

Solvency and Financial Condition Report 2024

PartnerRe Ireland Insurance dac

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SUMMARY

This report provides the reader with information on the business and performance, system of governance, risk profile, valuation for solvency purposes and capital management of PartnerRe Ireland Insurance dac ("the Company" or "PRIdac") for the year ended 31 December 2024.

Business and performance

Section A of this report outlines the Company's business and performance.

The Company made a pre-tax profit of €1.0m (2023: €18.8m). This was comprised of an underwriting profit of €4.7m (2023: €18.9m), net investment result of €6.6m (2023: €10.3m) and administrative expenses of €10.0m (2023: €10.6m). There was a net foreign exchange loss of €0.4m (2023: gain of €0.2m).

Adverse prior year loss development in casualty business contributed to an increased loss ratio of 96% (2023: 57%) and consequently a lower underwriting profit. The key metrics in relation to underwriting performance are set out below.

Key Performance Indicators	2024 €'000	2023 €'000
Gross premiums written	234,312	232,446
Net premiums written	28,074	26,097
Net premiums earned	28,777	27,609
Gross claims incurred	218,971	121,954
Net claims incurred	(27,762)	(15,634)
Gross commission expense	(35,863)	(54,912)
Reinsurance commission income	39,551	61,820
Net commission income	3,688	6,908
Underwriting profit	4,703	18,883
Net loss ratio	96 %	57 %

The principal driver of the investment result was interest income of €4.5m (2023: €3.0m) on the Company's portfolio of fixed income securities, supplemented by net unrealised gains of €2.9m (2023: €7.8m) driven by the impact of interest rate movements.

System of governance

Section B of this report outlines the Company's system of governance which includes the role of the Board of Directors ("the Board") and the Board Committees, delegation of roles and responsibilities, fit and proper requirements, risk management system, internal control system, Compliance function, Risk function, Actuarial function, Internal Audit function and use of outsourcing.

The Board has established two sub-committees: the Audit Committee and the Risk Committee.

The Board has reserved certain powers for itself and has delegated other powers to the General Manager. Under this authority, the General Manager has established an Executive Committee, responsible for managing the overall business, implementing the business plan in line with the agreed strategy and overseeing the management of risk and regulatory compliance across the organisations.

Since 1 January 2024, the Company is categorised as Medium-High under the CBI's Probability Risk and Impact System (PRISM). The Company maintains an effective system of governance, which provides for sound and prudent management of its integrated operations.

Risk Profile

The core of the Company's business model is the assumption and management of risk, which is described in further detail in Section C of this report. The Company is exposed to a number of risks including underwriting, market, credit, liquidity and operational risks. The Company has implemented a comprehensive risk management framework to monitor, manage and mitigate these risks. The most important risk management and mitigation tools of the Company are underwriting and investment guidelines, risk limits, recovery planning, diversification and the use of reinsurance with third parties and affiliate companies.

Valuation for solvency purposes

The Company's financial statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland ("Irish GAAP") which is comprised of the Companies Act 2014 and accounting standards issued by the Financial Reporting Council (Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the U.K. and Republic of Ireland' and Financial Reporting Standard 103, 'Insurance Contracts').

The most significant differences between the valuation of the Company's assets and liabilities for solvency purposes and the valuation in accordance with Irish GAAP relate to:

- Technical Provisions
- Reinsurance recoverable
- Deferred acquisition costs
- Deferred Tax

See section D for more detail on the valuation methods, basis and assumptions for assets and liabilities in the Solvency II balance sheet as well as a comparison with Irish GAAP. There were no significant changes to the valuation basis of the Company's assets and liabilities during the year.

Capital management

The Company's solvency coverage ratio as at 31 December 2024 was 201% arising from eligible Own Funds of €145.7 million and a Solvency Capital Requirement ("SCR") of €72.6 million.

The Company uses the Standard Formula to calculate the SCR and there were no material changes in the SCR calculation during the year.

See section E for further details about the Company's Capital Management.

A. BUSINESS AND PERFORMANCE

A.1. BUSINESS

PartnerRe Ireland Insurance dac is a designated activity company limited by shares, incorporated and domiciled in Ireland.

The Company is regulated by the Central Bank of Ireland ("CBI"), New Wapping Street, North Wall Quay, Dublin 1, Ireland.

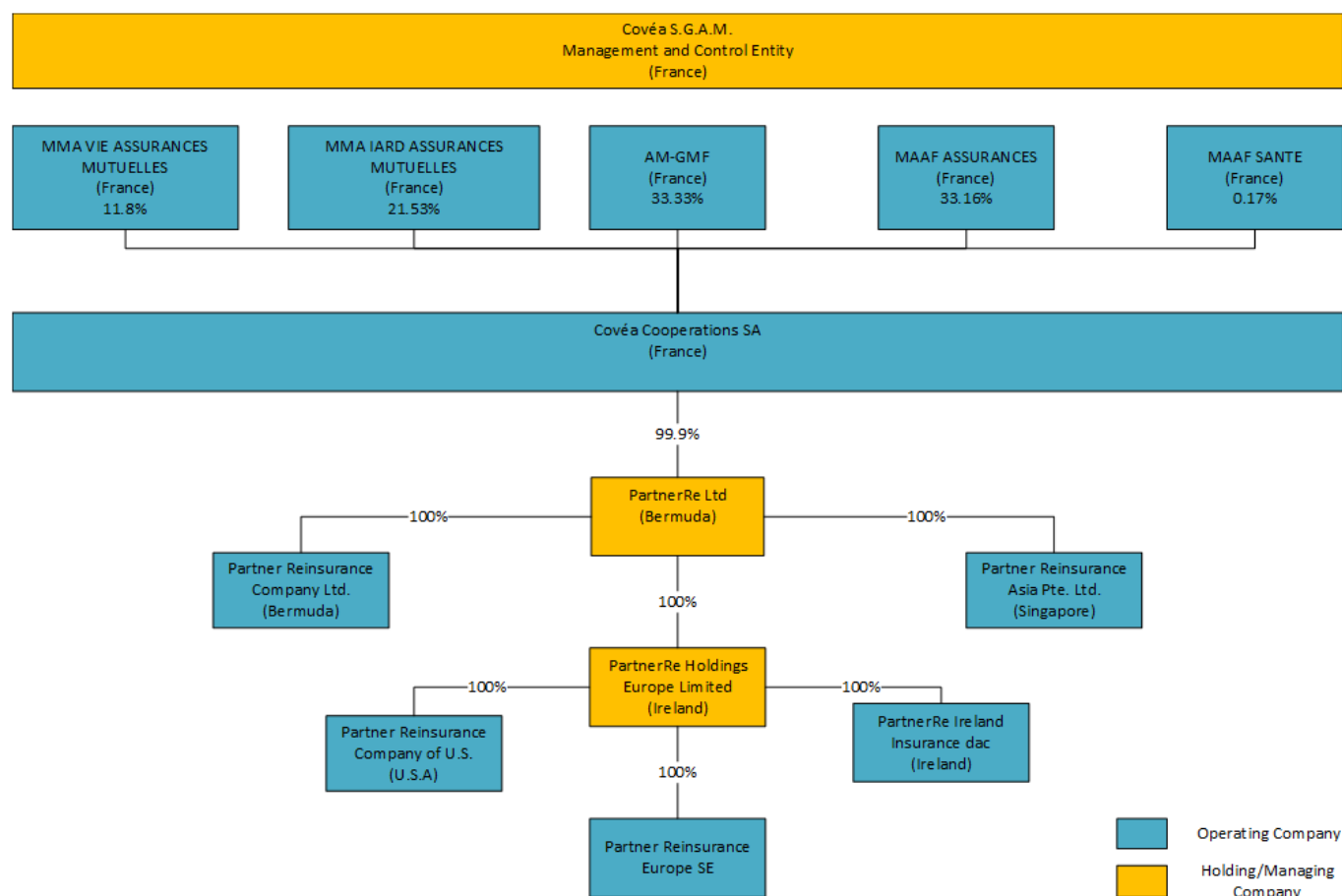
The Company has a U.K. branch, authorised by the Financial Conduct Authority and the Prudential Regulation Authority. The branch is subject to U.K. prudential regulation as a third country branch.

The Company's external auditor is PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

The Company is a member of the PartnerRe group (the "Group"). The parent company of the PartnerRe group is PartnerRe Ltd. ("Group Parent"), a company incorporated in Bermuda. The immediate parent company is PartnerRe Holdings Europe Limited ("PRHEL"), a company incorporated in Ireland. PartnerRe Ltd. is a member of the Covéa Group and a subsidiary of Covéa Coopérations S.A ("Covéa"), a company incorporated in France.

The PartnerRe group is regulated by the Bermuda Monetary Authority, BMA House, 43 Victoria Street, Hamilton, Bermuda. The Covéa group is regulated by the French Prudential Control and Resolution Authority ("ACPR"), 4 Place de Budapest, CS 92459, 75436 Paris Cedex 09.

The following diagram is a simplified Group structure and includes the material related reinsurance and insurance entities in the Group:



The Company's business strategy is to support the Group's overall strategy by providing clients the option to place business classified as insurance with the Group. The Company focuses on sophisticated insurance buyers such as large corporations and multi-nationals who need to place large sums insured, multi-location business or complex risks, typically as co-insurance. The Company does not underwrite retail insurance business.

The Company, through its head office and U.K. Branch, is a multi-class insurance company capable of writing worldwide risks with multi-national access. The Company underwrites non-life insurance and facultative reinsurance business within the following lines of business: aviation, energy, property and casualty.

The Company writes business in a number of geographic areas, primarily the United States, the United Kingdom, Germany, Australia and Canada. Further details can be seen in section A.2. Underwriting performance.

A.2. UNDERWRITING PERFORMANCE

The tables below outline the Company's underwriting performance, as per the Company's financial statements, by Solvency II line of business for the current and prior year:

	Marine, aviation and transport	Fire and other damage to property	General liability	Credit and suretyship	Legal expenses	Total
2024	€'000	€'000	€'000	€'000	€'000	€'000
Gross premiums written	11,474	133,623	86,516	196	2,503	234,312
Net premiums written	1,533	14,816	11,413	26	286	28,074
Net premiums earned	1,973	14,652	11,822	31	299	28,777
Net claims incurred	(828)	(11,660)	(15,189)	34	(119)	(27,762)
Net acquisition income/(expense)	181	3,106	439	10	(48)	3,688
Other technical charges, net of reinsurance	1	2	2	—	—	5
Technical result	1,327	6,100	(2,926)	75	132	4,708

	Marine, aviation and transport	Fire and other damage to property	General liability	Credit and suretyship	Total
2023	€'000	€'000	€'000	€'000	€'000
Gross premiums written	14,908	126,234	91,276	28	232,446
Net premiums written	1,583	14,955	9,557	2	26,097
Net premiums earned	1,894	13,202	12,505	8	27,609
Net claims incurred	(3,757)	(5,399)	(6,445)	(33)	(15,634)
Net acquisition income	1,151	5,180	576	1	6,908
Other technical charges, net of reinsurance	1	3	3	—	7
Technical result	(711)	12,986	6,639	(24)	18,890

The marine, aviation and transport line of business includes marine, aviation and energy offshore exposures. The fire and other damage to property line of business includes exposures from property, engineering and energy onshore risks. The general liability line of business includes exposures from casualty risks. The credit and suretyship line of business includes exposures from credit & surety risks. The legal expenses line of business is solely comprised of after-the-event legal expenses exposure.

Marine, aviation and transport

Gross premiums written for the financial year were €11.5m. This represents a decrease of €3.4m when compared to the prior financial year, driven by Aviation business.

Despite the decrease in the gross premiums written, net premiums earned remained relatively stable due to an increase in the portion retained after reinsurance.

The underwriting result was a profit of €1.3m for the financial year. This represents an increase of €2.0m when compared to the prior financial year driven by an improved loss ratio.

Fire and other damage to property

Gross premiums written for the financial year were €133.6m, representing an increase of €7.4m when compared to the prior financial year. This increase was mainly driven by new business and premium increases on property lines.

Net premiums earned for the financial year were €14.7m. This represents an increase of €1.5m compared to the prior financial year driven by the increased property business written by the Company over 2023 and 2024 compared to previous years.

The underwriting result was a profit of €6.1m for the financial year. Year-on-year, this represents a decrease of €6.9m, driven by a higher loss ratio in 2024 compared to 2023.

General Liability

Gross premiums written for the financial year were €86.5m, representing a decrease of €4.8m when compared to the prior financial year, driven by a decrease in transactional liability premiums written by MGAs.

Net premiums earned for the financial year were €11.8m. This represents a decrease of €0.7m when compared to the prior financial year, driven by the decreased premiums written over the last two years.

The underwriting result was a loss of €2.9m for the financial year. Year-on-year, this represents a decrease of €9.6m, driven by an increase in the loss ratio as a result of adverse development of prior year losses.

Legal expenses

Gross premiums written for the financial year were €2.5m and the net premiums earned was €0.3m, the technical result of the line of business resulted in a profit of €0.1m.

Acquisition costs/income

Net acquisition income was a positive €3.7m, representing a decrease of €3.2m driven by a decrease in override commission income received from reinsurance.

Geographical Analysis

2024	Ireland	Top 5 countries by location of insured					Other	Total
		United States	United Kingdom	Australia	Canada	Germany		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Gross premiums written	1,877	189,722	21,773	4,371	3,605	2,735	10,229	234,312
Net premiums written	325	26,153	3,831	812	647	559	(4,253)	28,074
Net premiums earned	321	23,803	3,969	752	647	493	(1,208)	28,777
Net claims incurred	226	(17,544)	(3,339)	(2,433)	(136)	(1,963)	(2,573)	(27,762)
Net acquisition income/(expense)	(4)	3,331	(363)	46	70	51	557	3,688
Other technical charges, net of reinsurance	—	2	2	—	—	—	1	5
Technical result	543	9,592	269	(1,635)	581	(1,419)	(3,223)	4,708

2023	Ireland	Top 5 countries by location of insured					Other	Total
		United States	United Kingdom	Germany	Australia	Canada		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Gross premiums written	1,072	179,911	26,621	4,483	4,262	3,639	12,458	232,446
Net premiums written	(1,796)	22,066	3,138	355	490	381	1,463	26,097
Net premiums earned	999	20,456	2,749	689	461	451	1,804	27,609
Net claims incurred	(2,576)	(8,274)	(3,225)	(477)	89	(234)	(937)	(15,634)
Net acquisition income/(expense)	338	4,408	390	326	190	224	1,032	6,908
Other technical charges, net of reinsurance	—	7	—	—	—	—	—	7
Technical result	(1,239)	16,597	(86)	538	740	441	1,899	18,890

Given the nature of the commercial insurance business, where the location of the insured is not representative of the location of the risk, the Company does not manage its underwriting result by geography.

