PartnerRe

Solvency and Financial Condition Report 2022

PartnerRe Ireland Insurance dac

CONTENTS

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 "PRIIdac") for the year ended 31 December 2022.

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

Covéa Cooperations S.A (“Covéa”), became the ultimate parent of the Company on 12 July 2022 following completion of the acquisition of PartnerRe Ltd's common shares.

See sections A.2., A.3. A.4. and A.5. for a discussion of the performance of the Company during the year.

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, Actuarial function, Internal Audit function and use of outsourcing.

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, diversification and the use of reinsurance with third parties and affiliate companies.

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

See section E for more detail on the capital management of the Company.

The Company received a capital contribution of €20 million in 2022 which was approved by the CBI as Tier 1 own funds, while the Solvency Capital Requirement also increased during the year. There were no other significant changes to the capital management of the Company during the year.

A. BUSINESS AND PERFORMANCE

A.1. BUSINESS

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

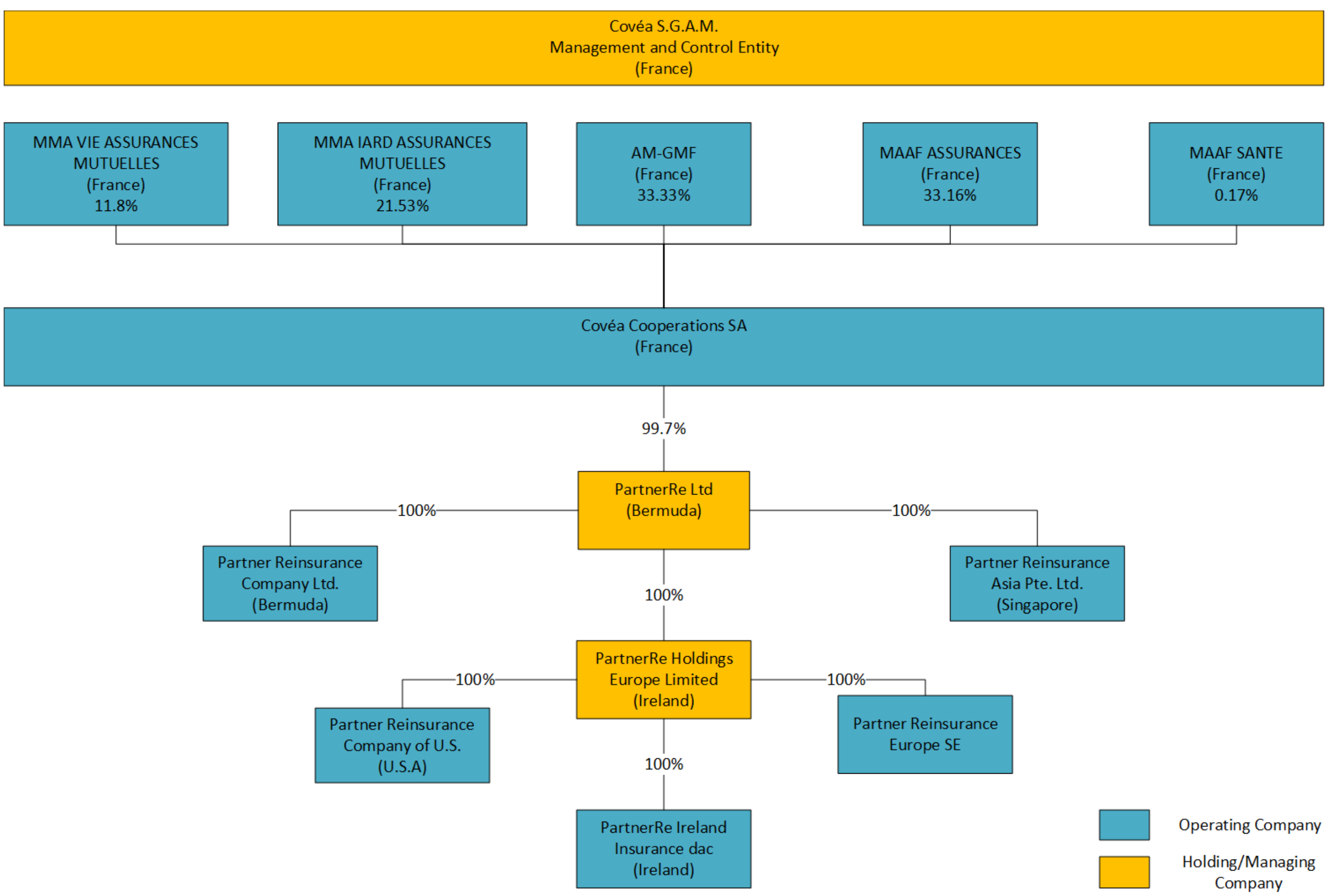
The Company is regulated by the Central Bank of Ireland ("CBI"), New Wapping Street, North Wall Quay, Dublin 1, Ireland.

