………………

Summary

Introduction

The PRA regulatory regime for Insurance Companies, known as Solvency UK, 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 9th year of the Solvency and Financial Condition Report ("SFCR") that is required to be published by ITIC.

Collectively, the consolidated position for ITIC and its Cypriot subsidiary International Transport Intermediaries Insurance Company (Europe) Ltd ("ITIC Europe") is referred to as "ITIC". This report covers the business and performance of ITIC. The report also covers the system of governance, risk profile, valuation for solvency purposes and capital management under the requirements of the Solvency UK regime.

The group has received a waiver from the PRA to present a single group SFCR that incorporates the result of both the group and ITIC on a solo basis. The main part of this SFCR presents the group results, unless otherwise stated. The results of ITIC on a solo basis ("ITIC Solo") are detailed in this appendix.

The ultimate administrative body that has the responsibility for all of these matters is the group's board of directors, with the assistance of various governance and control functions that it has put in place to monitor and manage the business.

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 UK financial position and explains how the GAAP financial statements are converted into a Solvency UK 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 UK eligible own funds is explained.

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, the group 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, The group's insurance business is classified as general liability insurance for Solvency UK purposes. Members are dispersed internationally. Business is largely underwritten by ITIC Solo from the United Kingdom other than EU policies which are underwritten via ITIC Europe in Cyprus.

During the year to 31st May 2025, ITIC made UK GAAP surplus for the year of US$5.2m (year to 31st May 2024 – surplus US$4.3m). The surplus for the year increased the free reserves at 31st May 2025 to US$60.0m.

This is the 30th year that the group has returned premium to its renewing members by way of a continuity credit scheme and the credit expected for the coming 2025/26 year will cost about US$27.5m out of total forecast premium of US$79.9m.

For solvency purposes:

a. Minimum Capital Requirement ("MCR") coverage. ITIC's eligible own funds stood at US$67.9m (2024: US$62.3m) against an MCR of US$9.1m (2024: US$8.5m) thus showing 748% coverage (2024: 733% covered).

b. Solvency Capital Requirement ("SCR") coverage. ITIC's eligible own funds stood at US$67.9m (2024: US$62.3m) against an SCR of US$13.6m (2024: US$16.5m) thus showing 498% coverage (2024: 376% covered).

Material changes

ITIC's subsidiary in Cyprus, ITIC Europe, now underwrites all EEA business. Furthermore, on 1st December 2024, ITIC Europe undertook a portfolio transfer to move outstanding claims and unexpired EEA policies into it from its previous fronter UK P&I Club N.V.

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

Submission of group return

On 3rd June 2024, the PRA informed ITIC that it had approved ITIC's application for a modification of Group Supervision rule 18.1(2) and the direction would take effect on 3rd June 2024 and end on 3rd June 2029.

The PRA direction states that the rules listed below apply to the firm with the modifications shown.

Rule	**Modification**
Group Supervision 18.1	18.1 (1) … (2) ~~Where a~~ A *participating Solvency UK undertaking* that is a *firm* or the *relevant insurance group undertakings* (as appropriate) ~~so decide, and subject to the agreement of the *group supervisor*, they may~~ must provide a single *SFCR* which must comprise the following: a) the information at the level of the *group* which must be disclosed in accordance with (1); and b) the information for any of the subsidiaries within the *group* which must be individually identifiable and disclosed in accordance with Reporting 3 to 6.

Audit of SFCR

Having been audited the previous year, the ITIC board decided that the SFCR for the year ended 31st May 2025 should not be audited. The future position will be considered annually.

A. Business and performance

A.1. Business

A.1.1 Name and legal form: International Transport Intermediaries Club Limited ("ITIC Solo") is incorporated in England and Wales under the Companies Act 2006 as a company limited by guarantee and not having a share capital. On 11th September 2023, ITIC Solo set up a subsidiary in Cyprus called International Transport Intermediaries Insurance Company (Europe) Ltd ("ITIC Europe").

A.1.2 Supervisory authority: The authority responsible for the financial supervision and review of the SFCR of the group 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 ITIC financial statements for the year ended 31st May 2025 were PKF Littlejohn LLP of 15 Westferry Circus, London E14 4HD. This is their second year as auditors of ITIC

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

ITIC Solo is the 100% owner of ITIC Europe.

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 quota share reinsurer: Both ITIC Solo and ITIC Europe have 90% quota share reinsurance contracts with Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). TIMIA is a parallel mutual insurer and not a member of the group. For information, the managers of the business will often consider the pre-quota share financial position of the group when considering strategy or financial performance.

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

As at 31st May 2025, the membership comprised 3,741 members with premium split between:

Other marine activities	24%
Ship broker	21%
Port agency	13%
Ship manager	12%
Liner agency	10%
Naval architect	7%
Marine surveyor	7%
Aviation	6%
	100%

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 131 countries with a substantial number of members from UK, EU states, North America, Australasia, the Far East and the Middle East.

A.1.7 Business planning: For management purposes, and consistent with 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 ITIC, if the amounts have been presented in as pre-quota share (ITIC Solo, ITIC Europe and TIMIA) to recognise the benefit of the quota share arrangement then this will be stated as such.

A.1.8 Trends and factors: The following summary of the year to 31st May 2025 has been extracted from the Chair'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, ITIC Europe 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 have the great honour and pleasure of writing this chairman's statement during what is ITIC's centenary year.

Established in 1925 as the Chartered Shipbrokers Protection Association, ITIC has grown into the leading mutual insurer it is today, committed to delivering competitively priced specialist cover and risk management support across the maritime, aviation and transport sectors.

I am delighted to report that during the year ended 31 May 2025 (Club year "2024/25"), the ITIC group (ITIC and its EEA subsidiary ITIC Europe) combined with its mutual reinsurer Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"), has again produced a strong surplus of US$29.3m after paying US$18.8m in continuity credit, an increase on the US$15.7m credit paid in the previous year.

The continuity credit paid to renewing members, **now to be distributed for the 31st consecutive year,** effectively reduces the cost of your insurance, and is one of the many significant benefits of being an insurance mutual.

Your board, at its meeting in March 2025, reviewed the level of ITIC's free reserves, which are strong and significantly in excess of solvency requirements, and determined that for all renewals in the 2025/26 year, they would pay an enhanced continuity credit as follows:

- For one year policies, a credit of 35% of the premium;
- For two year policies, a credit of 45% for year one and at least 30% for year two; and

- Those in the second year of a policy, begun in 2024/25, will receive a credit of 45%, which was substantially more than the original 20% promised by the board at its meeting in March 2024.

This is the **second highest level of credit ever awarded by the board** and reflects ITIC's commitment to distributing excess capital to its members. Indeed, since the continuity credit payments began, I am pleased to report that **more than US$206m 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 annual retention of US$2m in excess of the primary US$1.0m across the claims portfolio. We are also comfortable that the reinsurance in place reduces the risks of large claims to an acceptable level at a reasonable cost.

ITIC's gross earned premium increased in 2024/25 by 5% and we continue to retain approximately 97% of members at renewal each year; an indication of how highly our members view the quality of service and cover given.

I am also pleased to advise that the combined free reserves of the ITIC group and TIMIA, were **US$289.0m as at 31st May 2025**.

Owing to the significant strength of our reserves, and in common with past years, the board has again also closed the preceding policy year; meaning that all years to the end of 2023/2024 are now closed. ITIC has **NEVER** requested additional premium for any policy year.

The insurance, claims, contractual advice and practical help that we provide to members, advisers, brokers and introducers around the world, through our expert and highly experienced team, continues to set us apart.