A.3. INVESTMENT PERFORMANCE

The following table outlines the investment performance and expenses for the current and prior financial years:

	2024	2023
	€'000	€'000
Interest income	4,534	3,026
Realised losses	(507)	(253)
Unrealised gains	2,884	7,839
Investment expenses	(299)	(273)
Net investment result	6,612	10,339

The Company's investments are allocated to government bonds, corporate bonds and cash (or cash equivalents). The unrealised gains were driven by decreases in global rates particularly at the shorter end of the yield curve.

A.4. PERFORMANCE OF OTHER ACTIVITIES

Operating expenses decreased by €0.7m to €10.0m, with the decrease mainly due to lower expenses recharged from related entities for personnel costs.

The Company recognised a loss of €0.4m (2023: gain of €0.2m) on foreign exchange in the income statement from the revaluation of all balances held in currencies other than the functional currency of the Company.

The Company recognised a total income tax benefit of €0.1m (2023: €2.3m expense). The effective tax rate is driven by the location of profits/losses recognised across the various tax jurisdictions in which the Company operates, along with the utilisation of tax losses across the tax jurisdictions.

A.5. ANY OTHER INFORMATION

There is no other material information regarding the business and performance of the Company.

B. SYSTEM OF GOVERNANCE

B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Since 1 January 2024, the Company is categorised as Medium-High under the CBI's Probability Risk and Impact System (PRISM). Prior to this, it was categorised as Medium-Low. The Company is subject to the Corporate Governance Requirements for Insurance Undertakings 2015 (the "Corporate Governance Requirements"). The Company is satisfied that the corporate structures and practices pertaining to corporate governance as described in the Corporate Governance Requirements are operating effectively.

General governance standards and structure

The Board is responsible for the effective, prudent, and ethical oversight of the Company. The Board is also responsible for, among other things, setting and overseeing:

- The business strategy for the insurance undertaking.
- The establishment of a documented risk appetite framework and the strategy for the on-going management of material risks including, inter-alia, liquidity risk.
- The amounts, types and distribution of internal capital and own funds adequate to cover its risks.
- Ultimate responsibility and ownership for the Company's Own risk and solvency assessment ("ORSA") process.
- A remuneration framework that is in line with the risk strategies of the insurance undertaking.
- A robust, transparent organizational structure with effective communication and reporting channels.
- An adequate and effective internal control framework, that includes well-functioning and properly resourced risk management, compliance, actuarial and internal audit functions that are independent of business units and possess adequate authority to operate effectively.
- The appointments of Directors and a General Manager and senior management with appropriate integrity and adequate knowledge, experience, skill, and competence for their roles and endorsing the appointment of people who may have a material impact on the Company's risk profile and monitoring on an on-going basis their appropriateness for the role.
- Oversight of its committees.
- The establishment of a Conflicts of Interest Policy for Board Members.

Where the Company applies a group policy or engages a group function, the Board satisfies itself as to the appropriateness of these policies for the Company and whether these policies or functions take full account of Irish laws, regulation and the requirements of the CBI.

The Board ensures that no one individual has unfettered decision making power within the Company.

The Board has five members and has established two sub-committees: the Audit Committee and the Risk Committee. The Board, in its entirety, acts as the Audit Committee and the Risk Committee. The Audit Committee and Risk Committee are chaired by Independent Non-Executive Directors. This approach is in accordance with Section 19.1 of the Central Bank of Ireland's Corporate Governance Requirements 2015.

The Audit Committee

The Audit Committee has been established to oversee the Company's financial reporting process and the internal control environment on behalf of the Board. The Audit Committee is governed by an Audit Committee Charter.

The Risk Committee

The Risk Committee has been established to provide oversight and advice to the Board on the Company's current risk exposures and its future risk strategy. The Risk Committee has oversight responsibility for company policies and activities related to overall management of the Company's risks pursuant to the business strategy and risk management policy established by the Board. The Risk Committee is governed by a Risk Committee Charter.

Powers Delegated by the Board

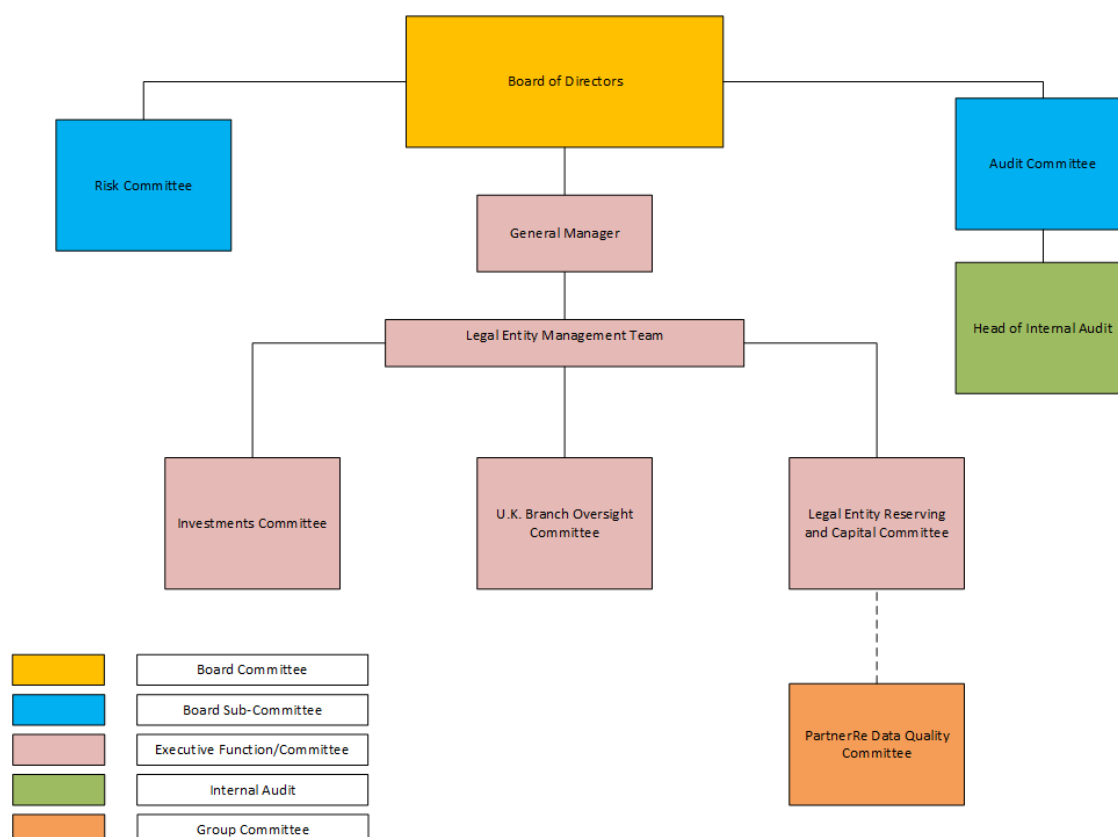
The Board has reserved certain powers for itself and has delegated other powers. This delegation is documented in the Board's Delegation of Authority Policy which is part of the Board's Charter. Authorities that have not been reserved for the Board are delegated to the General Manager.

Under this authority, the General Manager has established an Executive Committee, called the Legal Entity Management Team ("LEM").

The LEM is the senior executive team within the Legal Entity and is established for the purpose of providing advice and making recommendations to the General Manager in respect of the Company's operations. The LEM is responsible for managing the overall business, implementing the business plan in line with the agreed strategy and overseeing the management of risk and regulatory compliance across the organisations.

The Company's LEM comprises the Company's General Manager, Chief Risk Officer ("CRO"), Head of Actuarial Function ("HoAF"), Head of Finance, Head of Legal & Company Secretary and Head of Compliance and the LEM has established the following subcommittees to support its management of the Company:

- Legal Entity Reserving and Capital Committee
- U.K. Branch Oversight Committee
- Investment Committee



Legal Entity Reserving and Capital Committee

The Legal Entity Reserving and Capital Committee is responsible for the quarterly review and approval of the Technical Provisions, Solvency Capital Requirement, Economic Balance Sheet and Own Funds of the Company before the quarterly Quantitative Reporting Templates ("QRTs") are filed with the CBI. The Committee also reviews these items in advance of the submission of annual returns and makes recommendation to the Audit Committee in respect of the returns.

The Committee also reviews and approves the assumptions and assumption changes supporting the calculation of the Technical Provisions on an annual basis before submission to the Board.

The Committee is chaired by the Head of Finance and the other members are the HoAF, the CRO and the General Manager. The Committee meets at least quarterly.

PartnerRe Data Quality Committee

This Group committee represents key stakeholders concerned in Solvency II data quality and ensures effective management of data quality within the PartnerRe Group. The committee is responsible for monitoring data quality, defining priorities for and approving projects in relation to ongoing improvement of data quality, reviewing major data quality incidents where they arise and ensuring appropriate remediation plans are put in place to address any underlying issues.

The Committee is a group wide committee. The Company's HoAF and CRO are members of the Committee.

U.K. Branch Oversight Committee

The Committee is the Governing Body, as defined in the Prudential Regulatory Authority's ("PRA") Rulebook, of the U.K. Branch.

Its responsibilities include management and oversight of the U.K. Branch. In addition, the Committee reviews and approves the U.K. specific regulatory returns and the approval of U.K. Branch specific policies for Risk Management, Internal Audit, Outsourcing, Regulatory Reporting and Compliance.

The Committee is chaired by the General Manager and its members are the U.K. Branch Manager, Head of Finance, CRO, HoAF, Head of Compliance and Senior Legal Counsel.

Investment Committee

The Committee is responsible for providing oversight of investments and monitoring and analysing the Company's investment results and portfolio movements. In addition, the Committee reviews any potential investment opportunities.

The Committee ensures that the investment portfolio remains compliant with the investment guidelines, asset allocation plan and risk appetite limits.

The Committee is chaired by the Head of Finance and the other members are the General Manager, CRO and the Head of Investments. The Committee meets at least monthly.

Authority and independence of key functions

The Company has the following key functions: Risk Management, Actuarial, Finance, Internal Audit and Compliance. Risk Management, Actuarial, Finance and Compliance functions report to the General Manager. Internal Audit reports to the Audit Committee.

Risk Management function

The Risk Management function has independent oversight of risk management activities including identifying, assessing, monitoring and reporting existing and emerging risks. The Risk Management function monitors the Company's risk profile against risk appetite and tolerances. Any deviations from risk appetite or tolerance are reported in line with reporting procedures.

The CRO leads the Risk Management function, is also a member of the LEM and a Pre-Approval Controlled Function ("PCF") 14 under the CBI's Fitness and Probity regime.

The CRO reports on a quarterly basis to the Risk Committee.

Actuarial function

The Company has a HoAF. The HoAF is responsible for coordinating the calculation of technical provisions, informing the Board of the reliability and adequacy of the calculation of technical provisions and providing an opinion on the Company's technical provisions, ORSA, reinsurance and underwriting policy.

The HoAF is a member of the LEM and a PCF 48 under the CBI's Fitness and Probity regime.

Finance function

The Company's Finance function has responsibility for ensuring the accuracy of the Company's financial reporting, quarterly/annual statutory, regulatory filings and tax compliance. It oversees financial controls to ensure compliance with relevant accounting standards, investment guidelines, and certain corporate law and tax requirements. It monitors solvency ratios and calculations and ensures that sufficient capital is maintained to meet business and regulatory requirements.

The Head of Finance is a member of the LEM and a PCF 11 under the CBI's Fitness and Probity regime.

Internal audit

Internal Audit is an independent evaluation and appraisal function reporting to the Board through the Audit Committee. Internal Audit examines and evaluates the functioning of the internal controls and other elements of governance and provides independent assurance over the operations of the Company. Internal Audit's responsibilities are set out in the Internal Audit Charter.

The Head of Internal Audit, who is a PCF 13 under the CBI's Fitness and Probity regime, attends LEM meetings on at least a quarterly basis and reports to the Audit Committee and the Board on a quarterly basis.

Compliance function

The Compliance function advises the Company on compliance with the laws, regulations and administrative provisions adopted pursuant to the Solvency II Directive. The function also identifies and assesses the impact of any changes in the legal environment, on the operations of the Company. In addition, the function designs, implements and executes a compliance monitoring framework to provide assurance to the Board on the adequacy of measures taken by the company to meet regulatory requirements.

The Head of Compliance is a member of the LEM and a PCF 12 under the CBI's Fitness and Probity regime.

Material changes in the governance of the Company during the year

There have been no changes to the composition of the Board during the course of the year.

Material transactions

The transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the Board were:

- Directors' remuneration; and
- Intra-group transactions in the normal course of business.

The intra-group transactions in the normal course of business consisted of:

- Reinsurance agreements; and

- Recharges for staff costs and other outsourced services. Further details of outsourced services are provided at section B.7. Outsourcing.

Remuneration Policy

The Remuneration policy is approved by the Board. The Company has no direct employees, with the Remuneration Policy applied to those employees seconded from PRHEL. It is the intention of the Company to ensure that the ways in which it remunerates its employees, officers and directors meets with good practice standards as well as applicable regulatory requirements.

The Remuneration Policy is designed to meet the following objectives:

- Align the long-term interests of the Company's participants and shareholders;
- Deter excessive risk taking;
- Establish competitive pay levels on a total compensation basis;
- Clearly link pay with performance;
- Provide flexibility in form and structure to meet individual time horizons;
- Demonstrate good governance and corporate responsibility; and
- Encourage the retention of the Company's participants.

The Board considers the following structure of remuneration to be appropriate, in the context of the Company's activities and the applicable regulatory requirements:

- The philosophy is to remunerate at the median of the appropriate market.
- Remuneration is comprised of base salary and variable remuneration.
- Local requirements relating to remuneration structures will be respected as appropriate.
- Sustainability risks are managed elsewhere within the Company's Enterprise Risk Management System.

With regard to the remuneration of its INEDs the Company's policy is that, in keeping with their duty of independence, they shall be remunerated by a fixed fee only, and no incentive-based payments will be made.

It is the Company's policy that Non-Executive Director's ("NED") who are employees of the Group receive no remuneration for their duties as Directors of the Company.