The Company has entered the U.K. Temporary Permission Regime ("TPR") which secured the Company's right to continue to carry on regulated activities within the U.K. until the end of 2023. The U.K. Branch is subject to U.K. specific regulations. These regulations are in addition to existing CBI requirements. An application for full authorisation of the Company's U.K. branch was made during 2022. The successful completion of this application will allow the company to carry out regulated activities in the U.K. when the Temporary Permission Regime ceases.

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. Covéa Cooperations S.A ("Covéa"), a Company incorporated in France, became the ultimate parent on 12 July 2022 following completion of the acquisition from Exor N.V. ("EXOR") of PartnerRe Ltd's common shares.

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 Company's business strategy is to support the Group's overall strategy by providing clients the option to place business classified as insurance with PartnerRe. 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 UK 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 lines of business for the current and prior year:

2022	**Marine, aviation and transport €'000**	**Fire and other damage to property €'000**	**General liability €'000**	**Credit and suretyship €'000**	**Total €'000**
Gross premium written	23,228	104,290	176,537	84	**304,139**
Net premium written	3,103	10,633	14,097	13	**27,846**
Net premium earned	3,361	11,081	14,673	21	**29,136**
Net claims incurred	(2,938)	(4,852)	(11,333)	18	**(19,105)**
Net acquisition income/ (expense)	823	4,798	(1,453)	—	**4,168**
Technical result	**1,246**	**11,027**	**1,887**	**39**	**14,199**

2021	**Marine, aviation and transport €'000**	**Fire and other damage to property €'000**	**General liability €'000**	**Credit and suretyship €'000**	**Total €'000**
Gross premium written	20,312	91,458	177,522	208	**289,500**
Net premium written	1,745	9,498	17,308	31	**28,582**
Net premium earned	1,985	9,085	10,438	35	**21,543**
Net claims incurred	(3,242)	(10,416)	(7,264)	3	**(20,919)**
Net acquisition income/ (expense)	1,059	4,120	1,372	14	**6,565**
Technical result	**(198)**	**2,789**	**4,546**	**52**	**7,189**

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.

Marine, aviation and transport

Gross premiums written for the financial year were €23.2m. This represents an increase of €2.9m when compared to the prior financial year. The increase was mainly driven by new Aviation business.

Net premiums earned for the financial year were €3.4m, representing an increase of €1.4m year-on-year. This increase was mainly driven by the increase aviation business mentioned above and a decrease in premium ceded for energy offshore business compared to prior year.

The underwriting result was a profit of €1.2m for the financial year. This represents an increase of €1.4m when compared to the prior financial year. The increase in the result was driven by the increase in net premiums in 2022, as well as a decrease in the net claims which was higher last year due to a large space loss in 2021.

Fire and other damage to property

Gross premiums written for the financial year were €104.3m, representing an increase of €12.8m when compared to the prior financial year. This increase was mainly driven by new business and premium increases in property and energy onshore lines of business.

Net premiums earned for the financial year were €11.1m. This represents an increase of €2.0m compared to the prior financial year. This increase was also mainly driven by new business and premium increases in property and energy onshore lines of business.

The underwriting result was a profit of €11.0m for the financial year. Year-on-year, this represents an increase of €8.2m, driven mainly by an decrease in the net claims ratio due to a number of large loss events in property and energy onshore in 2021, compared to fewer large loss events in 2022.