In December 2024, a portfolio transfer took place in respect of the assets and liabilities in relation to ITIC's EEA members which had been underwritten under the previous reinsurance arrangement with UK P&I Club N.V. in Rotterdam. Upon completion of this transfer, all EEA members are now insured directly by ITIC Europe, our 100% owned subsidiary and serviced out of our office in Limassol, Cyprus. In September 2024, the boards of ITIC, ITIC Europe and TIMIA were delighted to hold their board meetings in Cyprus and to meet with local members and brokers.

I am also pleased to note the continued growth of ITIC's share of the aviation professional indemnity insurance market, now supported by the recruitment to the management team of an additional aviation-dedicated underwriter. The board is fully committed to supporting aviation as a key area of focus and growth for ITIC in the future. Cover is provided to companies whose services include aircraft lease and operational management, continuous airworthiness management, charter broking, design and surveying / inspection services and regulatory authorities.

During 2024/25, across both the maritime and aviation industries, ITIC has again actively contributed to thought leadership events globally.

ITIC sits on the BIMCO drafting panel and has played a key role in the recent revisions to the BIMCO ship and crew management agreements, which included the drafting of the EU ETS clause. ITIC has also hosted ship management seminars globally: in Cyprus on crew management and FuelEU; in Singapore on FuelEU and in Hamburg on SHIPMAN 2024. ITIC is currently advising on the revision of the BIMCO Superman contract.

Other thought leadership events have included a panel discussion in London on the KYC process in shipping, and a workshop on debt collection for shipbrokers and ship agents in Athens at the FONASBA conference. ITIC has further collaborated with local shipbroker and ship agent associations. Events included, claims seminars for members of the Hellenic Shipbrokers' Association in Athens, the Maltese Shipbrokers' Association in Malta, and the Cyprus Shipping Association in Cyprus.

ITIC regularly writes risk management and loss prevention pieces for various publications such as Ship Management International, The Naval Architect (RINA) and Shipping Network (ICS).

In the aviation space, ITIC has had speaking slots at the Isle of Man Aviation Conference, the Malta Aviation Conference, the Corporate Jet Investor Conference and the Paris Air show.

ITIC's website contains a wealth of information including on-demand webinars, podcasts and templated standard trading conditions and contract wordings. There is also a dedicated section with updates about all of the latest sanctions.

ITIC reports fully to Solvency UK standards and is regulated by the Prudential Regulation Authority and the Financial Conduct 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/

As I write this, the final touches are being put to arrangements for ITIC's centenary event in London on **25th September 2025** as well as a dinner for founding members of ITIC to be held 100 years to the day since the Chartered Shipbrokers Protection Association was formed as an unincorporated association on 2nd December 1925. I look forward to seeing many of you at these events.

As part of ITIC's centenary celebrations, a new initiative has been launched: a year-long internship in collaboration with the London Nautical School. This programme provides one student with the opportunity to gain hands-on experience across the shipping industry by working with ITIC. By connecting the intern with a variety of member companies, ITIC seeks to showcase the wide range of career opportunities available in maritime services, including broking, agency, ship management, legal, insurance, and logistics.

Finally, I would like to thank the boards of ITIC, ITIC Europe and TIMIA, our managers Thomas Miller and their amazing and truly dedicated team who have again worked so hard to deliver an outstanding service, the brokers who we work with for their support and you, our members, who place trust in us as your dedicated specialist insurer for professional indemnity insurance.

But importantly, we must also call out and thank everyone who has been involved over the past 100 years, particularly previous board members and managers who have committed their time and efforts to creating and sustaining the platform that ITIC is today. The current team are custodians of a great organisation, inheriting a platform to steer and run, and dedicated to passing it on to others in a better state and with greater financial security and opportunity than when we became involved.

ITIC has never been stronger than it is today…every member should be filled with pride and Tom Irving, the management team, the board and I collectively look forward to celebrating with you our great past…and even greater future. Thank you.

The accounts and financial highlights for the 2024/25 year will be available on the website (www.itic-insure.com) before the AGM on 25th September 2025."

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

"The key objective of ITIC is to provide competitively priced professional indemnity insurance (and related products) with loss prevention advice to businesses (known as members) servicing the marine and transport industry through a mutual insurance company, which maintains strong reserves and is supported by at least "A-" rated security, sound risk management, quality service and competent staff."

A.2. Underwriting Performance

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

- Premium increased by 6.3% (2024: 5.3%) coming from a net increase in members and strong renewals.
- Acquisition costs reduced after ITIC Europe commenced underwriting and replaced the previous fronting arrangement.
- Excess of loss reinsurance costs remained steady rising in line with premium.
- Net claims costs reduced following a release from the prior year together with a lower current year than forecast.
- Management fees increased to reflect higher incentive fees this year.
- Other expenses remained high covering continued early stage costs of the Cyprus registered subsidiary, ITIC Europe, which started underwriting in February 2024.
- Noting the ongoing strong performance, the board decided to increase the level of continuity credit for 2025/26 to 35% - 45%, up from 20% - 30% in 2024/25.
- The combined loss ratio before continuity credit and quota share reinsurance for the financial year was 72.3% compared with the prior year's 77.6%.

It should be noted that the figures relate to the ITIC on a pre-quota share basis.

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.

	Notes	2025 US$ 000s	2025 % of gross earned premium	2024 US$ 000s	2024 % of gross earned premium
Gross earned premium	5	76,427	100.0%	71,907	100.0%
Less acquisition costs including management fee element	8	(12,367)	16.2%	(12,315)	17.1%
Less excess of loss reinsurance costs	6	(5,524)	7.2%	(5,230)	7.3%
Net retained premium		58,536	76.6%	54,362	75.6%
Claims incurred net of excess of loss recoveries including management fee element	7	(26,902)	35.2%	(29,026)	40.4%
Management Fee (excluding acquisition and claims elements)	9	(7,597)	9.9%	(6,935)	9.6%
Other expenses	8	(2,898)	3.8%	(2,317)	3.2%
Total claims and other expenses		(37,397)	48.9%	(38,278)	53.2%
Total costs (excluding continuity credit)		*(55,288)*	*72.3%*	*(55,823)*	*77.6%*
Operating surplus before continuity credit and quota share reinsurance		21,139	27.7%	16,084	22.4%
Less continuity credit	5	(18,769)	24.6%	(15,659)	21.8%
Net (cost) / benefit of quota share reinsurance	see below *	(1,122)	1.5%	1,502	-2.1%
Surplus / (deficit) on technical account before investment result		1,248	1.6%	1,927	2.7%
Investment return	14	3,353		2,742	
Exchange result	15	1,318		272	
Surplus before tax		5,919		4,941	

Further geographical analysis is presented in appendix S.05.02 which forms part of the group'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 the group'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: The table in A.2.1 above shows the group's investment result for the years to 31st May 2024 and 2025. All of ITIC's investments are in fixed income securities and UCITS, however its investment result is adjusted via the quota share agreement to reflect 10% of the combined pre-quota share return of the ITIC Solo and its quota share reinsurer TIMIA.

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 8th February 2024, ITIC underwrites this business through ITIC Europe. On 1st December 2024, the unexpired policies and claims for the previous fronting arrangement for EEA business with UK P&I Club N.V. was transferred into ITIC Europe.

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 Solo, and the Articles set out how these powers are to be exercised. The board delegate the day to day running of ITIC Solo to the managers, International Transport Intermediaries Management Company Ltd ("ITIM") and of ITIC Europe to Thomas Miller Cyprus Insurance Agency Ltd.

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

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

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 the group.
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.

ITIC Europe will be covered by the same governance but may also have functions locally.