The variable components of remuneration are annual incentive and Long Term Incentive ("LTI") awards. The annual incentive is a variable, performance-based component of compensation. Each employee has a target annual incentive payment, which is set as a percentage of base salary. The actual payment is then based on a combination of business unit performance, individual performance and overall Group performance. The target metrics are set by the Group each year.

Pension entitlements are typically paid on a contribution basis and are based on a percentage of the participant's base salary depending upon competitive local market practice and vesting provisions meeting legal compliance standards and market trends.

Adequacy of the system of governance

The system of governance has been established taking account the size, nature and scale of the Company's operations and the complexity of inherent risks. The Compliance Function conducts an annual review of adherence to the Corporate Governance Requirements and reports to the Board on the review outputs and any recommended governance enhancements. The system of governance has been assessed as adequate for 2024.

Processes for monitoring the effectiveness of the system of governance

The roles and responsibilities of the Board and its Committees, as outlined under their respective Charters, are reviewed and updated at least annually.

Assessment of Board and Committee performance

The Board formally reviews its overall performance, relative to the Board's objectives, on an annual basis. This includes a review of the Audit Committee and the Risk Committee in relation to their respective performances.

Annually, each director performs a self-assessment whereby he or she evaluates his or her performance against a range of key performance indicators. In addition, each Board Director completes an annual Board Evaluation reviewing the overall performance of the Board and that of individual directors, relative to the Board's objectives.

Corporate Governance

The Board receives quarterly updates from the Company's Compliance function in respect of the activity of the Compliance function in the quarter. As part of this report, details of new regulatory and legal requirements and the assessed impact that they will have on the Company are provided to the Board. In addition, the report provides details of any compliance monitoring activity that has taken place in the quarter concerned. Such reporting is designed to provide the Board with sufficient comfort that the Company has complied with all requisite regulatory and legal requirements and, where necessary, to highlight any occasions on which the Company has deviated from such requirements.

Internal audit plan

The Board, with the assistance of the Audit Committee, monitors the effectiveness and adequacy of the Company's internal controls (including the Company's financial reporting process) and I.T. systems through reports received from the Internal Audit function as per Internal Audit's plan. The Board and the Audit Committee review and approve the Internal Audit plan on an annual basis.

Adherence to Group and Company policies, guidelines, procedures and use of Group functions

The Board satisfies itself as to the appropriateness of compliance with Group policies for the Company and in particular that these policies and functions take full account of local business needs, Irish laws and regulations and the supervisory requirements of the CBI. Where necessary, Company specific guidelines are put in place in addition to the Group policies to ensure compliance with local business needs and laws, regulations and supervisory requirements.

B.2. FIT AND PROPER POLICIES AND PROCEDURES

As an insurance undertaking authorised by the CBI, the Company is subject to the CBI's Fitness and Probity Standards.

The Company's Fitness and Probity Policy (the "Policy"), which is reviewed and approved annually by the Board, governs its fitness and probity procedures which determine which roles fall under the Fit and Proper ("F&P") Standards.

These procedures also provide a mechanism for collating and assessing information to evidence compliance with the F&P Standards and ensuring that all relevant individuals meet and continue to meet them and fulfil any training obligations. The Policy and the procedures cover due diligence requirements relating to:

- New appointments of individuals performing PCFs and Controlled Functions ("CF"s);
- Internal PCF and CF role transfers and promotions;
- Outsourcing of PCF and CF roles;
- On-going due diligence of individuals performing PCF and CF roles; and

- Potential consequences if an individual performing a PCF or CF role does not meet or no longer meets the Fitness and Probity Standards.

The Company's due diligence involves analysis of the competencies and degree of probity required to discharge a particular function (and whether the responsibilities of the function fall into a PCF or CF category). This ensures that individuals' qualifications, professional skills, knowledge and experience correspond with role requirements, and they have maintained professional qualifications by completing continuous professional development where required. It serves to ensure that individuals discharging a particular function have the competence and ability to understand the technical requirements and inherent risks of the business and the management processes required to conduct its operations effectively. If deemed necessary, relevant and comprehensive training is carried out in conjunction with the PCF or CF appointment process together with the provision of relevant training on an ongoing basis.

The Company maintains records of the due diligence undertaken in respect of individuals performing PCF or CF roles on its behalf prior to their appointment and annually to evidence their ongoing compliance with the Fitness and Probity Standards. The annual process involves ensuring their completion of a detailed Annual Certification which includes confirmation of compliance with the Fitness and Probity Standards and certification of probity, financial soundness, that all employment and directorships have been disclosed and will not materially impact performance of a PCF role and that continuing professional development has been completed where required to maintain a necessary qualification. Outputs are reviewed by the Head of Compliance and results of the due diligence are recorded. Each individual performing a PCF or CF is certified by the company confirming that they are fit and proper to undertake their role.

The due diligence outputs form the basis of the Board's endorsement of the appointment of individuals performing PCF roles within the Company (including all Board Members) and those who may have a material impact on its risk profile (being the General Manager, Head of Finance, CRO, Head of Internal Audit, Head of Compliance, HoAF, U.K. Branch Manager, Head of Underwriting, Head of Investments and Head of Claims).

B.3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

Enterprise Risk Management ("ERM")

The Company has documented a Risk Management Framework ("RMF") which sets out the overarching principles, processes and roles and responsibilities in relation to the Company's risk management framework.

The RMF covers in particular the following areas:

- Risk governance;
- Risk function;
- Risk policy framework;
- Risk identification and assessment process;
- Risk appetite, risk limits and tolerances (including risk strategy and the Risk Appetite Framework);
- Risk monitoring and reporting;
- Risk mitigation;
- ORSA; and
- Recovery planning.

Risk management activities and processes contribute also to the Operational Resilience Framework.

Risk Governance

The Board is ultimately responsible for the Company's system of governance and internal control. The Board structure and responsibilities are set out in its Board Charter. The Board is collectively responsible for acting in the interests of the shareholders, other stakeholders and the Company in accordance with applicable legal and regulatory requirements.

The Board has delegated some of its key functions through the establishment of an Audit Committee and a Risk Committee. The Committees' respective responsibilities are discharged by the Board sitting as the respective Committee in accordance with Section 19.1 of the CBI's Corporate Governance Requirements 2015 per the Board's determination that this is appropriate in circumstances of a Board composition of 5 Directors. This enables effective management and facilitates the Board in carrying out its responsibilities and overall stewardship of the Company. These Committees have clearly defined terms of references as stated in the Committee Charters. The Board is also supported by the Company's LEM. The LEM and the Committees enhance the Board's consideration of risk-related issues.

The Board sets the overall strategy of the Company in line with the strategy of the PartnerRe Group and the risk strategy. It also sets the Company's risk appetite and risk tolerances in light of the Company's overall strategy and risk strategy. The Board seeks to ensure that there are sound risk management processes in place to effectively identify, assess, manage and report on the risks to which the Company is exposed.

Risks are structured in a Risk Universe which is regularly updated in response to PRIfdac's evolving risk profile. The Risk Universe intends to capture all relevant material and potentially material risks. Each risk in the Risk Universe has a risk owner.

Three Lines of Defence

The Company operates with a three lines of defence model.

The first line of defence owns and manages risks and is responsible for implementing internal control measures to ensure compliance with all applicable laws and regulations.

The Compliance and Risk functions are part of the second line of defence and are responsible for

- Developing risk management frameworks and policies;
- Identifying, assessing and communicating known and emerging issues and risks;
- Identifying shifts in the Company's risk profile;
- Communicating compliance and regulatory risk scenarios;
- Assisting management in developing processes and effective controls to manage risks;
- Monitoring the implementation of risk management processes and internal controls;
- Monitoring the adequacy and effectiveness of internal controls;
- Proactively testing and monitoring high risk areas to ensure policies and procedures are being implemented properly;
- Providing guidance and training on risk management processes; and
- Managing the timely remediation of deficiencies.

The HoAF is, in certain aspects of her role, part of the second line of defence (independent of the first line Reserving Function) and provides independent review and advice to management, the Audit Committee and the Board on data, models, methodologies and assumptions.

The third line of defence is Internal Audit who assist management and the Board in achieving corporate objectives and discharging their duties and responsibilities by bringing a systematic and disciplined approach to evaluating and

improving the effectiveness of the Company's risk management activities, internal controls, and governance processes.

Risk Function

The Risk function consists of the CRO and the supporting Risk team. The CRO and the PRIdac Risk team collaborate with and are supported by Risk resources in other PartnerRe Group entities.

The CRO reports to the General Manager and reports directly to the Risk Committee and the Board.

Risk Policies

The Company's risk policy framework addresses different groups of homogenous and related risks and establishes the risk management approach, risk appetite and mitigation principles, risk ownership, governance, and escalation procedures. Individual risk policies are supported by sub-policies, operating guidelines and the ERM control framework.

The Company's risk policy framework consists of PartnerRe Group and Company Risk Policies:

- PartnerRe Group Risk Policies are drafted at PartnerRe Group level, reviewed by PRIdac for compliance with local requirements, approved by the Board of PartnerRe Ltd, reviewed by PRIdac's Risk Committee and then approved by the Board of the Company together with a set of Adoption Schedules setting out additional requirements or clarifications at legal entity level; the last such approval was in June 2024
- Company Risk Policies are drafted at Company level, reviewed by PRIdac's Risk Committee and then approved by the Board of the Company.

Risk Identification and Assessment

The Risk function coordinates and performs an annual risk identification and assessment process to assess all reasonably foreseeable and relevant material risks for the Company, resulting in the Risk Assessment report. This process is performed annually in collaboration and consultation with the risk owners. The summary report is presented to the LEM for review and input and then discussed with the Risk Committee and Board of Directors.

Key elements of this process are:

- Review of the Risk Universe with the LEM;
- Assessment of individual risk categories with risk owners, business stakeholders and in consultation with the second and third lines of defence where appropriate;
- Emerging risk process with the LEM and other business stakeholders;
- Review of the summary report in the LEM; and
- Review of the summary report in the Risk Committee and Board.

The Company distinguishes between assumed and non-assumed risks:

- Assumed risks are risks assumed through the Company's insurance business and investment activities and can typically be quantified as loss distributions; and
- Non-assumed risks are risks which the Company incurs through their business activities but does not actively seek out. Operational risks fall into this category. Non-assumed risks are usually difficult to quantify as loss distributions and tend to impact operations, regulatory obligations, or the Company's reputation.

Ad-hoc risk identification and assessments may also be performed throughout the year, for example following a change in risk profile, business mix or strategy.

Risk Appetite, Risk Limits and Tolerances

PRIIldac's Risk Appetite Framework (RAF) sets out the Company's risk appetite, risk limits and tolerances, i.e. the overall level of risk the Company is prepared to take in pursuit of its strategic objectives. Risk limits and tolerances are defined for key risks as identified in the Company's Risk Assessment. The Risk Appetite Framework is reviewed at least annually and approved by the Board.

Risk Monitoring and Reporting

Compliance with the Risk Appetite Framework and its risk limits and tolerances is monitored and reported quarterly to the Risk Committee in a standardized format, highlighting developments of material risks and other relevant risk management updates.

Risk controls

The Company uses PartnerRe's internal control application system to document internal controls. The system allows risk owners to identify risk management processes and tools that are available to mitigate risk. After identifying a risk, the risk owner considers what controls are available within the internal control environment to reduce the risk. During this process, new controls may be identified and added to the internal control system in order to further reduce risks. Any new controls are also documented within the system.

Controls and other risk management actions are performed by process owners within the business units and support functions throughout the year. Internal Audit conducts audits which test the controls to ensure appropriate design and operational effectiveness.

Own Risk and Solvency Assessment ("ORSA")

The Company undertakes at least annually an internal assessment of its risk and solvency positions and evaluates these against the business plan. The ORSA report builds on the Risk function activities throughout the year and aligns with the business planning and strategy setting process. The capital projections in the ORSA are based on projections of own funds and SCR according to the Standard Formula and the multi-year business and investment plans. Projected capital adequacy is assessed against the Company's overall risk appetite and risk limits and tolerances. The outcome of the ORSA informs the planning process.

The ORSA process encompasses the regular review of the ORSA policy and governance framework, the annual risk identification and assessment process, the review and continuous evolution of risk appetite and risk limits and tolerances, risk monitoring, and stress testing, reverse stress testing and capital projections. Stress and scenario testing is based on the Company's view of which risks are material.

Individual components of the ORSA process directly inform the Company's risk management system. The annual Risk Assessment informs the Company's risk monitoring as well as stress testing in the ORSA. The ORSA projections inform business planning, risk management and risk monitoring activities. The ORSA projections also inform capital management such as the design of the Company's retrocession program or the identification of the need for capital injections or capacity for dividend payments.

The ORSA report is prepared in accordance with the Company's ORSA policy by the CRO with support from Capital & Risk, Finance and Actuarial. Capital projections in the ORSA are based on the Solvency II Standard Formula. The ORSA is subject to internal controls, data quality requirements, and review by LEM, the Risk Committee and the Board. Ultimately, the PRIIldac Board is responsible for direction and challenge of the ORSA, with delegated authority to the Risk Committee as appropriate. In addition, the HoAF issues an annual opinion on the ORSA. Following approval, the Company submits the ORSA to the CBI.

Elements of the ORSA process are also applied to large portfolio initiatives or in times of stress.

Recovery planning

The Company prepares a pre-emptive Recovery Plan in line with the requirements set out in S.I. No. 184 of 2021 – Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Recovery Plan Requirements for Insurers) Regulations 2021 and the CBI Recovery Plan Guidelines for (Re)Insurers.

The CRO coordinates a comprehensive review of the Recovery Plan every year or following a material relevant change in the risk profile, solvency, liquidity or operational situation. The Recovery Plan is reviewed by the LEM, the Risk Committee and the Board and subject to approval by the Board.

The Recovery Plan is integrated into the RMF. Recovery indicators are aligned to the extent possible with the key risk indicators defined in the RAF. Early warning and recovery thresholds complement the RAG ranges of the respective key risk indicators in the RAF. Recovery scenarios and recovery options are quantified consistently, where relevant, with the ORSA scenarios and stress testing.

B.4. INTERNAL CONTROL SYSTEM

The Company's internal control system is designed to adequately and effectively identify, manage, monitor and report on the risks the Company is or may be exposed to in order to secure compliance with applicable laws and regulations. It is also designed to detect and correct non-compliance in an efficient and effective manner.

The internal control system consists of a series of preventative and detective controls to prevent, mitigate and detect risk manifestation. The control system allows for escalation of control failures.