General Liability

Gross premiums written for the financial year were €176.5m, representing an decrease of €1.0m when compared to the prior financial year, driven by a slight decrease in MGA business.

Net premiums earned for the financial year were €14.7m. This represents an increase of €4.2m when compared to prior financial year, driven by the increase in prior year MGA premiums earned in 2022.

The underwriting result was a profit of €1.9m for the financial year. Year-on-year, this represents a decrease of €2.6m, driven by an increase in the net acquisition cost ratio.

Acquisition costs/income

Net acquisition income/expense was a positive €4.2m compared to €6.6m in the prior financial year, with an overall increase in the acquisition cost ratio driven by a reduction in the overrider commission percentage received on the quota share with Partner Reinsurance Europe SE (PRESE).

Geographical Analysis

2022	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 premium written	625	242,128	30,312	7,952	4,738	4,543	13,841	**304,139**
Net premium written	82	21,597	2,602	976	512	466	1,611	**27,846**
Net premium earned	32	22,057	3,102	1,074	463	594	1,814	**29,136**
Net claims incurred	(6)	(15,385)	(1,715)	(312)	(393)	(637)	(657)	**(19,105)**
Net acquisition income/(expense)	6	2,778	(184)	444	158	316	650	**4,168**
Technical result	**32**	**9,450**	**1,203**	**1,206**	**228**	**273**	**1,807**	**14,199**

2021	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 premium written	244	230,863	30,688	6,130	5,633	3,468	12,474	**289,500**
Net premium written	25	22,871	2,972	557	584	352	1,221	**28,582**
Net premium earned	17	15,262	3,179	597	603	424	1,461	**21,543**
Net claims incurred	(19)	(14,731)	(2,576)	(402)	(903)	(139)	(2,149)	**(20,919)**
Net acquisition income/(expense)	7	4,570	476	308	267	199	738	**6,565**
Technical result	**5**	**5,101**	**1,079**	**503**	**(33)**	**484**	**50**	**7,189**

The increase in relation to the United States is driven by the increases in Fire and Other Damage to Property which are discussed above.

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 income and expenses for the current and prior financial years:

	2022 €'000	2021 €'000
Interest income	3,077	1,936
Net realised (losses)/gains	(2,986)	307
Net unrealised losses	(16,917)	(2,423)
Investment management and other related expenses	(266)	(202)
Total net of expenses	**(17,092)**	**(382)**

The Company's investments are entirely allocated to fixed income securities and accordingly interest income arises entirely from these investments. The net realised and unrealised losses, in addition to the increase in interest income, were primarily driven by the significant rise in interest rates throughout 2022.

The Company did not have any investments in securitisations.

A.4. PERFORMANCE OF OTHER ACTIVITIES

Operating expenses increased by €1.5m to €9.7m, with the increase mainly due to higher expenses recharged from related entities for personnel costs, overheads and IT costs.

The Company recognised a loss of €2.5m (2021: gain of €0.9m) 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 €1.9m (2021: €0.5m). 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

The Company is categorised as Low Impact under the CBI's Probability Risk and Impact System (PRISM) and it has been advised by the CBI that this categorisation will change to Medium-Low Impact effective from 1st January 2023. 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 amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the Company.
- The strategy for the on-going management of material risks including, inter-alia, liquidity risk.
- The establishment of a Conflicts of Interest Policy for its members.
- A robust and transparent organizational structure with effective communication and reporting channels.
- A remuneration framework that is in line with the risk strategies of the insurance undertaking.
- 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 appointment of a General Manager and senior management with appropriate integrity and adequate knowledge, experience, skill, and competence for their roles.
- Endorsing the appointment of people who may have a material impact on the risk profile of the Company and monitoring on an on-going basis their appropriateness for the role.
- The appointments of Directors.
- Oversight of each of its Committees.
- Ultimate responsibility and ownership for the Company's Own Risk and Solvency Assessment ("ORSA") process.
- The establishment of a documented risk appetite framework.