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' are not entitled to any 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:

	2025 Annual fee £	2025 Attendance fee £	2024 Annual fee £	2024 Attendance fee £
Chair of main ITIC board and Audit Investment & Risk Committee	19,700	5,500	19,700	5,500
Chair of Nominations Committee	10,500	5,500	10,500	5,500
Directors	5,500	5,500	5,500	5,500

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 2025:

“The group 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. The group 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.

The group has taken steps, where appropriate and possible, to mitigate the risks with internal controls and procedures and management oversight. Where appropriate, the group 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. The group'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. The group accepts levels of risk in different areas as set out in its Risk Appetite Statement.

The group addresses other risks namely political (including change to UK tax agreement) and climate change risk. The group 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. The group also considers fraud risks (including misappropriation of investment funds) and this is managed through the fraud risks register.

The group currently has a climate change policy and plan to address the relevant environmental, social and governance requirements and this is being refined during 2025. The group has put in place a policy to assist in managing the financial risks associated with the effects of climate change and to ensure that the group 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:

a. embed the consideration of the financial risks from climate change in the group's governance arrangements;
b. incorporate the financial risks from climate change into existing financial risk management practice;
c. use (long term) scenario analysis to inform strategy setting and risk assessment and identification; and
d. 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 monitored throughout the year.

The group 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 2025 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.

Board tenure

	Controlled functions if any		Length of time on board	Length of time as chair	Potential years remaining to 70 years
ITIC board - non exec					
RM Bishop	SMF13 Chair of the Noms Committee		13.4	6.5	1.8
JD Woyda	SMF9 Chair of the Governing Body		10.4	2.2	6.7
C Devantier	-		6.2		11.2
C Schou	-		6.2		2.5
F Bognin	SMF10 Chair Risk Committee & SMF11 Chair Audit Committee		4.2	2.4	26.9
J Palin	-		2.7		18.6
A Leach	-		2.7		8.2
B Maclehose	-		2.7		25.6
S Graf von Hardenberg	-		0.7		17.0
D Chin			0.2		19.1
Resigned in last 12 months					
S Portunato					
ITIC board - non-member non-exec					
TG Durkin (non-member)			4.5		
AJ Groom (non-member)			4.5		
ITIC board - exec					
TJ Irving	SMF1 Chief Executive & SMF3 Executive Director		3.7		
TM Evans	SMF2 Chief Finance & SMF3 Executive Director		8.6		
ITIC Europe board - non-exec					
C Devantier (see also above)					
E Toumpouris					
A. Andreou					
CJ Kirk (see also above)					
TJ Irving (see also above)					
TIMIA board - non-exec					
T Neijmeijer			4.2		11.8
M Seymour Smith (chair)			2.9	2.1	18.4
M Shakesheff			2.1		20.1
D Casling			1.1		22.3
TIMIA - Resigned in last 12 months					
None					
		Amber if	>12 years	>5 years	<3 years
ITIC managers			ITIM director (years)		
CJ Kirk	-	CF1 Director app. rep.	27.4		
AK Mactavish	SMF23 CUO & SMF24 COO	CF1 Director app. rep.	18.9		
TM Evans	See above	CF1 Director app. rep.	16.2		
IG Rosenthal	SMF4 Chief Risk	CF1 Director app. rep.	12.9		
TJA Irving	See above	CF1 Director app. rep.	6.7		
ML Brattman	SMF18 Other Overall Responsibility	CF1 Director app. rep.	4.3		
RG Hodge	-	CF1 Director app. rep.	4.3		
RD Sniffen	-	CF1 Director app. rep.	2.4		
YS Lau	SMF20 Chief Actuary		n/a		
AM Holder-Holdsworth	SMF5 Head of Internal Audit		n/a		
SA Rakha	SMF 16 Compliance & SMF17 MLRO		n/a		
JL Hiskett	SMF24 Chief Operations Officer (IT)		n/a		
			Updated 25/06/25		

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 20th March 2025 and subsequently filed with the PRA. ITIC Europe was referred to in the ORSA but it was effectively prepared on a solo basis.

B.3.1 The Own Risk and Solvency Assessment

"[The Own Risk and Solvency Assessment ("ORSA")] forms part of International Transport Intermediaries Club Limited ("ITIC Solo") and International Transport Intermediaries Insurance Company (Europe) Limited ("ITIC Europe") requirements under Solvency UK to conduct an Own Risk and Solvency Assessment ("ORSA"). The ORSA is an annual process used by an insurance company to manage its risks and financial/solvency position over the period of its medium-term business plan. In particular, it is necessary to ensure that the decisions underlying that plan are consistent with the insurance company's risk appetite and business strategy.

ITIC [Solo] and ITIC Europe write insurance business to Members in non-EEA and EEA jurisdictions, respectively. Both entities have a 90:10 quota share reinsurance arrangement with the parallel reinsurer Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). ITIC [Solo] also owns all of the share capital of ITIC Europe, an entity incorporated in Cyprus. The regulatory and capital requirements for ITIC [Solo] and ITIC Europe as solo entities and as a group are discussed [later in the report].

While ITIC and TIMIA are separate legal entities, the two are viewed collectively by their Members and as a consequence for business planning purposes. This ORSA reports on a combined basis and, unless stated otherwise, ITIC refers to ITIC [Solo], ITIC Europe and TIMIA on a combined basis.

The ORSA process for 2024/25 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 UK 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 legal 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 UK 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: Alternative Scenarios (ITIC & ITIC Europe)	Impact of the alternative scenarios discussed in (Sections 6.4 and 6.6) on ITIC (Group) and ITIC Europe.
12	Appendix E: Glossary	

This report is high level in nature and references are made to supporting documents throughout. The documents referred to are available upon request from the managers and may also be available on AdminControl."

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 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 Chair 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 2025, the total retained GAAP reserves available amounted to US$60.0m (2024: US$54.8m).

ITIC's strategy is to maintain sufficient capital to exceed the Standard Formula Solvency UK 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 business of the PRA rulebook for Solvency UK 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 Group Actuary and up to a Thomas Miller Holdings Ltd board member 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 UK. 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. In order to comply with applicable regulatory obligations, the board has developed monitoring and reporting procedures and the audit 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 audit committee of the board; and
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 audit committee and the boards.

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 2025.

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.

	2025	2024
	US$	US$
Increase in loss ratio (see definition below) by 5 percentage points from 41% to 46% (2024 - 48% to 53%)	000s	000s
Based on gross premium net of continuity credit and acquisition costs	(3,203)	(2,980)
Based on gross premium net of continuity credit, acquisition costs and reinsurances	(293)	(272)
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.

The sensitivity analysis for interest rate risk illustrates how the fair value of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. ITIC's fixed income portfolio currently has a modified duration of about 4.4 years. This means that in the event of a parallel shift of the yield curve up by 100 basis points, the portfolio's value will decline, resulting in approximately 4.4% loss on the fixed income portfolio. For ITIC, this would result in a loss for the period and a decrease in investment values of approximately US$1.4m (2024: US$1.8m) if all other assumptions remain unchanged. A decrease of 100 basis points in bond yields would result in the opposite effect (i.e. increase in investment values of approximately equal magnitude) assuming 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.

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. ITIC and ITIC Europe's quota share reinsurance agreements are placed with TIMIA. TIMIA is unrated but ITIC holds a fixed charge of US$44.8m, and ITIC Europe holds a fixed charge of US$26.4m both secured on the TIMIA investments portfolio. This fixed charge security, together with TIMIA's net asset value of US$229.0m as at 31st May 2025, provides satisfactory mitigation comfort over the credit risk exposure arising from the remaining portion of the claims recovery quota share which is unsecured.