The Company will employ risk mitigation techniques as deemed appropriate to remove or reduce risks and remain within the stated risk appetite.

The Board ultimately oversees the internal control system and is supported by the Audit Committee. The Company's Compliance, Finance, Actuarial, Risk Management and Internal Audit functions are all key contributors to the governance and oversight of the Company's internal control system.

There are established robust internal controls in existence across each of these key functions in addition to the controls in place across all other areas e.g. Underwriting, Claims, Investments and Information Technology ("IT").

Compliance function

The Compliance function is responsible for:

- advising the Company on compliance with applicable laws, regulations and administrative provisions adopted pursuant to the Solvency II Directive;
- providing necessary training to staff, on the laws and regulations applicable to the Company;
- identifying and assessing the possible impact of any changes to the applicable laws and regulations, within the scope of the Compliance function, on the operations of the Company and the identification of compliance risk;
- providing assurance to the Board on the adequacy of measures that have been taken by the Company to comply with applicable regulations;
- promoting the importance of the internal control system;
- co-ordinating the Company's response to regulatory consultations;
- managing the relationship with the CBI and other financial services regulators;
- designing, implementing and executing a compliance monitoring framework; and
- maintaining the Company's operating licenses and registrations.

The Company's Compliance Framework comprises the tools that the Compliance function employ to meet its responsibilities. The Compliance Framework is comprised of the following elements:

- Compliance watchlist
- Compliance business plan

- Compliance monitoring plan
- Compliance calendar
- Management and co-ordination of compliance policies
- Training programme

Quarterly compliance reporting to the Board includes, but is not limited to:

- pending or future regulations and legislation which will affect the Company and for which adequate time and resources shall be allocated to meet the requirements;
- details of regulatory visits or significant contacts;
- updates on progress against the approved compliance business and monitoring plans with particular reference to the adequacy of compliance resources; and
- any other relevant information.

B.5. INTERNAL AUDIT FUNCTION

The Internal Audit Function's mission is to provide the Audit Committee and Board with an independent appraisal function to assess the Company's internal control and operating environment so as to provide reasonable assurance that:

- operations are effective & efficient;
- financial reporting is reliable;
- there is compliance with laws & regulations;
- assets are appropriately safeguarded; and
- the Company's risk management policies are consistently applied as documented.

Annually, Internal Audit provides the Audit Committee and Board with an overall assessment of the condition of the Company's internal control environment based on a risk based internal audit program.

Internal Audit reports functionally to the Audit Committee in order to ensure independence, and acts as the third line of defence. The function closely interacts with the second line of defence (e.g. Risk Management and Compliance) in relation to risk identification and risk assessment. Internal Audit leverages the work of the second line of defence when deemed appropriate from a governance and independence point of view.

Internal Audit regularly tests the Company's risk policies and the internal controls associated with the respective policies. The results of such testing are included in audit reports circulated to management, and summaries of the results are provided to the Audit Committee and Board.

Independence of Internal Audit

Internal Audit reports directly to the Company's Audit Committee on a quarterly basis and also separately meets with the INEDs on at least an annual basis. Internal auditors have no direct operational responsibility or authority over any of the activities they review. Additionally, they do not install systems or procedures, prepare records, or engage in any other activity that would normally be audited. Internal auditors do not carry out any other functions within the Company.

B.6. ACTUARIAL FUNCTION

The Actuarial Function is a key function of the Company's system of governance.

The Actuarial Function is split into first line of defence and second line of defence. First line teams are responsible for production of reserves, performance of controls, monitoring of data quality, management of actuarial models, production of experience analysis and best estimate assumptions, and documentation of these processes. Second line teams led by the HoAF provide an independent review and advice to management and the Board on data, models, methodologies and assumptions.

The Actuarial Function's tasks are undertaken by a team who have the appropriate knowledge of actuarial and financial mathematics and experience, proportionate to the nature, scale and complexity of the risks present in the business.

The duties of the Actuarial Function are under the responsibility of the HoAF who provides independent oversight and reports to the Board via the Audit and Risk Committees. The HoAF is a member of the Society of Actuaries in Ireland with the relevant level of experience required for the role.

B.7. OUTSOURCING

The Company is part of a multi-national reinsurance group and as such the Company uses the expertise and resources from other Group entities and jurisdictions under a shared services model. The Company's outsourcing arrangements are predominately comprised of support provided via intra-group arrangements. These include support in relation to underwriting, business development and underwriting authorities, claims, regulatory legal and compliance, finance, internal audit, actuarial, risk and investments. The outsourcing of such services to intra-group affiliates falls within the scope of the Company's Outsourcing Framework. Activities provided by the Company's branch and by way of the contractually prescribed supply of personnel within Group legal entities fall outside the scope of the Company's outsourcing framework.

The Company outsources certain critical or important functions to third parties in respect of underwriting and claims handling.

The Company can engage in Outsourcing, including outsourcing to Cloud Service Providers, where:

- a) there is a demonstrable benefit to be gained from the outsourcing;
- b) the outsourcing arrangement, and the controls put in place to monitor/oversee the arrangement, do not aggravate the risk to the Company beyond any of its stated risk appetites;
- c) the outsourcing arrangement does not unduly increase operational risk;
- d) the Company has sufficient skills, knowledge and capability to monitor and exercise oversight over the outsourcing arrangement;
- e) the outsourced service provider has sufficient skills, knowledge and capability to provide the arrangement; and
- f) the outsourcing agreement does not prevent the Company from carrying out their regulatory obligations.

The parties to whom the Company outsources are based in Ireland, the U.K., the U.S., Singapore and Bermuda.

The Company has adopted the Group's Outsourcing Guidelines (the "Guidelines") which establish the Outsourcing Control Framework and sets out parameters within which the Company can enter into outsourcing arrangements. The Guidelines are approved by the Board on an annual basis.

The Guidelines impose clearly defined roles and responsibilities and embeds ownership of outsourcing arrangements within the Company.

The Company's Outsourcing Control Framework is designed around the following key pillars:

- Due Diligence: materiality of all functions or activities considered for outsourcing are assessed and due diligence commensurate to the risks of the outsourcing is undertaken. Critical or important outsourcing arrangements are subject to more detailed consideration, examination and regulatory notification than non-critical outsourcing arrangements.

- Written Agreements: all outsourcing arrangements are evidenced by a written contract.
- Register of Outsourcings: a register of outsourcings is managed by the General Manager and identifies, inter alia, the service recipient, service provider, service provider owner, description of services, whether the outsourcing is intra-group or third-party, materiality, location of service delivery, monitoring and oversight controls, confirmation that an agreement is in place, the services' commencement and termination date, due diligence undertaken and confirmation of service provider business continuity plans.
- Monitoring Oversight and Reporting: oversight controls and procedures are commensurate to the risks of the outsourcing in question and must be sufficient to facilitate appropriate oversight and supervision of the outsourcing by the service recipient owner, the Company's General Manager and the Company's Board. Oversight of outsourcing must also promptly identify any material changes, issues and/or deficiencies. There is quarterly reporting to the Risk Committee and the Board.

The Company categorises controls in respect of its outsourcings as follows:

- Level 1: Local Company employee representation within the relevant business or support unit providing intra-group services to the Company;
- Level 2: Regular meetings between the service provider and the Company and the establishment of embedded communication channels;
- Level 3: Formal reporting from the service provider to the Company including, where appropriate, reporting directly to the Company's senior management team, Board and/or Audit or Risk Committees; and
- Other Bespoke Controls: Relevant for third party service providers according to relevant third party and type of service(s) outsourced.

Annual Review Process: On an annual basis, the Risk function assesses the relevant risks to the Company in respect of its existing and proposed outsourcing arrangements and confirms whether sufficient controls and procedures are in place to manage such risks and, where relevant, identifies any proposed recommendations to improve the Outsourcing Control Framework.

B.8. ANY OTHER INFORMATION

There is no other material information regarding the system of governance of the Company.

C. RISK PROFILE

Risk profile

The Company comprehensively identifies and assesses risks in the annual risk identification and assessment process, resulting in the Risk Assessment Report. Key risks identified in the Risk Assessment report are regularly monitored by risk owners, the Risk function and in the Risk Committee.

The Company manages assumed risk exposures in the individual underwriting and investment units with operating limits such as those expressed in the Underwriting and Investment Guidelines. There remains a chance that losses can exceed predefined thresholds, for example, if multiple losses occur within the same year or if the Company's internal assessment of capital at risk for a single or multiple sources of risk proves insufficient. To reduce the chance of these unfavourable outcomes, the Company strives for a well-diversified and balanced book of business, applies and regularly monitors risk limits for material key risks, and manages its net position with reinsurance to internal and external counterparties and with other risk mitigation strategies.

Mitigation of underwriting risk by use of reinsurance

The Company uses external reinsurance agreements to reduce its exposure on certain assumed underwriting risks and to mitigate the effect of any single major event or the frequency of medium-sized events. These agreements provide for the recovery of a portion of losses and loss expenses from reinsurers.

The Company's external reinsurance agreements cover most of its classes of business and are bought on a proportional and non-proportional basis.

Reinsurers must be approved based on their financial condition and business practices, with stability, solvency and credit ratings being important criteria. Capacity and credit rating limits per reinsurer are put in place and monitored to mitigate counterparty credit risk.

The Company remains liable to its policyholders to the extent that the reinsurers do not meet their obligations under reinsurance agreements and, therefore, reinsurance is subject to credit risk in all cases and to aggregate loss limits in certain cases. The Company holds collateral, securities and letters of credit under certain reinsurance agreements. Provisions are made for amounts considered potentially uncollectible and reinsurance losses recoverable from reinsurers are reported after allowances for uncollectible amounts.

The Company further mitigates assumed underwriting risk with the purchase of internal reinsurance cover from other Group companies. The cover that the Company has in place with other Group companies as at 31 December 2024 can be summarised as follows.

- 50%-90% (depending on the underwriting year and line of business) whole account quota share with Partner Reinsurance Europe SE ("PRESE"); and
- Stop loss agreement with Partner Reinsurance Company Ltd ("PRCL"), attaching at a loss ratio of 120% with a limit of 870%.

External reinsurance inures to the benefit of internal reinsurance.

The main objectives of the reinsurance cover are to reduce the capital requirements and associated cost of capital for the Company, to ensure the Company is in a position to be a well-capitalised insurer for its clients, and to ensure the Company receives and maintains an appropriate rating from the rating agencies.

C.1. UNDERWRITING RISK

The Company uses a number of tools and metrics which help to monitor and mitigate the risks inherent to its underwriting activities which is the core business of the Company:

- underwriting and pricing guidelines;
- underwriting and pricing processes and controls; and

- regular risk reporting on selected key risk indicators for material risks of the Company.

The Solvency Capital Requirement ("SCR") in the Solvency II framework is based on a value-at-risk measure calibrated to a 99.5% confidence level over a one-year time horizon.

The SCR for non-life underwriting risk, using the Standard Formula, on a pre-diversified basis is €31m (2023: €32.3m), which is 42% (2023: 49%) of the Basic Solvency Capital Requirement ("BSCR") before diversification.

The non-life underwriting risk requirement includes premium and reserve risk, lapse risk and catastrophe risk.

Sensitivity tests are conducted to assess the variability of the non-life underwriting risk SCR.

The following sensitivities assess the impact on the non-life underwriting risk SCR and Solvency II own funds to adverse deviations in non-life best estimate liability ("BEL") net of reinsurance; the impact on own funds shown in the table relates to the adverse deviation of the BEL and corresponding increase of risk margin.

Adverse deviation of current net best estimate liabilities	Impact on SCR non-life underwriting risk	Impact on Own Funds (before tax):	Impact on SCR non-life underwriting risk	Impact on Own Funds (before tax):
	2024	2024	2023	2023
€'m	€'m	€'m	€'m	€'m
10	+2	(11)	+1	(11)
20	+4	(21)	+2	(21)

The following sensitivities assess the impact of writing additional premium on the non-life underwriting risk SCR.

Additional amount of net premiums underwritten	Impact on SCR non-life Underwriting Risk	Impact on SCR non-life Underwriting Risk
	2024	2023
€'m	€'m	€'m
5	+1	+1
10	+2	+1

The Company's Risk Assessment report identified natural catastrophe, terrorism, casualty and single-risk property lines as material non-life underwriting risks and monitors these risks in the Risk Committee and Board.

Natural catastrophe risk

Natural catastrophe risk is the risk that the aggregate losses from natural perils materially exceed the net premiums that are received to cover such risks. The Company considers both catastrophe losses due to a single large event and catastrophe losses that would occur from multiple (but potentially smaller) events in any year.

The Company measures exposure to natural catastrophe risk by peril-zone and at annual aggregate level. The overall approach to risk measurement has remained unchanged. The modelling of individual peril-zones and annual aggregation is reviewed and updated on a regular basis. The Company's RAF includes a key risk indicator for natural catastrophe risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company manages and mitigates natural catastrophe risk with monitoring of peril-zone and annual aggregate exposures, ongoing portfolio analysis, portfolio management, and external and internal reinsurance. For selected perils including peak risks, specific external reinsurance is purchased. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function and a dedicated reinsurance team within the Underwriting function.

The Company has world-wide exposures to natural catastrophe. Exposures have remained relatively stable during 2024. On a gross basis and net basis, the largest concentrations are to US windstorm, US hail storm, US, Australian and Canadian earthquake perils.

Stress and scenario testing for natural catastrophe risk is undertaken in the annual risk assessment and in the ORSA including scenarios where external reinsurers default on their obligations to the Company. The stress and scenario testing shows that the Company can absorb such losses and remain within stated risk appetite with respect to its solvency ratio.

Terrorism risk

The Company is exposed to terrorism risk through its property and casualty lines of business. Terrorism risk is the risk of financial losses due to acts of terrorism.

The Company measures exposure to terrorism risk with a per-event metric based on geographical accumulation. The overall approach to risk measurement has remained unchanged. The Company's RAF includes a key risk indicator for terrorism risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company manages and mitigates terrorism accumulation risk with close monitoring of per-event exposures by location, the participation in several national terrorism pools and internal and external reinsurance. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function and a dedicated reinsurance team within the Underwriting function.

The Company has world-wide exposures to terrorism with concentration of exposures in the US. The largest exposures net of reinsurance in 2024 are slightly lower compared to 2023 and remain well within risk appetite.

Stress and scenario testing for terrorism risk is undertaken in the annual risk assessment and considers exposure accumulation within a radius of 250 meters. The stress and scenario testing shows that the Company can absorb such losses and remain within stated risk appetite with respect to its solvency ratio.