Where the Company applies a group policy or engages a group function, the Board shall satisfy itself as 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 Central Bank of Ireland.

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

The Board has established two sub-committees: the Audit Committee and the Risk Committee and from Q2 2022, proceedings of the Board and its sub-committees have involved the Board sitting as the Audit Committee and the Risk Committee in accordance with Section 19 of the Corporate Governance Requirements with provision in place for the adoption of alternative arrangements by the sub-committees at all times should this be appropriate.

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 Audit Committee is composed of three Non-Executive Directors ("NEDs"), two of whom are Independent Non-Executive Directors ("INEDs"). The Chair of the Audit Committee is an INED.

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 composed of four directors comprising two INEDs, one Group NED and the Executive Director.

Powers Delegated by the Board

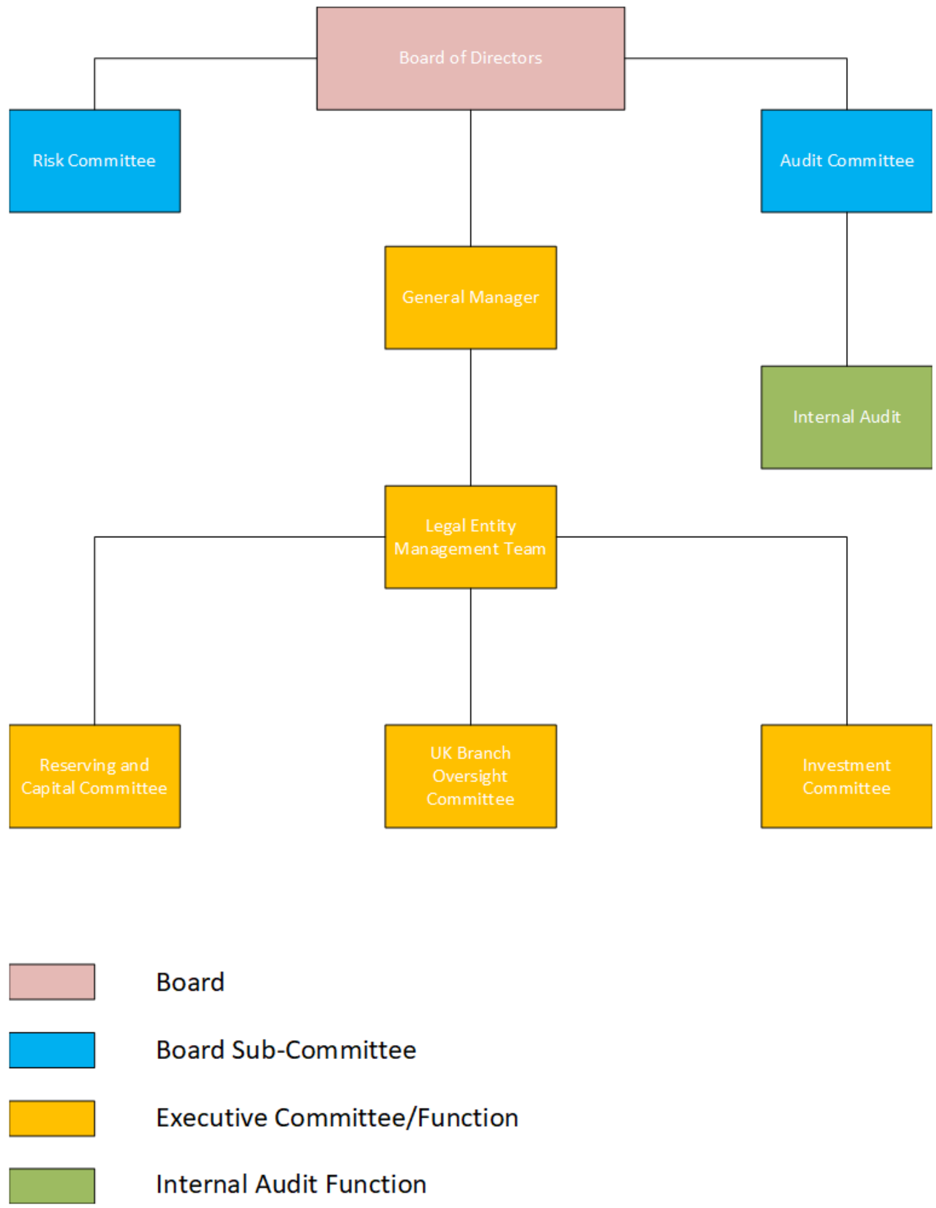
The Board has reserved certain powers for itself and has delegated other powers. This delegation is documented in the Board's Delegation of Authority Policy which is part of the Board's Charter. Authorities that have not been reserved for the Board are delegated to the General Manager.