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 2025. The credit rating bands are provided by independent ratings agencies:

	AAA	AA	A	BBB+ or less or not rated	Total
	US$	US$	US$	US$	US$
2025	000s	000s	000s	000s	000s
Fixed interest - Government	4,993	29,168	-	-	34,161
Fixed interest - Corporate	-	9,582	-	-	9,582
Forward Contracts	-	(9)	-	-	(9)
UCITS	8,457	-	-	-	8,457
Claims recoveries excess of loss reinsurance	-	-	13,664	-	13,664
Claims recoveries quota share reinsurance	-	-	-	71,252	71,252
Cash	-	-	11,552	-	11,552
Arising from insurance and reinsurance operations	-	-	-	22,425	22,425
Total	13,450	38,741	25,216	93,677	171,084

	AAA	AA	A	BBB+ or less or not rated	Total
	US$	US$	US$	US$	US$
2024	000s	000s	000s	000s	000s
Fixed interest - Government	-	41,101	-	-	41,101
Fixed interest - Corporate	-	9,338	-	-	9,338
Forward Contracts	-	2	-	-	2
UCITS	10,166	-	-	-	10,166
Claims recoveries excess of loss reinsurance	-	-	5,742	-	5,742
Claims recoveries quota share reinsurance	-	-	-	69,026	69,026
Cash	-	-	9,231	-	9,231
Arising from insurance and reinsurance operations	-	-	-	36,429	36,429
Total	10,166	50,441	14,973	105,455	181,035

After assessing all other financial assets at the end of the year, no objective evidence was found to suggest that any were impaired (2024: 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 31 May 2025 ITIC's short term deposits amounted to US$11.6m (2024: US$9.2m). The tables below provide a maturity analysis of ITIC's financial instruments which may be varied at the discretion of the investment manager. The assets in the below tables are not impaired due to the fact that their full value are deemed to be recoverable.

2025	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 balance sheet US$ 000s
Debt securities	8,456	12,723	-	21,971	9,050	52,200
Forward Contracts	(9)	-	-	-	-	(9)
Reinsurers share of technical provisions - claims outstanding	16,120	13,523	18,400	24,422	12,451	84,916
Debtors arising out of direct insurance operations	12,886	8,179	1,332	-	-	22,397
Debtors arising out of reinsurance operations	28	-	-	-	-	28
Other debtors	347	-	-	-	-	347
Cash and cash equivalents	11,552	-	-	-	-	11,552
Technical provisions - claims outstanding	(17,475)	(14,661)	(19,946)	(26,475)	(13,498)	(92,055)
Creditors	(2,073)	-	-	-	-	(2,073)
Creditors arising from reinsurance operations	(686)	(7,080)	-	-	(4,119)	(11,885)
Total	29,146	12,684	(214)	19,918	3,884	65,418

2024	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 balance sheet US$ 000s
Debt securities	19,190	-	3,258	19,577	18,580	60,605
Forward Contracts	2	-	-	-	-	2
Reinsurers share of technical provisions - unearned premiums	-	-	-	-	-	-
Reinsurers share of technical provisions - claims outstanding	14,583	13,170	15,079	22,164	9,771	74,767
Debtors arising out of direct insurance operations	28,914	6,314	799	-	-	36,027
Debtors arising out of reinsurance operations	355	-	-	-	-	355
Other debtors	283	-	-	-	-	283
Cash and cash equivalents	9,231	-	-	-	-	9,231
Technical provisions - claims outstanding	(15,938)	(14,394)	(16,480)	(24,224)	(10,679)	(81,715)
Creditors	(2,487)	-	-	-	-	(2,487)
Technical provisions - unearned premiums						-
Creditors arising from reinsurance operations	(929)	(11,707)	-	-	(23,672)	(36,308)
Total	53,204	(6,617)	2,656	17,517	(6,000)	60,760

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 UK balance sheet as at 31st May 2025 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.

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

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

C.7. Stress and scenario testing

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 on a pre-quota share basis by combining the group 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 insurance 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. Stressed departure by ITIC from managers; and
i. 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. None of the alternative adverse planning scenarios indicate that there is a chance that the risk appetite could be breached under extreme scenarios. The "super" reverse stress test showed that ITIC's eligible own funds could drop to close to the SCR. However, 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.

C.8. Any other information

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

D. Valuation for solvency purposes

A basic principle of Solvency UK 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 UK 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 UK balance sheet is presented in appendix S.02.01.02.

D.1. Assets

	Solvency II 31/05/2025 US$000s	UKGAAP 31/05/2025 US$000s	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s
Deferred Acquisition costs	-	694	-	711
Financial investments and derivatives	52,697	52,697	61,030	61,030
Reinsurers' share of technical provisions	87,152	124,830	74,197	124,676
Insurance and intermediaries receivables	2,028	22,397	2,615	34,413
Reinsurance receivables	9,877	46	355	355
Receivables, trade not insurance	319	319	16	16
Cash and cash equivalents	11,552	11,548	9,231	9,231
Any other assets, not elsewhere shown	29	29	1,880	1,880
Total	**163,653**	**212,560**	**149,324**	**232,312**

The above table shows amounts at Solvency UK and UK GAAP valuation bases respectively. For classification purposes, the Solvency UK classification of amounts has been used. UK GAAP assets shown above US$212.6m (2024: US$232.3m), less UK GAAP liabilities detailed in D.3 of US$152.6m (2024: US$177.6m), equal US$60.0m (2024: US$54.7m) of retained income and expenditure reserves at 31st May 2025 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 UK in addition to differing valuation bases used for Technical Provisions under GAAP and Solvency UK bases.

ITIC's assets are valued using the following principles. These principles highlight where there are adjustments between GAAP accounting and Solvency UK 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 UK 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 2025 are shown below.

	31/05/2025 US$000s	31/05/2024 US$000s
Gross best estimate	87,660	74,490
Risk Margin	536	879
	88,196	75,369
Reinsurance best estimate	(87,152)	(74,197)
Net technical provisions	**1,043**	**1,172**

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 UK accounting.

D.2.1 Bases, methods and main assumptions

The technical provisions are valued using the methodology prescribed by the Solvency UK 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 4% 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 Solo’s fixed charge on TIMIA investments, and ITIC Europe’s fixed charge on TIMIA investments (section C.3); these assets were valued at US$44.8m and US$26.4m respectively at 31st May 2025.

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 UK technical provisions

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

	Notes	31/05/2025 Gross US$000s	31/05/2025 Reinsurance US$000s	31/05/2025 Net US$000s	31/05/2024 Gross US$000s	31/05/2024 Reinsurance US$000s	31/05/2024 Net US$000s
UK GAAP technical provisions		**136,404**	**124,830**	**11,574**	**137,169**	**124,676**	**12,493**
Eliminate UPR reserve	1	(44,349)	(39,914)	(4,435)	(55,455)	(49,909)	(5,546)
Eliminate margin	2	(10,274)	(9,247)	(1,027)	(10,229)	(9,207)	(1,022)
Reallocate premiums not yet due		-	(679)	679	-	(929)	929
Adjustment to expense reserve	3	2,326	2,326	-	1,760	1,760	-
Unexpired and BBNI contract cash flows	4	13,422	19,201	(5,779)	9,688	15,778	(6,090)
Reinsurance counterparty default adjustment	5	-	(10)	10	-	(7)	7
Effects of discounting	6	(11,552)	(10,946)	(607)	(10,068)	(9,516)	(552)
ENID adjustment	7	1,683	1,591	92	1,625	1,551	74
Solvency II risk margin	2	536	-	536	879	-	879
Total Solvency II technical provisions		**88,196**	**87,152**	**1,043**	**75,369**	**74,197**	**1,172**

Notes

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

2. Contingency margin and Solvency UK risk margin: Since the Solvency UK technical provisions figure is a best estimate, margins for prudence are removed under the Solvency UK valuation methodology. This is replaced by an explicit Solvency UK 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 UK 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 UK 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 regulatory guidance 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 UK 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 UK 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 UK 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 UK 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 UK 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 2025.