Casualty risk

Casualty risk is the risk that the estimates of ultimate losses for casualty lines of business will prove to be too low, leading to the need for reserve strengthening.

The Company measures casualty reserve risk with metrics based on SCR and modelling in the Group internal capital model. The risk metric is based on the premium and reserve risk distribution in the capital model. The Company's RAF includes this risk metric as a key risk indicator for casualty risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company manages and mitigates reserve risk for casualty lines by following a disciplined underwriting process, applying prudent reserving policies for determining carried reserves and monitoring of per-risk and annual aggregate exposures. Casualty risk is also covered by internal and external reinsurance. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function.

The Company is mainly exposed to transactional liability and professional lines / directors' and officers' exposure in the US written via Managing General Agents ("MGAs"). Exposure has increased during 2024.

Stress and scenario testing for casualty risk is undertaken in the annual risk assessment and the ORSA and includes scenario with adverse development of reserves over a multi-year period and scenarios which test the impact of an accumulation of large losses. The stress and scenario testing shows that the Company can absorb such losses and remain within stated risk appetite with respect to its solvency ratio.

Single-risk property lines

The Company is exposed to single-risk property lines through its aviation, energy onshore, and property lines of business. The main exposure comes from risks such as explosion, fire, machinery breakdown and business interruption which could lead to individual large losses.

The Company measures exposure to single-risk property lines with metrics based on single-risk exposures and geospatial accumulation. The overall approach to risk measurement of single-risk exposures has not changed during 2024. The Company's RAF includes a key risk indicator for single-risk property lines which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company manages and mitigates single-risk property lines with the setting of underwriting limits and regular monitoring of single-risk exposures. The risk of large losses is mitigated by external and internal reinsurance. External reinsurance includes specific single-risk protection. Internal reinsurance includes a stop-loss protection with Partner Reinsurance Company Ltd which absorbs a significant amount of tail risk. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function.

The Company has an overall well-balanced portfolio. The largest exposures in the various property lines of business are comparable and there is no significant concentration to any one line of business or geographical region. The Company is exposed to both individual large losses and accumulation of several smaller losses across all property lines of business. The largest exposures in 2024 are stable compared to 2023.

Stress and scenario testing for single-risk property lines is undertaken in the annual risk assessment and the ORSA and includes scenario which test the impact of an accumulation of large losses. The stress and scenario testing shows that the Company can absorb such losses and remain within stated risk appetite with respect to its solvency ratio.

C.2. MARKET RISK

The SCR market risk, using the Standard Formula, on a pre-diversified basis is €19.9m (2023: €15.4m), which is 27% (2023: 23%) of the BSCR before diversification.

The increase in market risk SCR is primarily as a result of:

- an increase in USD yields; and
- an increase in duration of the investment portfolio.

The Company's Risk Assessment report identified interest rate, currency, credit spread and inflation risk as material market risks and monitors these risks in the Risk Committee and the Board.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance liabilities will fluctuate because of changes in market interest rates.

The Company measures interest rate risk with the interest rate risk SCR as well as scenario-based metrics. The overall approach to risk measurement has remained unchanged. The Company's RAF includes a key risk indicator for interest rate risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company manages its interest rate risk by monitoring the duration of its fixed income portfolio relative to the duration of its insurance liabilities so that the economic value of changes in interest rates has offsetting effects on the Company's assets and liabilities and with interest rate risk sensitivities of its investments. The Company does not have specific risk mitigation arrangements such as interest rate hedges.

The Company is mainly exposed to rising EUR and USD interest rates; exposure to movements in other interest rates is significantly smaller. The exposure both to EUR and USD is mainly driven by the Company's asset holdings. Exposures can vary over time as assets and liabilities change in line with investment and business developments. During 2024, exposure has increased while remaining within the approved risk limits.

Stress and scenario testing for interest rate risk is undertaken in the annual risk assessment and the ORSA which includes stand-alone sensitivities and a variety of short-term and long-term combination scenarios which include losses due to other market or insurance risks in addition to losses due to changes in interest rates. The stress and scenario testing shows that the Company can absorb such losses and remain within stated risk appetite with respect to its solvency ratio.

Currency risk

Currency risk is the risk that the fair value or future cash flows of assets and liabilities will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from transactions and recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the Company.

The Company measures exposure to currency risk with scenario-based metrics on its net asset value position and with the currency SCR. The overall approach to risk measurement has remained unchanged. The Company's RAF includes a key risk indicator for currency risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company reviews and manages its net asset value position with a number of formal controls including Treasury review of the net asset value.

The Company's main exposure is to USD. Exposures can vary over time as assets and liabilities change in line with investment and business developments. Exposures have remained stable during 2024.

Stress and scenario testing for currency risk is undertaken in the annual risk assessment and the ORSA and includes the impact of currency fluctuations on the Company's SCR. The stress and scenario testing shows that the Company's solvency ratio is mainly exposed to a depreciation of EUR against other major currencies, due to carrying significant liabilities in currencies other than EUR, and that it can absorb such scenarios and remain within stated risk appetite. The exposure to a depreciation of EUR holds despite the positive impact on Own Funds in such a scenario.

Assuming all other variables are held constant, as at the reporting date, a 10% adverse movement in the value of the Euro currency against all other currencies which comprise the Company's Solvency II Own Funds would have resulted in a €0.3 million (2023: €3.9 million) decrease in Own Funds.

Credit spread risk

Credit spread risk is the risk of a significant widening of credit spreads resulting in realised or unrealised investment losses on the Company's standard fixed income securities which may result in economic losses to the Company.

The Company measures credit spread risk with metrics based on credit quality and duration of fixed income instruments and with metrics based on the impact on market value due to changes in market credit spreads. The overall approach to risk measurement has remained unchanged in 2024. The Company's RAF includes a key risk indicator for credit spread risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

Credit spread risk is managed and mitigated with limits on credit quality and concentration to any single name or sector. Credit spread risk can change from period to period depending on market conditions and asset-liability management actions.

The Company's key exposures are corporate bonds most of which are investment grade (mostly A or BBB) with concentration in the Financial Industry. In 2024, exposure to credit spread risk has slightly decreased due to reduced duration of the credit spread sensitive portfolio.

Stress and scenario testing for credit spread risk is undertaken in the annual risk assessment and the ORSA and includes stand-alone sensitivities and a variety of short-term and long-term combination scenarios which include losses due to other market or insurance risks in addition to losses due to changes in credit spreads. The stress and scenario testing shows that the Company can absorb such scenarios and remain within stated risk appetite with respect to its solvency ratio.

Inflation risk

Inflation risk is the risk of a reduction in purchasing power per unit of money overall or in respect of specific products or services resulting in increased claims and expenses and potentially in monetary action (changes in interest rates) resulting in realised and unrealised gains and losses on the Company's fixed income portfolio.

The Company measures claims and expense inflation risk with a scenario-based metric and inflation risk in combination with interest rate risk with stress and scenario testing in the annual Risk Assessment report and ORSA. The overall approach to risk measurement has remained unchanged in 2024. The Company's RAF includes a monitoring metric for claims and expense inflation risk which is monitored on a quarterly basis in the Risk Committee and Board.

The impact of claims inflation is mitigated by external and internal reinsurance. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function.

Claims and expense inflation risk arises mostly in respect of claims payments. In 2024, exposure to inflation risk slightly increased due to the higher BEL. Claims and expense inflation risk arises in the currencies of the underlying liabilities.

Stress and scenario testing for inflation risk is undertaken in the annual risk assessment and the ORSA and includes stand-alone inflation and combination scenarios. The stress and scenario testing shows that the Company can absorb such scenarios and remain within stated risk appetite with respect to its solvency ratio.

Description of how assets have been invested in accordance with the 'Prudent Person Principle'

The Company employs a prudent investment philosophy. It maintains a high quality, well-balanced and liquid portfolio having a total return investment objective, achieved through a combination of optimising current investment income and pursuing capital appreciation. The Company's total invested assets were €221.8 million at 31 December 2024 (2023: €232.4 million); refer to section D.1. of this report for a breakdown by asset type. From a risk management perspective, the Company allocates its invested assets into two categories: liability funds and capital funds.

For the Company's portfolio, diversification of risks contributes to achieving the risk and return objectives of the Company. The Company's investment policy distinguishes between liquid, high quality assets that support the Company's liabilities, and the more diversified, higher risk asset classes that may make up a portion of the Company's capital funds. While there will be years where investment risks achieve less than the risk-free rate of return, or potentially even negative results, the Company believes the rewards for assuming these risks in a disciplined and measured way will produce a positive excess return to the Company over time. Additionally, since investment risks are not fully correlated with the Company's insurance risks, this increases the overall diversification of the Company's total risk portfolio.

The Company's investments are managed by PartnerRe Asset Management Corporation ("PRAM") subject to a management agreement. The allocation of the Company's investments are subject to the asset allocation plan set by the Board. Furthermore, PRAM is required to adhere to investment guidelines approved by the Board as to minimum ratings and issuer and sector concentration limitations.

Liability funds represent invested assets supporting the net insurance liabilities and are invested primarily in investment grade fixed income securities and cash and cash equivalents. The preservation of liquidity and protection of capital are the primary investment objectives for these assets.

Liability funds are invested in a way that generally matches them to the corresponding liabilities (referred to as asset-liability matching) in terms of both duration and major currency composition to provide the Company with a natural hedge against changes in interest and foreign exchange rates. In addition, the Company may use certain approved derivatives to further protect against changes in interest and foreign exchange rates.

Capital funds represents capital of the Company in excess of liability funds and may be invested in a diversified portfolio with the objective of maximising investment return, subject to prudent risk constraints. Capital funds may contain asset classes typically viewed as offering a higher risk and higher return profile. Capital funds may be invested in investment grade fixed income securities. The Company's investment strategy allows for the use of derivative instruments, subject to strict limitations and for the purpose of managing and hedging currency risk, market exposure and portfolio duration, hedging certain investments, mitigating the risk associated with underwriting operations, or enhancing investment performance that would be allowed under the Company's investment policy if implemented in other ways.

The Company through its management agreement, its investment risk policy, asset allocation plan and investment guidelines ensures that management and reporting of its investment portfolio is suitable for the nature and size of the risks of the Company and are subject to portfolio diversification guidelines which include issuer and sector concentration limitations. Processes and procedures ensure that the Company can properly identify, measure, monitor, manage, control and report on its portfolio.

Quarterly reporting is presented to the Risk and the Audit Committees of the Board. If a new asset class is proposed, the Company assesses the change including the potential impact on credit quality, liquidity and capital requirements.

In respect of liquidity, the Company's fixed income portfolio is primarily invested in high quality, investment grade securities which are characterised by relatively low levels of credit risk and relatively high liquidity. As set out in C.4, the Company ensures it holds sufficient liquid securities to meet excess liquidity after stress and downgrade requirements of its RAF.

In respect to capital funds and if permitted under the Company's asset allocation plan, and in which case subject to the set out limits therein, the Company may invest a portion of its portfolio in fixed income securities that are below investment grade as well as other interest paying investments such as fixed income type mutual funds, notes receivable, loans receivable, private placement bond investments, derivative exposure assumed and other specialty asset classes. These securities generally pay a higher rate of interest and have a higher degree of credit or default risk. These securities may also be less liquid in times of economic weakness or market disruptions.

C.3. CREDIT RISK

Credit risk is referred to as counterparty default risk in the SCR calculation. The SCR for counterparty default risk, using the Standard Formula, on a pre-diversified basis is €23.3m (2023: €18m), which is 31% (2023: 27%) of the BSCR before diversification.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements.

The Company measures credit risk with metrics based on SCR, credit ratings, single-counterparty exposures and the solvency ratio of Group-internal counterparties. The overall approach to risk measurement has remained unchanged. The Company's RAF includes key risk indicators for credit risk with internal and external reinsurers which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company's exposure to credit risk arises mainly from cash and cash equivalents deposited with banks, investments in fixed income and other financial securities, insurance balances recoverable on ceded insurance and receivables from MGAs. The main exposures are related to reinsurance agreements with related companies of the Group, rated A+.

The Company uses reinsurance agreements to reduce its exposure on certain underwriting risks assumed and to mitigate the effect of any single major event or the frequency of medium-sized events, thereby exposing the Company to credit risk with reinsurers. Reinsurers must be approved based on their financial condition and business practices, with stability, solvency and credit ratings being important criteria. Limits per reinsurer are put in place and monitored to mitigate counterparty credit risk. The Company manages its credit exposure to reinsurers by generally selecting reinsurers which have a credit rating of A- or higher. In certain cases where an otherwise suitable reinsurer has a credit rating lower than A-, the Company generally requires the posting of collateral and letters of credit as a condition to it entering into a reinsurance agreement.

Credit risk related to cash, cash equivalents and investments is primarily mitigated by investing only in counterparties with strong credit ratings and managing concentration risk by limiting the aggregate exposure to any individual counterparty through the use of appropriate limits.

The creditworthiness of counterparties is monitored on an on-going basis. The Company uses, where available, rating information provided by S&P and A.M. Best to ensure a consistent view on the financial condition of external parties.

Stress and scenario testing for credit risk is undertaken in the annual risk assessment and the ORSA. The stress and scenario testing shows that the Company relies on related companies of the Group remaining going concern. The Company considers residual credit risk with related companies of the Group as remote.

C.4. LIQUIDITY RISK

Liquidity risk is the risk of not being able to meet financial obligations as and when they fall due, including obligations to policyholders, internal counterparties and other third parties.

The Company measures liquidity risks by evaluating a pre-defined liquidity crisis scenario unfolding over a time horizon of one year and comprising of a combination of a financial market crisis, insurance losses with rapid pay-out and downgrade. The approach to risk measurement was unchanged during 2024. The Company's RAF includes a key risk indicator for liquidity risk which is monitored in respect of compliance with stated risk appetite on a quarterly basis in the Risk Committee and Board.

The Company mitigates liquidity risk by holding a large part of its investments in investment grade standard fixed income securities and other liquid instruments.

The Company is exposed to liquidity risk mainly through claims arising from its insurance contracts and a difference in timing between claims payments and recoveries from reinsurance ceded. Liquidity risk may also arise from a decline in disposal value of the Company's assets in financial market crises, from collateral calls on collateralized business and from a reduction in liquidity inflows. Liquidity risk has remained within approved risk appetite during 2024.