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, Head of Actuarial Function, Head of Finance 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
- UK 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 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 Head of Actuarial Function, the Chief Risk Officer and the General Manager. The Committee meets at least quarterly.

U.K. Branch Oversight Committee

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

Its responsibilities include management and oversight of the UK Branch. In addition, the Committee reviews and approves the UK specific regulatory returns and the approval of UK 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, Chief Risk Officer, Head of Actuarial Function, 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, Chief Risk Officer 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 risk profile of the Company's position against risk appetite statements and tolerances and reports deviations in line with agreed reporting procedures.

The Chief Risk Officer ("CRO") leads the Risk Management function, is also a member of the LEM and a Pre-Approved 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 Head of Actuarial Function ("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 and quarterly/annual statutory and regulatory filings, ensuring compliance with relevant accounting standards and corporate law requirements, the monitoring of solvency ratios and calculations and ensuring 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

Changes in Board membership

One Group Non-Executive Director resigned during the year.

Material transactions

There were no transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the Board other than:

- 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 with other PartnerRe Group entities:
    1. Whole account quota share with Partner Reinsurance Europe SE ("PRESE"):
        a. 85% for all underwriting years; and
        b. 90% for a small number of named risks.
    2. Stop loss agreement with Partner Reinsurance Company Ltd ("PRCL"), attaching at a loss ratio of 120% with a limit of 870%.

    The reinsurance arrangements were also in place during 2021 with broadly similar terms and conditions.
- 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. 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.

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 NEDs 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. Certain Swiss based employees, who are employed by PartnerRe Holdings Europe Ltd. are members of a hybrid pension plan, which contains elements of a defined benefit and defined contribution plan.

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. This informs assessment of the adequacy of the system of governance which has been satisfactorily assessed as adequate for the Company.

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 evaluated 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 and Group functions 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 individual's 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.

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, Chief Risk Officer, Head of Internal Audit, Head of Compliance, Head of Actuarial Function, UK Branch Manager, Head of Underwriting, Head of Investments and Head of Claims).

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

The Company has implemented a Risk Management Framework ("RMF") which sets out the key components of its risk management system: risk governance and controls, risk identification and assessment, risk appetite, ORSA and monitoring and reporting.

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 the following activities:

- 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 Head of Actuarial Function (HoAF) is 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 governance and controls

The Risk function consists of the CRO and the supporting Risk team. The CRO and the Risk team collaborate with and are supported by Risk resources in other Group entities. The CRO reports to the General Manager and reports directly to the Risk Committee and the Board.

Responsibilities of the Board and its Committees are set out in section B.1. Specific responsibilities of the Board include setting the overall risk appetite and risk limits, overseeing and reviewing the key risks of the Company, approving the risk strategy, the RMF, risk policies, ORSA and the Recovery Plan and promoting a culture which is conducive to effective risk management.

The Company's risk policy framework addresses groups of homogenous and related risks and establishes risk management approach, risk appetite, mitigation principles, risk ownership, governance and escalation procedures. Individual risk policies are supported by sub-policies and operating guidelines. The risk policy framework consists of Group and Company risk policies which are reviewed and approved at least annually.

The Company uses PartnerRe's internal control application system, Archer, to document internal controls and manage its risk register. Controls and other risk management activities 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.

Risk identification and assessment

The CRO coordinates and performs an annual risk identification and assessment process to assess the Company's risks and identify any new or emerging risks and important trends. This process facilitates the setting of risk appetite by the Board and the management of material risks. In response to current events, ad-hoc risk assessments of individual risks may also be conducted.