	Solvency II 31/05/2025 US$000s	UKGAAP 31/05/2025 US$000s	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s
Technical provisions	88,196	136,404	75,369	137,169
Derivatives	9	9	-	-
Insurance and intermediaries payables	107	107	287	287
Reinsurance payables	3,316	11,885	7,469	36,181
Payables, trade not insurance	4,165	4,165	3,920	3,920
Total	**95,792**	**152,569**	**87,045**	**177,557**

The above table presents amounts at Solvency UK and UK GAAP valuation bases respectively. For classification purposes the Solvency UK 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 UK process.

In order, to be able to recognise ITIC's ability to recover quota share reinsurance balances from its unrated parallel mutual, TIMIA, ITIC Solo and ITIC Europe maintain a fixed charge over a portfolio of investments held by TIMIA. The value of these investments are currently valued at US$44.8m and US$26.4m at 31st May 2025 (2024 – US$42.4m and US$nil).

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 2025 and presented in thousands of US Dollars unless otherwise stated:

	31/05/2025 US$000s	31/05/2024 US$000s
SCR ratio	498%	376%
SCR	13,639	16,549
Eligible own funds	67,862	62,279
Excess	54,222	45,730
MCR Ratio	748%	733%
MCR	9,073	8,495
Eligible own funds	67,862	62,279
Excess	58,789	53,784
Total Tier 1 Basic own funds	67,862	62,279

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 UK capital reserves.

	Notes	31/05/2025 US$000s	31/05/2024 US$000s
UK GAAP reserves		**59,994**	**54,755**
Solvency II gross technical provisions adjustment		48,208	61,800
Of which reallocation of amounts not yet due	*1*	(3,240)	(10,066)
Solvency II reinsurance technical provisions adjustment		(37,677)	(50,479)
Of which reallocation of amounts not yet due	*1*	2,984	9,152
Elimination of deferred acquisition cost - gross	*2*	(6,943)	(7,105)
Elimination of deferred acquisition costs - reinsurance	*2*	6,248	6,395
Application of Solvency II boundary (net)	*3*	(1,713)	(2,173)
Total Solvency II basic own funds		**67,862**	**62,279**

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 UK 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 UK balance sheet does not defer insurance cash flows. As such balances for deferred acquisition costs are eliminated upon transition to the Solvency UK balance sheet.

3. Application of Solvency UK 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 UK, 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 UK 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.

	31/05/2025 US$000s	31/05/2024 US$000s
SCR	**13,639**	**16,549**
Made up of		
Market risk	6,811	6,761
Underwriting & reserving risk	6,029	9,798
Counterparty default risk	1,623	1,983
Diversification impact	(3,453)	(4,228)
Operational risk	2,630	2,235
MCR	**9,073**	**8,495**
MCR coverage	748%	733%
SCR coverage	498%	376%

The SCR has been calculated using the Solvency UK 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 reduced by US$2.9m since last year, the reduction is mainly in market risk and underwriting & reserving risk.

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.

Appendix 1 – ITIC Solo

1. ITIC Solo information

The group has received a waiver from the PRA to present a single group SFCR that incorporates the result of both the group and ITIC on a solo basis. The main part of this SFCR presents the group results, unless otherwise stated. The results of ITIC on a solo basis are detailed in this appendix.

2. ITIC Solo valuation for Solvency Purposes

a. Solo Assets

	Solvency II 31/05/2025 US$000s	UKGAAP 31/05/2025 US$000s	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s
Deferred Acquisition costs	-	476	-	637
Financial investments and derivatives	50,790	49,799	62,604	61,879
Reinsurers' share of technical provisions	66,321	90,442	73,878	117,535
Insurance and intermediaries receivables	1,427	14,757	2,465	27,791
Reinsurance receivables	9,877	46	355	355
Receivables, trade not insurance	23	23	16	16
Cash and cash equivalents	7,930	7,930	7,280	7,280
Any other assets, not elsewhere shown	-	-	1,857	1,857
Total	**136,368**	**163,474**	**148,454**	**217,350**

*2024 amounts are audited.

The above table presents the amounts on a Solvency UK and FRS valuation bases respectively. For classification purposes, an aggregated Solvency UK classification of amounts has been used in order to best demonstrate any valuation differences between the two bases.

Refer to ITIC Solo quantitative reporting template (“QRT”) S.02.01.02 for a full Solvency UK balance sheet.

ITIC Solo’s assets are valued in accordance with the group’s valuation principles further detailed in D.1.

In terms of ITIC Solo’s investment in its subsidiary, ITIC Europe, under FRS this investment is valued at cost less provision for any impairment, whereas on a Solvency UK basis, the value of the investment is determined on a look-through valuation basis which considers the underlying Solvency UK balance sheet of ITIC Europe.

b. ITIC Technical provisions

	31/05/2025 US$000s	31/05/2024 US$000s
Gross best estimate	65,311	74,943
Risk Margin	378	593
	65,689	75,536
Reinsurance best estimate	(66,321)	(73,878)
Net technical provisions	**(631)**	**1,659**

*2024 amounts are audited.

Refer to ITIC Solo's QRT's S.17.01.02 and S.19.01.21 in the appendices for further details on technical provisions.

ITIC Solo's technical provisions are valued in accordance with the group valuation principles further detailed in S.2.

c. Differences between FRS and Solvency UK technical provisions

A reconciliation of FRS technical provisions to Solvency UK technical provisions is provided below.

	Notes	31/05/2025 Gross US$000s	31/05/2025 Reinsurance US$000s	31/05/2025 Net US$000s	31/05/2024 Gross US$000s	31/05/2024 Reinsurance US$000s	31/05/2024 Net US$000s
UK GAAP technical provisions		**98,667**	**90,442**	**11,699**	**129,234**	**117,535**	**11,699**
Eliminate UPR reserve	*1*	(30,938)	(27,844)	(3,094)	(47,656)	(42,890)	(4,766)
Eliminate margin	*2*	(7,158)	(7,158)	(1,022)	(10,218)	(9,196)	(1,022)
Reallocate premiums not yet due	*3*	-	(506)	506	-	(929)	929
Adjustment to expense reserve	*3*	2,093	20,925	(18,833)	1,760	1,760	-
Unexpired and BBNI contract cash flows	*4*	10,043	15,647	(5,604)	10,029	15,326	(5,298)
IBNER Gross up	*5*	-	-	-	-	-	-
Reinsurance counterparty default adjustment	*5*	-	(7)	7	-	(6)	6
Effects of discounting	*6*	(8,617)	(8,216)	(401)	(9,828)	(9,270)	(558)
ENID adjustment	*7*	1,221	1,155	66	1,622	1,548	74
Solvency II risk margin	*2*	378	-	378	593	-	593
Total Solvency II technical provisions		**65,689**	**84,438**	**(16,296)**	**75,536**	**73,878**	**1,659**

Notes

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

2. **Contingency margin and Solvency UK risk margin.** Since the Solvency UK technical provisions figure is a best estimate, margins for prudence are removed under the Solvency UK valuation methodology. The Solvency UK risk margin is intended to represent a notional market value adjustment as discussed above.

3. **Reallocation of premiums not yet due.** Under Solvency UK valuation methodologies, all future cash flows are included in the calculation of technical provisions. More specifically, any amount not yet due shall be included as a future cash inflow under the calculation of Solvency UK technical provisions. As a result, any amounts not yet due on the UK GAAP balance sheet is reallocated from receivable premium to technical provisions on the Solvency UK balance sheet.