Stress and scenario testing for liquidity risk is undertaken in the quarterly liquidity stress test as set out above. The stress and scenario testing shows that the Company remains in a positive excess liquidity position after the scenario considered in the liquidity stress test.

Expected Profit Included in Future Premium

The Expected Profit Included in Future Premium ("EPIFP") is €31.1 million (2023: €30.7 million). The EPIFP represents the difference between the premiums from future exposure arising from contracts that the Company is obligated to as at 31 December 2024 and the expected acquisition costs, losses and expenses relating to these premiums. A lapse rate was assumed on in-force contracts relating to future additional premiums and on premiums relating to business bound but not yet incepted at the closing date. The calculation was discounted using Solvency II yield curves.

The EPIFP by line of business was as follows as at the current and prior period year ends:

Line of business	2024 €'000	2023 €'000
Marine, aviation and transport	1,568	1,703
Fire and other damage to property	23,220	20,704
General liability	6,147	8,321
Credit and suretyship	—	—
Legal expenses	131	—
Total	31,066	30,728

C.5. OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems.

Information Technology & Data Protection

Successful Cyber-attacks such as ransomware, data theft and similar IT risk events could have financial, operational and compliance consequences which are subject to a comprehensive set of prevention and mitigation

measures. PartnerRe's IT is ISO/IEC 27001:2022 certified, demonstrating its commitment to the highest standards of information security, cybersecurity, and privacy protection.

Business Disruption

The most relevant risk business disruption risks on a residual basis are IT-related business continuity events which could lead to operational disruption for a period of time, potentially resulting in loss of data, loss of business and failure to comply with regulatory filing obligations on time. Mitigation includes safety protocols and IT Security procedures in line with industry practice, the above-mentioned ISO/IEC certification, Cyber insurance with support services, and crisis management protocols. Residual risk remains due to the complexity of the threat landscape and the speed with which Cyber threats evolve.

Execution & Process Management

The integration into the Covéa Group was completed without operational issues for PRIIdac. PRIIdac benefits from system upgrades and a more robust and efficient financial reporting tool landscape.

Outsourcing & Third-Party Management

Outsourcing & Third-Party Management ("TPM") risks have not significantly changed since the last reporting period. No systematic weaknesses have been identified or highlighted in relation to the outsourcing of processes or services within the PartnerRe Group or to third parties.

Legal & Compliance and Regulatory

Legal & Compliance and Regulatory risks have not significantly changed since the last reporting period and relate mainly to Corporate Governance, Sanctions, Anti-Bribery and Corruption and the potential accumulation of regulatory developments.

Fraud

Fraud risks have not significantly changed since the last reporting period. The main fraud risks relate to financial statement fraud, misappropriation of assets, and bribery, corruption and other frauds. No fraud incidents have been reported, and the control framework is considered to be appropriate.

Human Resources

Risks related to the Company's management of human resources have not significantly changed since the last reporting period. The main human resources risks relate to talent attraction and retention, succession planning/key person risk and incentive systems. There is no indication for elevated risk.

C.6. OTHER MATERIAL RISKS

Strategic risks

Strategic risk is the risk of disconnect between the Company's existing strategy and the external environment which could threaten the Company's competitive position and its ability to ensure ongoing profitability and viability. Risk drivers generally include important industry-specific structural changes (for example demand patterns or change in distribution channels), changes in the competitive environment, emerging economic and social trends, relevant regulatory changes and the appropriateness and timeliness of the Company's responses to these changes. Strategic risk can also arise from changes in business strategy.

Strategic risks are discussed with the General Manager, the LEM and the Board. Strategic risks are included in the Company's risk assessment process and are monitored on a quarterly basis with onward reporting as needed to the Risk Committee and the Board.

Group risks

PRIIdac is one of PartnerRe's smaller entities and highly interconnected with PRESE and, to a lesser extent, PartnerRe Group, with respect to operational processes, intra-group outsourcings and internal reinsurance. The

high degree of interconnectivity with other Group affiliates gives rise to Group risk of financial and operational nature. These risks are considered to be effectively mitigated and, where relevant, monitored. No Group risks have been identified which would require action.

Environmental, Social and Governance (“ESG”) risks

ESG risks encompass potential negative impacts related to environmental, social, and governance factors, affecting underwriting, investments, and the Company's reputation. PRIdac's exposure to these risks, including climate change, liability transition, physical operational and reputational risks, is deemed non-material.

Climate change risks are assessed over various time horizons showing small year-on-year increases in loss potential, allowing for effective exposure management through the annual pricing cycle,

Liability risks are considered to be potentially relevant for PRIdac although the risk is not considered to be material.

Investment risks are regularly quantified and well below materiality thresholds.

Operational and reputational risks are mitigated through ESG activities and policies, with a robust framework involving quarterly risk quantification, an ESG Task Force, and regular reporting to the Risk Committee and Board.

Emerging risks

Emerging risks are trends or developments which could significantly affect the Company's financial strength or competitive position in the future. Among several emerging risks identified through dedicated workshops with internal stakeholders and market insights, those related to Artificial Intelligence ("AI") have been assessed in detail in 2024.

C.7. ANY OTHER INFORMATION

No other material changes over the period.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. ASSETS

	2024			2023		
	Solvency II Valuation €'000	Irish GAAP Valuation €'000	Variance €'000	Solvency II Valuation €'000	Irish GAAP Valuation €'000	Variance €'000
Fixed income securities	210,796	210,796	—	209,436	209,436	—
Collective Investments Undertakings	208	208	—	—	—	—
Cash and cash equivalents	9,615	9,615	—	19,058	19,058	—
Reinsurance recoverable	480,399	680,077	(199,678)	330,375	547,107	(216,732)
Reinsurance receivables	20,892	20,892	—	11,392	11,392	—
Deferred acquisition costs	—	52,488	(52,488)	—	54,905	(54,905)
Insurance and intermediaries receivable	11,951	11,951	—	13,185	13,185	—
Receivables (trade, not insurance)	3,049	3,049	—	2,469	2,469	—
Deferred tax asset	1,062	898	164	935	959	(24)
Any other assets	1,218	1,218	—	3,990	3,990	—
Total	739,190	991,192	(252,002)	590,840	862,501	(271,661)

Fixed Income securities

Fixed income securities are generally priced by independent pricing services and brokers. Each pricing source will have its own proprietary method to determine fair value which will incorporate information such as credit spreads, interest rate data, market news and an option adjusted spread. The Company will classify these assets as Quoted Market Price in Active Markets for Similar Assets ("QMPS") for valuation purposes under Solvency II. A market is regarded as active 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. There is no variance in valuation when compared to the Irish GAAP Balance Sheet.

Collective Investment Undertakings

The collective investment undertaking in money market funds has available prices received from independent pricing sources based on quoted prices in active markets. Accordingly, these are classified as QMP for valuation purposes under Solvency II. There is no variance in valuation when compared to the Irish GAAP Balance Sheet.

Cash and cash equivalents

Cash and cash equivalents are carried at face value on the Irish GAAP balance sheet as best representing their fair value. Since the underlying currency of the cash is freely tradable the Company considers them to be classified as alternative valuation method for valuation purposes under Solvency II. There is no variance in the valuation when compared to the Irish GAAP Balance Sheet.

Reinsurance recoverables

Reinsurance recoverables (reinsurance share of technical provisions) reflect the estimated amounts which are recoverable under reinsurance contracts. Reinsurance recoverables on the Solvency II balance sheet are calculated in a manner consistent with the best estimate liabilities.

The projection of reinsurance recoverables includes future cash flows relating to each of the claims provision and premium provision, discounted using prescribed EIOPA risk-free yield curves for Solvency II reporting. An ENIDs (Events not in Data) loading is applied, in addition to calculating a counterparty default adjustment for ceded loss reserves in order to take account of the possible shortfall on expected recovery from reinsurers.

Reinsurance receivables

Reinsurance receivables are amounts owed under reinsurance contracts and are valued at their account balance which equates to fair value due to the short-term nature of the balance. There is no variance in the valuation when compared to the Irish GAAP Balance Sheet.

Deferred acquisition costs

Acquisition costs are charged to expenses as the related premiums are earned, with the unearned portion recognised as an asset on the Irish GAAP Balance Sheet. Deferred acquisition costs are not recognised on the Solvency II Balance Sheet as they do not have a future cash flow.

Insurance and intermediaries receivables

Insurance and intermediaries receivables are amounts owed under insurance and assumed reinsurance contracts and are valued at their account balance which equates to fair value due to the short-term nature of the balances. There is no variance in valuation when compared to the Irish GAAP Balance Sheet.

Receivables (trade, not insurance)

Receivables (trade, not insurance) are amounts owed by Group companies, business partners etc., and are generally valued at their account balance. Most balances are current items and are collected in a short timeframe, so the face value is deemed equal to fair value.

Deferred tax asset

Deferred tax assets are valued based on the tax impact of the temporary difference between the values ascribed to assets recognised and valued in accordance with Solvency II rules and the values ascribed to assets as recognised and valued for tax purposes. Deferred tax assets are also recognised from the carry forward of unused tax credits and the carry forward of unused tax losses.

Deferred tax assets are recognised only to the extent that it is probable that future tax profit will be available against which the deferred tax asset can be utilised, taking into account any legal or regulatory requirement on time limits relating to the carry forward of unused tax losses or credits. Deferred tax assets are not discounted. The difference between the values of the Solvency II Balance Sheet and the Irish GAAP Balance Sheet are due to the tax impact of valuation adjustments to other assets on the balance sheet.

D.2. TECHNICAL PROVISIONS

Under Solvency II, the Technical Provisions ("TPs") are determined as a discounted Best Estimate Liability ("BEL") augmented by a risk margin ("RM"). The BEL includes claims and premium provisions and is defined as the mean of the full range of possible future outcomes on a discounted cash flow basis, taking into account the time value of money, and with all existing contracts being valued, whether they have already incepted or are yet to incept. The RM is a component of the TPs representing the current values of all costs-of-capital that will be determined yearly until the existing liabilities are fully concluded.

In valuing the Company's technical provisions, none of the following have been applied:

- The matching adjustment referred to in Article 77b of Directive 2009/138/EC (the Directive)
- The volatility adjustment referred to in Article 77d of the Directive
- The transitional risk-free interest rate-term structure referred to in Article 308c of the Directive
- The transitional deduction referred to in Article 308d of the Directive.

Technical Provisions by Line of Business

The following table outlines the Solvency II TPs by line of business, as at the end of the current and prior financial years:

	Claims Provisions	Premium Provisions	Recoverables from Reinsurance contracts	Risk Margin	Total Technical Provisions net of Recoverables
2024					
Line of Business	€'000	€'000	€'000	€'000	€'000
Marine, aviation and transport	38,728	690	(33,600)	1,484	7,302
Fire and other damage to property	116,153	(2,756)	(101,355)	2,822	14,864
General liability	248,831	140,094	(341,364)	6,593	54,154
Credit and suretyship	205	15	(186)	20	54
Legal expenses	2,854	1,122	(3,894)	3	85
Total	406,771	139,165	(480,399)	10,922	76,459
2023					
Line of Business	€'000	€'000	€'000	€'000	€'000
Marine, aviation and transport	53,325	2,015	(47,252)	1,285	9,373
Fire and other damage to property	96,788	(4,309)	(82,298)	2,650	12,831
General liability	160,599	63,494	(200,443)	4,658	28,308
Credit and suretyship	404	51	(382)	27	100
Total	311,116	61,251	(330,375)	8,620	50,612

Best Estimate Liability

The BEL is determined gross of the amounts recoverable from reinsurance contracts, which are held separately on the asset side of the Solvency II balance sheet. The valuations of best estimate provision for claims outstanding and for unearned premiums are carried out separately. Projections are performed separately for the inwards and ceded business, but the bases, methodology and assumptions are considered consistently.

All data is converted to USD before modelling, but the location in which the business was written and original currency of the contracts is considered for the purpose of granularity and discounting. In calculating the BEL, risks are grouped homogeneously and considered by region at Solvency II line of business, as defined under Solvency II. The calculation accounts for the lifetime of existing obligations within contract boundaries. There is no deviation in methodology between lines of business.

The BEL captures the best estimation of future cash flows relating to existing obligations for each of the claims provision and premium provision independently. Premiums, losses, expenses and costs are considered separately and all cash flows are discounted using prescribed EIOPA risk-free yield curves for Solvency II reporting.

In accordance with Solvency II technical specifications, the future administrative expenses, investment management expenses and claims management expenses expected to be incurred in the future related to business bound as of the valuation date have been included. The future administrative expenses are based on the planned 2025 expenses and the future claims management expenses are based on the current rate of claims management expenses. The investment management expenses are estimated by applying an investment expense rate to the BEL run-off. The expenses estimated which relate to existing business, including business incepted post-technical cut-off date, and bound but not incepted ("BBNI") business were allocated between the claims and premium provision.

The existing data sets used to estimate the BEL will not be complete as they only contain events which have already been experienced in the time frame covered by the data. An events not in data ("ENID") loading is applied, which represents the gap between the existing data set and a complete data set.

Risk Margin

The RM is calculated by determining the cost of providing an amount of Eligible Own Funds equal to the SCR necessary to support the insurance obligations over the lifetime thereof. The rate used in the determination of the cost of providing that amount of Eligible Own Funds is called cost-of-capital rate and equals 6%.

The RM is first calculated for the whole business, allowing for diversification between lines of business. In a second step, the RM is allocated to lines of business. The allocation reflects the contributions of the lines of business to the SCR of the reference undertaking over the lifetime of the obligations.

The RM is considered on a standalone basis such that the contribution of a line of business is calculated under the assumption that the other business does not exist.

Recoverables from reinsurance contracts

The projection of reinsurance recoverables is performed separately to the projection of the inwards business. As most of the ceded business is predominantly proportional the bases, methodology and assumptions are consistent with those for inwards business.

An additional adjustment is made by calculating a counterparty default adjustment for ceded loss reserves in order to take account of the possible shortfall on expected recovery from reinsurers.

Material Changes to Assumptions during 2024

There have been no material changes to assumptions underlying the BEL calculation during 2024.

Level of uncertainty

The Irish GAAP reserves calculated by the Company are estimations, based on various sources of information and the use of actuarial techniques. Additional assumptions guide the adjustments to calculate the Solvency II BEL from the Irish GAAP reserves, such as priced profitability of unearned premiums. The ultimate outcome of these estimations may materially differ from what is selected for the Solvency II BEL. The deviations compared to current BEL can relate, amongst others, to:

- the level of future inflation compared to current expectations;
- the evolution in case law for future claims following a change in court awards;
- the current assumptions about market environment and pricing conditions happen to be wrong; and
- future claim activity differs from what was anticipated, due to the nature of the business covered.