The Company's risks are structured in a risk universe which is constantly evolving in response to the evolving risk profile of the Company. The risk universe intends to capture all relevant material and potentially material risks. Each risk in the Risk Universe has a risk owner. The CRO monitors the risk profile on an ongoing basis through interaction with the LEM and business leaders and through participation in relevant Group Committees.

At least annually, a risk identification workshop is held with the LEM to review the Company's risk universe and ensure that all material and potentially material risk categories are captured. Separately, an annual emerging risk workshop is held with the LEM and business leaders to discuss and identify emerging risks for the Company. Any new risks identified are assigned a risk owner by the CRO in consultation with the LEM.

The CRO, in collaboration with the risk owners and other subject matter experts, assesses each risk of the Risk Universe at least annually. The individual risk assessments are documented and consider the regulatory, operational and control environment, key exposures, correlation with other risks and mitigation. For assumed risks, the tail loss potential is quantified. The individual risk assessments are stored in Archer and support the quarterly risk certification process of the first-line risk owners.

The CRO prepares an annual Risk Assessment Report which summarises the individual risk assessments. The Risk Assessment Report is presented to the LEM for review and input and then discussed with the Risk Committee and Board. The Risk Assessment Report assists the Risk Committee and Board in understanding the Company's risk profile and the setting of risk appetite and risk limits.

Risk appetite

Risk appetite is the overall level of risk the Company is prepared to accept in pursuit of its strategic objectives. Risk appetite, risk limits, capital level and reinsurance structure are considered and inform the setting of the Company's strategy and business plan.

Risk appetite is documented in the Risk Appetite Framework ("RAF"). The RAF is reviewed at least annually and approved by the Board. In setting its risk appetite, the Board considers stakeholder expectations alongside the business environment and risks including the current level of risk in the business plan and strategy.

Risk appetite is structured into Risk Appetite Statements and Risk Limits and Tolerances.

Risk appetite statements

The Company defines risk appetite statements for all categories of its risk universe.

Risk limits and tolerances

The Company defines key risk indicators as quantitative or qualitative risk limits following a red-amber-green scale ("RAG"), covering the Solvency II solvency ratio, all material assumed risks as identified in the latest Risk Assessment, and non-assumed risks and non-material assumed risks as considered appropriate.

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 two years 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.

Risk monitoring and reporting

Risk owners and the Risk function monitor risks on an ongoing basis through regular reports, interaction, participation in approval processes and management meetings.

The CRO reports on a quarterly basis to the Risk Committee and the Board. The quarterly risk report to the Risk Committee includes reporting on compliance with the RAF, risk limits, operational incidents and any other relevant developments such as changes in reinsurance.

In times of financial or operational stress, the LEM, the Risk Committee and the Board are updated on the Company's risk profile more frequently.

Own Risk and Solvency Assessment

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 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 reinsurance programme or the identification of the need for capital injections.

The ORSA is prepared annually (or more frequently if warranted) by the CRO, reviewed by the HoAF who documents her opinion, the LEM and the Risk Committee. The Board ultimately approves 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.

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 applicable laws and regulation that apply to the Company as an authorised insurance company;
- providing training to staff, where necessary, on the laws and regulations applicable to the Company;
- identifying and assessing the possible impact of any changes to the applicable laws and regulations on the Company;
- providing assurance to the Board on the adequacy of measures that have been taken by the Company to comply with applicable regulations;
- managing the relationship with the CBI and other financial services regulators; and
- maintaining the Company's operating licenses.

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, the following:

- 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

Internal Audit'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 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 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 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.

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. Details are included in section B.3 of this report.

The Company manages 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 non-life 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 2022 can be summarised as follows.

(1) Whole account quota share with PRESE:

- 85% for all underwriting years
- 90% for a small number of named risks

(2) 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 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 €32.1m (2021: €29.5m), which is 47% (2021: 51%) 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):
	2022	2022	2021	2021
€'m	€'m	€'m	€'m	€'m
10	+1	(11)	+1	(11)
20	+3	(22)	+2	(22)

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
	2022	2021
€'m	€'m	€'m
5	+1	+1
10	+1	+2

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 increased during 2022 within approved risk appetite. On a gross basis and net basis, the largest concentration is US storm and 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 reinsurance 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 retro team within the Underwriting function.