4. **Adjustment to expense management reserve.** Unlike UK GAAP, Solvency UK recognises all expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. As such, an adjustment is necessary.

5. **Provision for contracts bound but not incepted.** Solvency UK valuation methodology requires contracts to be recognised when the insurer becomes party to the insurance contract. Usually, an undertaking becomes a party of the contract when the contract between undertaking and policyholder is legally formalised. Many of ITIC Solo's policies are coterminous with its financial year. The consequence is that there is a significant amount of business that is recognised as Bound But Not Incepted ("BBNI") business. A provision on the Solvency UK balance sheet, known as the "premium provision", is thus made for future premiums, claims and expenses that relate to BBNI business.

6. **Reinsurance counterparty default adjustment.** For the Solvency UK balance sheet, amounts recoverable from reinsurance counterparties must be adjusted for the expected losses due to counterparty default. This adjustment approximates the expected present value of the losses in the event of default, weighted by the probability of default for each counterparty. Under current accounting bases a provision for bad debts is only made where there is objective evidence that a counterparty may default on its obligation. There is no expected reinsurance default in respect of the amounts recoverable from the group's quota share reinsurer, TIMIA, due to a debenture which ITIC has over a portfolio of TIMIA's assets.

7. **Effects of discounting.** Since Solvency UK 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.

8. **Events not in data.** Solvency UK 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.

d. ITIC Other liabilities

	Solvency II 31/05/2025 US$000s	UKGAAP 31/05/2025 US$000s	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s
Technical provisions	65,689	98,667	75,536	129,234
Derivatives	9	9	-	-
Insurance and intermediaries payables	89	89	305	305
Reinsurance payables	-	2,217	7,312	30,198
Payables, trade not insurance	3,242	3,242	3,036	3,036
Total	**69,028**	**104,223**	**86,189**	**162,773**

*2024 amounts are audited.

The above table presents amounts using Solvency UK and FRS valuation bases respectively. For classification purposes amounts have been aggregated using Solvency UK classification methodologies.

ITIC Solo's other liabilities are valued in accordance with the group's valuation principles further detailed in D.3.

e. ITIC Capital Management

	31/05/2025 US$000s	31/05/2024 US$000s
SCR ratio	558%	467%
SCR	12,073	13,328
Eligible own funds	67,340	62,265
Excess	55,267	48,937
MCR Ratio	1427%	1466%
MCR	4,720	4,248
Eligible own funds	67,340	62,265
Excess	62,620	58,017
Total Tier 1 Basic own funds	67,340	62,265

* 2024 amounts are audited.

ITIC Solo's principles for capital management are in accordance with the group's capital management principles further detailed in section E.

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

The table below provides a reconciliation of the capital reported within the financial statements to that within the Solvency UK balance sheet.

	Notes	31/05/2025 US$000s	31/05/2024 US$000s
UK GAAP reserves		**59,251**	**54,576**
Solvency II gross technical provisions adjustment		32,978	53,698
Of which reallocation of amounts not yet due	*1*	(1,927)	(8,120)
Solvency II reinsurance technical provisions adjustment		(24,121)	(43,657)
Of which reallocation of amounts not yet due	*1*	1,785	7,401
Elimination of deferred acquisition cost - gross	*2*	(4,764)	(6,366)
Elimination of deferred acquisition costs - reinsurance	*2*	4,288	5,730
Application of Solvency II boundary (net)	*3*	(1,140)	(1,721)
Other valuation adjustments - including for. exchange		991	724.513
Total Solvency II basic own funds		**67,340**	**62,265**

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

In addition, a Solvency UK revaluation relating ITIC Solo's investment in its subsidiary is shown, which is further discussed in the section on valuation of investments above.

g. ITIC Solo Solvency Capital Requirement and Minimum Capital Requirement

	31/05/2025 US$000s	31/05/2024 US$000s
SCR	**12,073**	**13,328**
Made up of		
Market risk	6,202	7,176
Underwriting & reserving risk	5,119	5,682
Counterparty default risk	2,104	1,695
Diversification impact	(3,313)	(3,474)
Operational risk	1,959	2,248
MCR	**4,720**	**4,248**
MCR coverage	1427%	1466%
SCR coverage	558%	467%

The ITIC Solo SCR has reduced by US$1.3m mainly as a result of an increase in market risk as at the year-end. In addition, underwriting and reserving risk has increased.

In terms of ITIC Solo's MCR, it remained stable when compared to the prior year.

Net written premium of ITIC Solo has seen a reduction when compared to prior year following a full year of EEA renewals written via ITIC Europe together with the portfolio transfer of unexpired policies from UK P&I N.V. to ITIC Europe on 1st December 2024.

Appendix 2 – Quantitative Reporting Templates – ITIC Group

List of reported templates:

- IR.02.01.02 - Balance sheet
- IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations
- IR.05.04.02 - Non-life income and expenditure : reporting period
- IR.23.01.04 - Own Funds
- IR.25.04.22 - Solvency Capital Requirement
- IR.32.01.22 - Undertakings in the scope of the group

INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED

Solvency and Financial Condition Report

Disclosures

31 May

2025

(Monetary amounts in USD thousands)

General information

Entity name	INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED
Entity identification code and type of code	LEI/213800BCZOAY52YN8807
Country of the group supervisor	GB
Language of reporting	en
Reporting reference date	31 May 2025
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

-

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.23.01.04 - Own Funds

IR.25.04.22 - Solvency Capital Requirement

IR.32.01.22 - Undertakings in the scope of the group

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	52,697
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	44,240
R0140	*Government Bonds*	34,512
R0150	*Corporate Bonds*	9,728
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	8,457
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	87,152
R0280	*Non-life and health similar to non-life*	87,152
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	2,028
R0370	Reinsurance receivables	9,877
R0380	Receivables (trade, not insurance)	319
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	11,552
R0420	Any other assets, not elsewhere shown	29
R0500	**Total assets**	163,653

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	88,196
R0510	*Technical provisions - non-life*	87,660
R0515	*Technical provisions - life*	536
R0542	Best estimate - total	88,196
R0544	*Best estimate - non-life*	87,660
R0546	*Best estimate - life*	536
R0552	Risk margin - total	0
R0554	*Risk margin - non-life*	
R0556	*Risk margin - life*	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	9
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	107
R0830	Reinsurance payables	3,316
R0840	Payables (trade, not insurance)	4,165
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	95,792
R1000	**Excess of assets over liabilities**	67,862

IR.05.02.01

Premiums, claims and expenses by country: Non-life obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
R0010			US	CN	AU	DK	SG	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	8,517	348	2,280	9	1,977	1,807	14,938
R0120	Gross - Proportional reinsurance accepted	2	3,453	206	2,581	0	0	6,242
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	3,345	1,492	976	1,017	776	710	8,317
R0200	Net	5,174	2,308	1,510	1,573	1,201	1,098	12,863
	Premiums earned							
R0210	Gross - Direct Business	16,617	3,979	2,762	0	2,047	0	25,405
R0220	Gross - Proportional reinsurance accepted	-4	3,966	0	1,550	0	2,573	8,086
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	8,219	3,931	1,367	767	1,012	1,273	16,569
R0300	Net	8,394	4,014	1,396	783	1,034	1,300	16,922
	Claims incurred							
R0310	Gross - Direct Business	11,595	0	407	146	369	249	12,766
R0320	Gross - Proportional reinsurance accepted	0	0	0	0	0	0	0
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	11,043	1,755	362	285	743	255	14,443
R0400	Net	551	-1,755	45	-139	-373	-6	-1,677
R0550	**Net expenses incurred**	4,719	2,105	1,377	1,435	1,095	1,001	11,732