Comparison with Irish GAAP reporting

The main differences between the Irish GAAP and Solvency II valuation bases are summarised as follows:

- Irish GAAP reserves includes an explicit margin for uncertainty which are not included in the Solvency II TPs. Conversely, Solvency II TPs include the risk margin which is not included in the Irish GAAP reserves.
- Irish GAAP reserves are calculated on an undiscounted basis, whereas the cash-flows used to determine the Solvency II TPs are discounted using risk-free rates provided by EIOPA.
- Irish GAAP reserves considers actual historical experience to date. Under Solvency II, we need to allow for possibilities beyond this to consider the full range of possible future outcomes, including experience which may not be captured within the historical data.

- Irish GAAP unearned premium reserves are replaced with a best estimate of the premium provision which takes into account the expected cost of claims and expenses relating to the unearned period as well as expected future premiums payable (net of acquisition cost and commissions); this is likely to produce a Solvency II premium provision that is less than that under Irish GAAP. The premium provision also considers BBNi contracts, which is not required in the Irish GAAP calculation.

The following table shows the difference between the Gross Irish GAAP reserves in the Irish GAAP financial statements and the technical provisions under Solvency II:

	Best Estimate Liability	Risk Margin	Solvency II Technical Provision	Gross Irish GAAP Valuation	Difference
2024	€'000	€'000	€'000	€'000	€'000
Marine, aviation and transport insurance	39,418	1,484	40,902	51,812	(10,910)
Fire and other damage to property insurance	113,397	2,822	116,219	184,048	(67,829)
General liability insurance	388,926	6,593	395,519	525,097	(129,578)
Credit and suretyship	220	20	240	225	15
Legal expenses	3,976	3	3,979	6,910	(2,931)
Total	545,937	10,922	556,859	768,092	(211,233)

	Best Estimate Liability	Risk Margin	Solvency II Technical Provision	Gross Irish GAAP Valuation	Difference
2023	€'000	€'000	€'000	€'000	€'000
Line of Business	€'000	€'000	€'000	€'000	€'000
Marine, aviation and transport insurance	55,341	1,285	56,625	70,139	(13,514)
Fire and other damage to property insurance	92,479	2,650	95,130	154,919	(59,789)
General liability insurance	224,093	4,659	228,752	390,657	(161,905)
Credit and suretyship	454	27	481	481	—
Total	372,367	8,621	380,988	616,196	(235,208)

Simplifications used in the calculation of the technical provisions

The following simplifications have been used in the calculation of TPs:

- A percentage approach has been adopted to quantify reinsurance recoverables for non-proportional treaties;
- The Company's BEL includes a provision for Events Not In Data (ENIDs) which is assumed to have the same cash-flow profile of other claims for discounting purposes; and
- Future SCRs used to calculate the risk margin are projected using a run-off pattern approach which is applied to the SCR at time 0.

D.3. OTHER LIABILITIES

This section outlines the valuation basis of liabilities, excluding TPs, as at the end of the current and prior financial years. For reconciliation purposes, the categories listed below for the Irish GAAP balance sheet have been aligned to those of the Solvency II balance sheet.

	2024			2023		
	Solvency II Valuation €'000	Irish GAAP Valuation €'000	Variance €'000	Solvency II Valuation €'000	Irish GAAP Valuation €'000	Variance €'000
Reinsurance payables	21,615	21,615	—	33,152	33,152	—
Insurance and intermediaries payable	10,978	10,978	—	21,311	21,311	—
Payables (trade, not insurance)	4,004	4,004	—	4,865	4,865	—
Deferred tax liabilities	—	—	—	638	—	638
Other liabilities	—	48,671	(48,671)	—	50,783	(50,783)
Total	36,597	85,268	(48,671)	59,966	110,111	(50,145)

Reinsurance payables

Reinsurance payables are amounts due under reinsurance contracts and are valued at their account balance which equates to fair value due to the short-term nature of the balances. There is no variance in valuation when compared to the Irish GAAP Balance Sheet.

Insurance and intermediaries payable

Insurance and intermediaries payable are amounts due under insurance and assumed reinsurance contracts and are valued at their account balance which equates to fair value due to the short-term nature of the balances. There is no variance in valuation when compared to the Irish GAAP Balance Sheet.

Payables (trade, not insurance)

Payables (trade, not insurance) are amounts due to employees, Group companies, business partners, etc., and are generally valued at their account balances. Most balances are current items and are collected in a short timeframe, so the face value is deemed to equal fair value. There is no variance in valuation when compared to the Irish GAAP Balance Sheet.

Deferred tax liabilities

Deferred tax liabilities are valued based on the tax impact of the temporary difference between the values ascribed to liabilities recognised and valued in accordance with Solvency II rules and the values ascribed to liabilities as recognised and valued for tax purposes.

Deferred tax liabilities are not discounted. The difference between the values of the Solvency II balance sheet deferred tax liabilities and the Irish GAAP values are due to the tax impact of valuation adjustments to other liabilities on the balance sheet.

Other liabilities

Other liabilities relate to ceded deferred acquisition costs, which are charged to profit or loss as the related ceded premiums are earned, with the unearned portion recognised as a liability on the Irish GAAP Balance Sheet. Ceded deferred acquisition costs are not recognised on the Solvency II Balance Sheet as they do not have a future cash flow.

D.4. ALTERNATIVE METHODS FOR VALUATION

In certain circumstances for some assets and liabilities an alternative method of valuation is used to determine the value. These methods are applied where the valuation is not possible to determine using the default method i.e. QMP or QMPS. All valuation methods applied have been explained within the relevant sections in D.1. Assets and D.3. Other liabilities.

D.5. ANY OTHER INFORMATION

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

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

Nature of capital

The capital (Solvency II Own Funds) of the Company consists of ordinary shares, capital contributions from the Group, retained earnings and reserves.

The ordinary shares issued to PRHEL fulfil the criteria in that they:

- are issued directly by the Company with the prior approval of its shareholders; and
- entitle the owner to claim on the residual assets of the Company in the event of a winding up.

The various capital contributions from the immediate parent are irrevocable transfers from the Group to the Company and, as such, do not impose any obligations on the Company. Therefore, all of the capital of the Company is classified as Tier 1 Basic Own Funds in the context of Solvency II, except for net deferred tax assets which are classified as Tier 3 capital, which cannot be used to cover the Minimum Capital Requirement ("MCR"). There are currently no ancillary Own Fund items. There are no restricted Tier 1 or Tier 2 items included in Solvency II Own Funds. The Company has not applied the transitional arrangements referred to in Articles 308b(9) and 308b(10) of the Directive.

The following table shows a breakdown of the total Solvency II Own Funds as at the end of the current and prior financial years:

	Tier 1 - unrestricted funds €'000	Tier 3 €'000	Total €'000
2024			
Ordinary share capital	2,249	—	2,249
Reconciliation reserve	10,961	—	10,961
Net deferred tax assets	—	1,062	1,062
Other Own Funds approved by the supervisory authority	131,463	—	131,463
Total Solvency II Own Funds	144,673	1,062	145,735
Total eligible own funds to meet SCR	144,673	1,062	145,735
Total eligible own funds to meet the MCR	144,673	—	144,673

	Tier 1 - unrestricted funds €'000	Tier 3 €'000	Total €'000
2023			
Ordinary share capital	2,249	—	2,249
Reconciliation reserve	15,878	—	15,878
Net deferred tax assets	—	297	297
Other Own Funds approved by the supervisory authority	131,463	—	131,463
Total Solvency II Own Funds	149,590	297	149,887
Total eligible own funds to meet SCR	149,590	297	149,887
Total eligible own funds to meet the MCR	149,590	—	149,590

The reconciliation reserve is made up of Irish GAAP retained earnings, Irish GAAP currency translation reserve and the valuation differences between Irish GAAP and Solvency II. The movement in the reconciliation reserve during the year was a result of the profit recognised during the year, the foreign exchange gains recognised in the currency translation reserve and the movement in the valuation differences between Irish GAAP and Solvency II.

The other own funds approved by the supervisory authority are equal to the additional paid-in capital of the Company.

The Company did not make any dividend payments to its shareholder in 2024 or 2023.

Capital Management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a strong going concern so that it can continue to provide returns for its stakeholders and pay insurance losses reported by policyholders;
- to ensure that the Company is a well-capitalised risk insurer for its policyholders; and
- to comply with the insurance capital requirements required by the CBI.

The capital position of the Company is monitored on a quarterly basis jointly by the Head of Finance and the CRO and is reported to the Risk and Audit Committees as well as the Board, on a quarterly basis.

Any dividend payments must be approved by the Board and will take account of the short-term and long-term interests of shareholders as well as maintaining a balance between the interests of shareholders and other key stakeholders, namely policyholders and regulators.

In particular, no distribution of dividends will compromise the ability of the Company to meet its current or future commitments to policyholders. In the context of Solvency II, no distribution of dividends shall lead to the Company failing to comply with the Solvency Capital Requirement (or such higher capital requirement as the Board may determine, from time to time).

The time horizon used for business planning is one year, which aligns with the ORSA and the business plan.

Going Concern

The SFCR has been prepared on the going concern basis. The Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the SFCR is approved. The Directors' basis for this assessment includes the Company's capital position, the Company's liquidity, the level of reinsurance in place and the credit quality of the Company's counterparts.

Reconciliation of Solvency II Own Funds to Irish GAAP Shareholders' Equity

The following table compares shareholders' equity from the Company's Irish GAAP financial statements to the Solvency II Own Funds as at the end of the current and prior financial years:

	2024 €'000	2023 €'000
Irish GAAP Shareholders' Equity	146,773	145,376
Net deferred acquisition costs	(3,817)	(4,122)
Revaluation of net technical provisions	2,616	9,277
Revaluation of other assets and liabilities	163	(644)
Solvency II Own Funds	145,735	149,887

The differences between the Company's shareholders' equity and Solvency II own funds relate to valuation of the net technical provisions, the removal of deferred acquisition costs and the revaluation of the net deferred tax asset.

See section D.2 of this report for a detailed explanation of the differences in valuation of the net TPs.

A detailed line-by-line Solvency II balance sheet is provided in the QRT SE.02.01.02 in the annex to this report.

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The amount of the Company's SCR and MCR at the end of the current and prior financial years are set out below.

The table below shows the components of the SCR (using the Standard Formula) as at the end of the current and prior financial years:

	2024 €'000	2023 €'000
Market risk	19,902	15,350
Counterparty default risk	23,295	18,002
Non-life underwriting risk	30,971	32,334
Sum of risk components	74,168	65,686
Diversification effects	(17,959)	(14,956)
BSCR	56,209	50,730
Adjustment for LACDT	—	(638)
SCR operational risk	16,378	11,172
SCR	72,587	61,264
Solvency II Own Funds	145,735	149,887
Ratio of Eligible Own Funds to SCR	201 %	245 %

The decrease in the Ratio of Eligible Own Funds to SCR is due to an increase in SCR and a reduction in Own Funds year on year.

The SCR has increased by €11.3 million predominantly as a result of:

- an increase in the market risk charge due to an increase in the duration of the investment portfolio and an increase in USD yields;
- an increase in the counterparty default risk charge due to an increase in reinsurance recoverables; and
- an increase in operational risk due to an increase in the best estimate liability.

The SCR calculation is based on the aggregation of the different sub-modules of the SCR.

Risk-mitigation techniques (such as reinsurance) are taken into account for the calculation of the different sub-modules. The SCR of the different sub-modules are net of risk-mitigation techniques and the impact of these techniques from a SCR point of view is dealt with in the Counterparty risk module. The eligibility of reinsurance risk mitigation techniques within the SCR calculation is regularly assessed against the criteria set out in the Solvency II regulation, and adjustments are made where relevant.

The Company applies two simplifications within the counterparty risk module set out in the Delegated Regulation (articles 107 and 112). These simplifications have no material impact on the SCR. The Company also applies a simplification in respect of the evaluation of the fire risk capital requirement within non-life underwriting risk.

The Company has not used any undertaking-specific parameters in calculating the SCR.

The table below outlines the components of the MCR as at the end of the current and prior financial years:

	2024 €'000	2023 €'000
Linear MCR	9,553	6,833
SCR	72,587	61,264
MCR cap	32,664	27,569
MCR floor	18,147	15,316
Combined MCR	18,147	15,316
Absolute floor of the MCR	4,000	4,000
MCR	18,147	15,316

The MCR is calculated by applying the factors specified in the regulation to underlying drivers: premiums and best estimate liabilities by lines of business for non-life business. Ultimately, the MCR is driven by the floor calculated as 25% of the SCR. The increase in the MCR is therefore driven by the increase in SCR described above.

See template S.28.01.01 in the annex to this report for a further breakdown of the MCR calculation.

The Company was fully compliant with the MCR requirements throughout the reporting period.

The Company applies the following simplifications:

- Calculation of risk mitigation effect of risk mitigation techniques and the risk adjusted value of collateral within counterparty default risk.
- Evaluation of fire risk capital requirement within non-life underwriting risk.

E.3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The Company has chosen not to use the duration-based equity risk submodule.

E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

For the calculation of the regulatory capital requirement, the Company uses the standard formula and does not use an internal model.

E.5. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

There was no breach of the SCR or MCR over the reporting period.

E.6. ANY OTHER INFORMATION

There is no other material information regarding capital management.

Annex

S.02.01

Balance sheet

31 December 2024

€'000

Assets

Goodwill
Deferred acquisition costs
Intangible assets
Deferred tax assets
Pension benefit surplus
Property, plant & equipment held for own use
Investments (other than assets held for index-linked and unit-linked contracts)
<i>Property (other than for own use)</i>
<i>Holdings in related undertakings, including participations</i>
<i>Equities</i>
Equities - listed
Equities - unlisted
<i>Bonds</i>
Government Bonds
Corporate Bonds
Structured notes
Collateralised securities
<i>Collective Investments Undertakings</i>
<i>Derivatives</i>
<i>Deposits other than cash equivalents</i>
<i>Other investments</i>
Assets held for index-linked and unit-linked contracts
Loans and mortgages
<i>Loans on policies</i>
<i>Loans and mortgages to individuals</i>
<i>Other loans and mortgages</i>
Reinsurance recoverables from:
<i>Non-life and health similar to non-life</i>
Non-life excluding health
Health similar to non-life
<i>Life and health similar to life, excluding health and index-linked and unit-linked</i>
Health similar to life
Life excluding health and index-linked and unit-linked
<i>Life index-linked and unit-linked</i>
Deposits to cedants
Insurance and intermediaries receivables
Reinsurance receivables
Receivables (trade, not insurance)
Own shares (held directly)
Amounts due in respect of own fund items or initial fund called up but not yet paid in
Cash and cash equivalents
Any other assets, not elsewhere shown
Total assets

	Solvency II value
	C0010
AR0009	
R0010	
R0020	
R0030	-
R0040	1,062
R0050	-
R0060	-
R0070	211,004
R0080	-
R0090	-
R0100	-
R0110	-
R0120	-
R0130	210,796
R0140	113,850
R0150	96,946
R0160	-
R0170	-
R0180	208
R0190	-
R0200	-
R0210	-
R0220	-
R0230	-
R0240	-
R0250	-
R0260	-
R0270	480,399
R0280	480,399
R0290	480,399
R0300	-
R0310	
R0320	
R0330	
R0340	
R0350	
R0360	11,951
R0370	20,892
R0380	3,049
R0390	-
R0400	-
R0410	9,615
R0420	1,220
R0500	739,191

Annex

S.02.01

Balance sheet

31 December 2024

€'000

Liabilities

Technical provisions - non-life

Technical provisions - non-life (excluding health)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding health and index-linked and unit-linked)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - index-linked and unit-linked

Technical provisions calculated as a whole

Best Estimate

Risk margin

Other technical provisions

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Debts owed to credit institutions resident domestically

Debts owed to credit institutions resident in the euro area other than domestic

Debts owed to credit institutions resident in rest of the world

Financial liabilities other than debts owed to credit institutions

Debts owed to non-credit institutions

Debts owed to non-credit institutions resident domestically

Debts owed to non-credit institutions resident in the euro area other than domestic

Debts owed to non-credit institutions resident in rest of the world

Other financial liabilities (debt securities issued)

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Non-negotiable instruments held by credit institutions resident domestically

Non-negotiable instruments held by credit institutions resident in the euro area other than domestic

Non-negotiable instruments held by credit institutions resident in rest of the world

Non-negotiable instruments held by non-credit institutions resident domestically

Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic

Non-negotiable instruments held by non-credit institutions resident in rest of the world

Subordinated liabilities not in Basic Own Funds

Subordinated liabilities in Basic Own Funds

Any other liabilities, not elsewhere shown

Total liabilities

Excess of assets over liabilities

	Solvency II value
	C0010
AR0509	
R0510	556,859
R0520	556,859
R0530	-
R0540	545,937
R0550	10,922
R0560	-
R0570	-
R0580	-
R0590	-
R0600	-
R0610	
R0620	
R0630	
R0640	
R0650	-
R0660	-
R0670	-
R0680	-
R0690	-
R0700	-
R0710	-
R0720	-
R0730	
R0740	-
R0750	-
R0760	-
R0770	-
R0780	-
R0790	-
R0800	-
ER0801	-
ER0802	-
ER0803	-
R0810	-
ER0811	-
ER0812	-
ER0813	-
ER0814	-
ER0815	-
R0820	10,978
R0830	21,615
R0840	4,004
R0850	-
ER0851	
ER0852	
ER0853	
ER0854	
ER0855	
ER0856	
R0860	-
R0870	-
R0880	-
R0900	593,456
R1000	145,735

Annex

S.04.05

Premiums, claims and expenses by country

31 December 2024

€'000

Premiums written (gross)

Gross Written Premium (direct)

Gross Written Premium (proportional reinsurance)

Gross Written Premium (non-proportional reinsurance)

Premiums earned (gross)

Gross - Direct Business

Gross - Proportional reinsurance accepted

Gross - Non-proportional reinsurance accepted

Claims incurred (gross)

Gross - Direct Business

Gross - Proportional reinsurance accepted

Gross - Non-proportional reinsurance accepted

Expenses incurred (gross)

Gross - Direct Business

Gross - Proportional reinsurance accepted

Gross - Non-proportional reinsurance accepted

	Home Country	Top 5 countries: non-life					
R0010			(US) United States	(GB) United Kingdom	(DE) Germany	(CA) Canada	(AU) Australia
	C0010	C0020					
	1,877	222,190	189,717	21,762	2,735	3,605	4,371
R0020	-	10	-	10	-	-	-
R0021	-	-	-	-	-	-	-
R0022	-	-	-	-	-	-	-
	1,913	240,585	206,260	23,883	2,548	3,788	4,106
R0030	-	14	4	10	-	-	-
R0031	-	-	-	-	-	-	-
R0032	-	-	-	-	-	-	-
	149	193,135	153,616	17,888	9,857	35	11,739
R0040	-	(43)	(1)	(42)	(2)	0	2
R0041	-	-	-	-	-	-	-
R0042	-	-	-	-	-	-	-
	365	49,366	40,813	6,907	429	559	658
R0050	-	18	-	18	-	-	-
R0051	-	-	-	-	-	-	-
R0052	-	-	-	-	-	-	-

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

[illegible]

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance					Total Non-Life obligation
		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		
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	
Technical provisions calculated as a whole		R0010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Direct business		R0020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accepted proportional reinsurance business		R0030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accepted non-proportional reinsurance		R0040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole		R0050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Technical provisions calculated as a sum of BE and RM		AR0057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Best estimate		AR0058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premium provisions		AR0059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - Total		R0060	-	-	-	-	690	2,756	140,094	15	1,122	-	-	-	-	-	-	139,165	
Gross - direct business		R0070	-	-	-	-	690	2,756	140,094	15	1,122	-	-	-	-	-	-	139,165	
Gross - accepted proportional reinsurance business		R0080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - accepted non-proportional reinsurance business		R0090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		R0100	-	-	-	-	757	903	123,230	12	981	-	-	-	-	-	-	125,882	
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses		R0110	-	-	-	-	757	903	123,230	12	981	-	-	-	-	-	-	125,882	
Recoverables from SPV before adjustment for expected losses		R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverables from Finite Reinsurance before adjustment for expected losses		R0130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0140	-	-	-	-	754	885	123,122	12	980	-	-	-	-	-	-	125,753	
Net Best Estimate of Premium Provisions		R0150	-	-	-	-	64	3,641	16,972	3	142	-	-	-	-	-	-	13,412	
Claims provisions		AR0159	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - Total		R0160	-	-	-	-	38,728	116,153	248,831	205	2,854	-	-	-	-	-	-	406,772	
Gross - direct business		R0170	-	-	-	-	38,728	116,153	248,831	205	2,854	-	-	-	-	-	-	406,772	
Gross - accepted proportional reinsurance business		R0180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - accepted non-proportional reinsurance business		R0190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		R0200	-	-	-	-	32,866	100,528	218,566	174	2,917	-	-	-	-	-	-	355,052	
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses		R0210	-	-	-	-	32,866	100,528	218,566	174	2,917	-	-	-	-	-	-	355,052	
Recoverables from SPV before adjustment for expected losses		R0220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverables from Finite Reinsurance before adjustment for expected losses		R0230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0240	-	-	-	-	32,846	100,470	218,241	174	2,914	-	-	-	-	-	-	354,646	
Net Best Estimate of Claims Provisions		R0250	-	-	-	-	5,882	15,683	30,590	31	60	-	-	-	-	-	-	52,126	
Total Best estimate - gross		R0260	-	-	-	-	39,418	113,397	388,926	220	3,976	-	-	-	-	-	-	545,937	
Total Best estimate - net		R0270	-	-	-	-	5,818	12,042	47,562	34	82	-	-	-	-	-	-	65,538	
Risk margin		R0280	-	-	-	0	1,484	2,822	6,593	20	3	-	-	-	0	-	0	10,922	
Amount of the transitional on Technical Provisions		AR0289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TP as a whole		R0290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Best estimate		R0300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Risk margin		R0310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Technical provisions - total		AR0319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Technical provisions - total		R0320	-	-	-	0	40,902	116,219	395,519	240	3,979	-	-	-	0	-	0	556,859	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		R0330	-	-	-	-	33,600	101,355	341,364	186	3,894	-	-	-	-	-	-	480,399	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total		R0340	-	-	-	0	7,302	14,864	54,155	54	85	-	-	-	0	-	0	76,460	

**Gross Claims Paid (non-cumulative) - Development year
(absolute amount)**

		-	1	2	3	4	5	6	7	8	9	10+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											12,099
N-9	R0160	3,475	27,541	41,854	26,854	14,656	10,624	3,056	1,314	426	52	
N-8	R0170	8,379	21,175	29,373	12,595	6,719	3,748	2,383	9,514	945		
N-7	R0180	4,286	26,073	24,048	17,967	9,424	1,963	5,428	405			
N-6	R0190	4,765	49,039	16,011	22,114	19,582	4,248	1,449				
N-5	R0200	138	14,663	9,404	8,816	32,837	11,280					
N-4	R0210	302	17,898	18,058	7,063	7,417						
N-3	R0220	892	20,990	19,512	15,940							
N-2	R0230	303	8,886	12,254								
N-1	R0240	318	21,670									
N	R0250	82										

**Gross undiscounted Best Estimate Claims Provisions - Development year
(absolute amount)**

		0	1	2	3	4	5	6	7	8	9	10+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											3,613
N-9	R0160	0	110,026	80,046	57,870	31,385	11,651	10,919	5,169	4,704	2,893	
N-8	R0170	44,480	79,527	53,993	42,368	10,186	11,309	11,712	8,389	5,505		
N-7	R0180	52,758	79,536	61,467	28,232	19,745	21,558	9,514	3,757			
N-6	R0190	53,621	85,769	62,640	39,583	27,357	17,270	37,839				
N-5	R0200	23,947	52,173	51,040	61,070	47,487	67,399					
N-4	R0210	15,618	71,166	61,827	47,312	34,664						
N-3	R0220	66,904	112,825	98,422	70,553							
N-2	R0230	31,470	75,945	93,942								
N-1	R0240	40,434	80,438									
N	R0250	52,022										

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	12,099	12,099
N-9	R0160	52	129,852
N-8	R0170	945	94,832
N-7	R0180	405	89,595
N-6	R0190	1,449	117,207
N-5	R0200	11,280	77,138
N-4	R0210	7,417	50,738
N-3	R0220	15,940	57,334
N-2	R0230	12,254	21,442
N-1	R0240	21,670	21,987
N	R0250	82	82
Total	R0260	83,593	672,305

Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative)

		Year end (discounted data)
		C0360
Prior	R0100	3,534
N-9	R0160	2,730
N-8	R0170	5,001
N-7	R0180	3,884
N-6	R0190	31,018
N-5	R0200	58,023
N-4	R0210	32,028
N-3	R0220	64,354
N-2	R0230	84,848
N-1	R0240	73,622
N	R0250	47,729
Total	R0260	406,771

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

Ordinary share capital (gross of own shares)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares
Reconciliation reserve
Subordinated liabilities
An amount equal to the value of net deferred tax assets
Other own fund items approved by the supervisory authority as basic own funds not specified above

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

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR
Total available own funds to meet the MCR
Total eligible own funds to meet the SCR
Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
AR0009					
R0010	2,249	2,249		-	
R0030	-	-		-	
R0040	-	-		-	
R0050	-		-	-	-
R0070	-	-			
R0090	-		-	-	-
R0110	-		-	-	-
R0130	10,962	10,962			
R0140	-		-	-	-
R0160	1,062				1,062
R0180	131,463	131,463	-	-	-
AR0219					
R0220	-				
AR0229					
R0230	-	-	-	-	
R0290	145,735	144,673	-	-	1,062
AR0299					
R0300	-			-	
R0310	-			-	
R0320	-			-	-
R0330	-			-	-
R0340	-			-	
R0350	-			-	-
R0360	-			-	
R0370	-			-	-
R0390	-			-	-
R0400	-			-	-
AR0499					
R0500	145,735	144,673	-	-	1,062
R0510	144,673	144,673	-	-	-
R0540	145,735	144,673	-	-	1,062
R0550	144,673	144,673	-	-	-
R0580	72,587				
R0600	18,147				
R0620	201%				
R0640	797%				

Reconciliation reserve

Excess of assets over liabilities
Own shares (held directly and indirectly)
Foreseeable dividends, distributions and charges
Other basic own fund items
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
Expected profits included in future premiums (EPIFP) - Non-life business

Total Expected profits included in future premiums (EPIFP)

	Value
	C0060
AR0699	
R0700	145,735
R0710	-
R0720	-
R0730	134,773
R0740	-
R0760	10,962
AR0769	
R0770	-
R0780	31,066
R0790	31,066

Basic Solvency Capital Requirement

Article 112

Z0011 No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	19,902	19,902	
Counterparty default risk	R0020	23,295	23,295	
Life underwriting risk	R0030	-	-	
Health underwriting risk	R0040	-	-	
Non-life underwriting risk	R0050	30,971	30,971	
Diversification	R0060	-	17,959	
Intangible asset risk	R0070	-	-	
Basic Solvency Capital Requirement	R0100	56,209	56,209	

Calculation of Solvency Capital Requirement

		Value C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	16,378
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	72,587
Capital add-ons already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	-
of which, capital add-ons already set - Article 37 (1) Type b	R0212	-
of which, capital add-ons already set - Article 37 (1) Type c	R0213	-
of which, capital add-ons already set - Article 37 (1) Type d	R0214	-
Solvency capital requirement	R0220	72,587
Other information on SCR	AR0399	
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	-

Approach to tax rate

		Yes/No C0109
Approach based on average tax rate	R0590	Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

		Before the shock C0110	After the shock C0120
DTA	R0600	1,062	
DTA carry forward	R0610	898	
DTA due to deductible temporary differences	R0620	164	
DTL	R0630	-	

Calculation of loss absorbing capacity of deferred taxes

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

Annex
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
31 December 2024
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Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCRNL Result	R0010	9,553

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	5,818	1,574
Fire and other damage to property insurance and proportional reinsurance	R0080	12,042	15,113
General liability insurance and proportional reinsurance	R0090	47,562	11,721
Credit and suretyship insurance and proportional reinsurance	R0100	34	27
Legal expenses insurance and proportional reinsurance	R0110	82	232
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Overall MCR calculation

		Value
		C0070
Linear MCR	R0300	9,553
SCR	R0310	72,587
MCR cap	R0320	32,664
MCR floor	R0330	18,147
Combined MCR	R0340	18,147
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	18,147

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