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		46,058										
R0111	Gross written premiums - insurance (direct)		40,304										
R0113	Gross written premiums - accepted reinsurance		5,754										
R0160	Net written premiums		27,973										
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		57,658										
R0220	Net earned premiums		29,133										
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		32,298										
R0611	Gross (undiscounted) direct business		21,098										
R0612	Gross (undiscounted) reinsurance accepted		11,200										
R0690	Net (undiscounted) claims incurred		2,376										
R0730	Net (discounted) claims incurred	2,376	2,376										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	12,932											
R0985	Acquisition costs, commissions, claims management costs	12,582											
	Other expenditure												
R1140	Other expenses	-641											
R1310	**Total expenditure**	27,248											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property		
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	0	0	46,058	0										
R0111	Gross written premiums - insurance (direct)			40,304											
R0113	Gross written premiums - accepted reinsurance			5,754											
R0160	Net written premiums			27,973											
	Premiums earned and provision for unearned														
R0210	Gross earned premiums			57,658											
R0220	Net earned premiums			29,133											
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred			32,298											
R0611	Gross (undiscounted) direct business			21,098											
R0612	Gross (undiscounted) reinsurance accepted			11,200											
R0690	Net (undiscounted) claims incurred			2,376											
R0730	Net (discounted) claims incurred														
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs			12,582											
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.23.01.04

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds at group level*	0				
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	67,862	67,862			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	0				
R0210	*Non-available minority interests at group level*	0				
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**					
R0250	Deductions for participations where there is non-availability of information	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	0				
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	67,862	67,862	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees	0				
R0350	Letters of credit and guarantees other	0				
R0360	Supplementary members calls	0				
R0370	Supplementary members calls - other	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	67,862	67,862	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	67,862	67,862	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	67,862	67,862	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	67,862	67,862	0	0	
R0590	Consolidated group SCR	13,639				
R0610	**Minimum consolidated Group SCR**	9,073				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	747.99%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	67,862	67,862	0	0	0
R0670	**SCR for entities included with D&A method**	0				
R0680	**Group SCR**	13,639				

R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	497.54%

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	67,862
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0725	Deductions for particpations in financial and credit institutions	
R0730	Other basic own fund items	0
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	67,862

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IR.25.04.22

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	2,516
R0080	Equity risk	
R0090	Property risk	
R0100	Spread risk	382
R0110	Concentration risk	978
R0120	Currency risk	5,559
R0125	Other market risk	
R0130	Diversification within market risk	-2,624
R0140	**Total Market risk**	6,811
	Counterparty default risk	
R0150	Type 1 exposures	1,148
R0160	Type 2 exposures	573
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-98
R0180	**Total Counterparty default risk**	1,623
	Life underwriting risk	
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	4,976
R0340	Non-life catastrophe risk	216
R0350	Lapse risk	3,318
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-2,480
R0370	**Total Non-life underwriting risk**	6,029
R0400	**Intangible asset risk**	
	Operational and other risks	
R0422	Operational risk	2,630
R0424	Other risks	
R0430	**Total Operational and other risks**	2,630
R0432	**Total before all diversification**	22,295
R0434	Total before diversification between risk modules	17,092
R0436	Diversification between risk modules	-3,453
R0438	**Total after diversification**	13,639
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	13,639
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	13,639
R0490	Biting interest rate scenario	increase
R0495	Biting life lapse scenario	mass
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	
R0520	*Institutions for occupational retirement provisions*	
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	
R0540	Capital requirement for non-controlled participation requirements	
R0550	Capital requirement for residual undertakings	
	Overall SCR	
R0555	Solvency capital requirement (consolidation method)	13,639
R0560	SCR for undertakings included via D and A	
R0565	SCR for sub-groups included via D and A	
R0570	**Solvency capital requirement**	13,639

IR.32.01.22

Undertakings in the scope of the group

	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
Row	C0010	C0020	C0040	C0050	C0060	C0070	C0080
1	GB	LEI/213800BCZOAY52YN8807	INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED	Non-life insurance undertaking	Company limited by guarantee	Mutual	PRA/FCA
2	CY	LEI/2138004D2YA2PY9CLN46	INTERNATIONAL TRANSPORT INTERMEDIARIES INSURANCE COMPANY (EUROPE) LIMITED	Non-life insurance undertaking	Company limited by shares	Non-mutual	Ministry of Finance in Cyprus

IR.32.01.22

Undertakings in the scope of the group

					Criteria of influence					
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation
Row	C0010	C0020	C0040	C0050	C0180	C0190	C0200	C0210	C0220	C0230
1	GB	LEI/213800BCZOAY52YN8807	INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED	Non-life insurance undertaking						
2	CY	LEI/2138004D2YA2PY9CLN46	INTERNATIONAL TRANSPORT INTERMEDIARIES INSURANCE COMPANY (EUROPE) LIMITED	Non-life insurance undertaking	100.00%	100.00%	100.00%		Dominant	100.00%

IR.32.01.22

Undertakings in the scope of the group

					Inclusion in the scope of Group supervision		Group solvency calculation
	Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Yes/No	Date of decision if excluded	Method used and under method 1, treatment of the undertaking
Row	C0010	C0020	C0040	C0050	C0240	C0250	C0260
1	GB	LEI/213800BCZOAY52YN8807	INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED	Non-life insurance undertaking	Included in the scope		Method 1: Full consolidation
2	CY	LEI/2138004D2YA2PY9CLN46	INTERNATIONAL TRANSPORT INTERMEDIARIES INSURANCE COMPANY (EUROPE) LIMITED	Non-life insurance undertaking	Included in the scope		Method 1: Full consolidation

Appendix 3 – Quantitative Reporting Templates – ITIC Solo

List of reported templates:

- IR.02.01.02 - Balance sheet
- IR.05.02.01 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
- IR.05.04.02 - Non-life income and expenditure : reporting period
- IR.17.01.02 - Non-Life Technical Provisions
- IR.19.01.21 - Non-Life insurance claims
- IR.23.01.01 - Own Funds
- IR.25.04.21 - Solvency Capital Requirement
- IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED

Solvency and Financial Condition Report

Disclosures

31 May

2025

(Monetary amounts in USD thousands)

General information

Entity name	INTERNATIONAL TRANSPORT INTERMEDIARIES CLUB LIMITED
Entity identification code and type of code	LEI/213800BCZOAY52YN8807
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 May 2025
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

-

IR.02.01.02 - Balance sheet
IR.05.02.01 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
IR.05.04.02 - Non-life income and expenditure : reporting period
IR.17.01.02 - Non-Life Technical Provisions
IR.19.01.21 - Non-Life insurance claims
IR.23.01.01 - Own Funds
IR.25.04.21 - Solvency Capital Requirement
IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	50,790
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	10,991
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	31,343
R0140	*Government Bonds*	21,615
R0150	*Corporate Bonds*	9,728
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	8,457
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	66,321
R0280	*Non-life and health similar to non-life*	66,321
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	1,427
R0370	Reinsurance receivables	9,877
R0380	Receivables (trade, not insurance)	23
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	7,930
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	136,368

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	65,689
R0510	*Technical provisions - non-life*	65,689
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	65,311
R0544	*Best estimate - non-life*	65,311
R0546	*Best estimate - life*	
R0552	Risk margin - total	378
R0554	*Risk margin - non-life*	378
R0556	*Risk margin - life*	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	9
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	89
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	3,242
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	69,028
R1000	**Excess of assets over liabilities**	67,340

IR.05.02.01

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			US	CN	AU	SG	AE	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	8,517	348	2,280	9	1,807	1,211	14,172
R0120	Gross - Proportional reinsurance accepted	2	3,453	206	2,581	0	0	6,242
R0130	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0140	Reinsurers' share	2,252	1,005	657	685	478	320	5,397
R0200	Net	6,267	2,796	1,829	1,906	1,329	891	15,017
	Premiums earned							
R0210	Gross - Direct Business	16,617	0	0	2	2,839	2,079	21,537
R0220	Gross - Proportional reinsurance accepted	-4	3,979	107	2,710	0	0	6,793
R0230	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0240	Reinsurers' share	7,409	1,774	48	1,209	1,266	927	12,634
R0300	Net	9,205	2,205	59	1,503	1,573	1,152	15,697
	Claims incurred							
R0310	Gross - Direct Business	11,595	0	289	0	-1,019	656	11,521
R0320	Gross - Proportional reinsurance accepted		1,385	1,613	1,189			4,187
R0330	Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0
R0340	Reinsurers' share	11,043	1,259	1,790	1,093	-1,050	603	14,738
R0400	Net	551	126	112	96	31	53	970
R0550	**Net expenses incurred**	7,997	1,915	52	1,305	1,367	1,001	13,636

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		33,687										
R0111	Gross written premiums - insurance (direct)		26,953										
R0113	Gross written premiums - accepted reinsurance		6,734										
R0160	Net written premiums		24,782										
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		47,158										
R0220	Net earned premiums		26,129										
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		22,933										
R0611	Gross (undiscounted) direct business		18,673										
R0612	Gross (undiscounted) reinsurance accepted		4,260										
R0690	Net (undiscounted) claims incurred		1,537										
R0730	Net (discounted) claims incurred	1,537	1,537										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	22,699											
R0985	Acquisition costs, commissions, claims management costs	10,294	10,294										
	Other expenditure												
R1140	Other expenses	-739											
R1310	**Total expenditure**	24,179											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property		
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	0	0	33,687	0										
R0111	Gross written premiums - insurance (direct)	0	0	26,953	0										
R0113	Gross written premiums - accepted reinsurance	0	0	6,734	0										
R0160	Net written premiums	0	0	24,782	0										
	Premiums earned and provision for unearned														
R0210	Gross earned premiums	0	0	47,158	0										
R0220	Net earned premiums	0	0	26,129	0										
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred	0	0	22,933	0										
R0611	Gross (undiscounted) direct business	0	0	18,673	0										
R0612	Gross (undiscounted) reinsurance accepted	0	0	4,260	0										
R0690	Net (undiscounted) claims incurred	0	0	1,537	0										
R0730	Net (discounted) claims incurred														
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs	0	0	10,294	0										
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross								8,257									8,257
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								13,832									13,832
R0150	**Net Best Estimate of Premium Provisions**								-5,575									-5,575
	Claims provisions																	
R0160	Gross								57,054									57,054
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default								52,489									52,489
R0250	**Net Best Estimate of Claims Provisions**								4,565									4,565
R0260	**Total best estimate - gross**								65,311									65,311
R0270	**Total best estimate - net**								-1,009									-1,009
R0280	**Risk margin**								378									378
R0320	**Technical provisions - total**								65,689									65,689
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**								66,321									66,321
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**								-631									-631

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020	Accident year / underwriting year	Accident year

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											2,407	2,407	2,407
R0160	-9	3,574	4,059	2,078	4,053	100	181	383	68	17	45		45	14,558
R0170	-8	2,450	3,005	1,279	533	204	189	40	24	24			24	7,748
R0180	-7	2,884	5,258	7,941	2,368	1,249	2,037	102	690				690	22,530
R0190	-6	5,068	3,107	2,368	1,684	537	529	2,537					2,537	15,831
R0200	-5	3,609	16,354	4,084	4,269	1,864	266						266	30,447
R0210	-4	4,185	4,959	2,910	1,571	1,278							1,278	14,903
R0220	-3	3,415	3,166	1,056	2,046								2,046	9,683
R0230	-2	3,232	6,739	5,896									5,896	15,867
R0240	-1	2,590	3,243										3,243	5,833
R0250	0	2,875											2,875	2,875
R0260												Total	21,307	142,680

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											2,438	2,186
R0160	-9	0	13,254	8,655	4,303	3,499	2,602	1,164	1,415	1,098	224		180
R0170	-8	18,348	11,552	6,709	4,961	5,068	1,164	4,115	4,082	4,085			3,321
R0180	-7	19,437	24,015	13,285	6,414	4,995	1,460	1,125	430				371
R0190	-6	20,544	16,360	12,724	9,384	6,674	5,612	3,145					2,749
R0200	-5	23,297	18,187	11,622	7,471	3,136	2,095						1,871
R0210	-4	27,406	12,035	7,749	8,638	7,762							6,925
R0220	-3	19,372	10,224	8,387	4,783								4,255
R0230	-2	22,263	15,768	12,965									11,596
R0240	-1	24,346	9,754										8,811
R0250	0	16,205											14,791
R0260												Total	57,054

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Gross premium

		C0570	C0580
		Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0160	N-9	53,201	0
R0170	N-8	51,859	0
R0180	N-7	51,798	0
R0190	N-6	54,960	0
R0200	N-5	57,338	0
R0210	N-4	59,787	0
R0220	N-3	65,672	0
R0230	N-2	68,545	0
R0240	N-1	71,278	0
R0250	N	62,560	0

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Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	67,340	67,340			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0290	**Total basic own funds after deductions**	67,340	67,340	0	0	0

	Ancillary own funds	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees	0				
R0350	Letters of credit and guarantees other	0				
R0360	Supplementary members calls	0				
R0370	Supplementary members calls - other	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0

	Available and eligible own funds	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
R0500	Total available own funds to meet the SCR	67,340	67,340	0	0	0
R0510	Total available own funds to meet the MCR	67,340	67,340	0	0	
R0540	Total eligible own funds to meet the SCR	67,340	67,340	0	0	0
R0550	Total eligible own funds to meet the MCR	67,340	67,340	0	0	
R0580	**SCR**	12,073				
R0600	**MCR**	4,720				
R0620	**Ratio of Eligible own funds to SCR**	557.80%				
R0640	**Ratio of Eligible own funds to MCR**	1426.77%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	67,340
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	0
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	67,340

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	2,436
R0080	Equity risk	2,418
R0090	Property risk	0
R0100	Spread risk	382
R0110	Concentration risk	1,024
R0120	Currency risk	3,773
R0125	Other market risk	
R0130	Diversification within market risk	-3,830
R0140	**Total Market risk**	6,202
	Counterparty default risk	
R0150	Type 1 exposures	1,936
R0160	Type 2 exposures	218
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-49
R0180	**Total Counterparty default risk**	2,104
	Life underwriting risk	
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	3,952
R0340	Non-life catastrophe risk	216
R0350	Lapse risk	3,181
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-2,229
R0370	**Non-life underwriting risk**	5,119
R0400	**Intangible asset risk**	
	Operational and other risks	
R0422	Operational risk	1,959
R0424	Other risks	
R0430	**Total Operational and other risks**	1,959
R0432	**Total before all diversification**	21,494
R0434	Total before diversification between risk modules	15,385
R0436	Diversification between risk modules	-3,313
R0438	**Total after diversification**	12,073
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	12,073
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	12,073
R0490	Biting interest rate scenario	increase
R0495	Biting life lapse scenario	mass

IR.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	3,423

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	26,129
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

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

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

	Overall MCR calculation	C0070
R0300	Linear MCR	3,423
R0310	SCR	12,073
R0320	MCR cap	5,433
R0330	MCR floor	3,018
R0340	Combined MCR	3,423
R0350	Absolute floor of the MCR	4,720
R0400	**Minimum Capital Requirement**	4,720