The Company's has world-wide exposures to terrorism with concentration of exposures in the US. The largest exposures net of reinsurance have decreased during 2022.

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's capital model. In 2022, the previous risk metric based on single-risk exposure was replaced by a risk metric based on the premium and reserve risk distribution in the Group's 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 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 to casualty risk has increased during 2022, partially offset by an increase in external reinsurance on Casualty business.

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, energy offshore, 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 2022, but the calibration of the risk metric has been amended to reflect that the potential for several single-risk events occurring in one year is considered to have increased in line with the growth of the Company's single-risk portfolio. 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 PRCL 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 have increased mainly due to strengthening of USD against EUR.

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 €17.8m (2021: €12.7m), which is 26% (2021: 22%) of the BSCR before diversification.

The market risk requirement includes interest rate, equity, property, credit spread, currency and concentration risk.

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 2022, 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 and GBP. Exposures can vary over time as assets and liabilities change in line with investment and business developments. Exposures have slightly increased during 2022 within approved risk limits.

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, if the Euro had strengthened/ weakened by 10% against all other currencies held by the Company, Own Funds would have been €4.3m lower/higher (2021: €1.5m lower/higher)

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 2022. 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 2022, exposure to credit spread risk has slightly decreased.

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 2022. 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 2022, exposure to inflation risk has increased in line with business growth. 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 €178.8 million at 31 December 2022 (2021: €229.4 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 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. 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 €18.9m (2021: €16.2m), which is 28% (2021: 28%) of the BSCR before diversification.

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 cedants, 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 amended during 2022. The overall methodology remained unchanged while the individual stresses were updated to reflect the Company's liquidity exposure under a more plausible stress event. 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 2022.

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 €35.4 million (2021: €47.5 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 2022 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 premium and on premium 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	2022 €'000	2021 €'000
Marine, aviation and transport	2,850	3,955
Fire and other damage to property	18,334	17,918
General liability	14,185	25,587
Credit and suretyship	62	38
Total	**35,431**	**47,497**

C.5. OPERATIONAL RISK

Operational risks include, but are not limited to, failures or weaknesses in financial reporting and controls, regulatory non-compliance, fraud, breach of information technology and data privacy security, disaster recovery planning and reliance on third party vendors.

The Company categorises its operational risks as follows: cyber risk and data protection, business disruption, process and execution management, outsourcing, legal and compliance, fraud, human resources, and regulatory risk. The Company also monitors branch matters, strategic and emerging risks which may relate to operational risks.

Cyber risk and data protection risk relates to the potential of a successful cyber-attack with significant business impact which could lead to financial losses and operational disruption. Business disruption risk relates to business continuity and emergency management. Process and execution management risk relates to underwriting and reporting processes. Outsourcing risk is financial, operational, regulatory or reputational risk related to the outsourcing of processes or services within PartnerRe Group or to third parties. Legal and compliance risks relate to regulatory obligations and legal risks in relation to the Company's business activities. Fraud risk relates to intentionally deceptive actions potentially resulting in financial statement fraud, misappropriation of assets, claims or tax fraud. Human resources risk relates to the risk of strategic or financial underachievement due to a lack of critical skills. Regulatory risk relates to financial, operational, and reputational risk related to the changes in laws or regulations.

The Company manages and mitigates operational risks through policies and guidelines setting out appropriate procedures and internal controls and the periodic assessment of adherence to these procedures and controls by Internal Audit. Operational risk is monitored and reported in standardised form to management, the Risk Committee and the Board. Matters are escalated to the Board as required and mitigating actions are assigned to bring elevated risks back within tolerance.

There were no material weaknesses identified in any of the operational risk categories.

C.6. OTHER MATERIAL RISKS

Strategic risks

Strategic risks are discussed with the General Manager, the Legal Entity Management Team, the Board and the Group and include the direction and governance of the Company as well as its response to external factors faced by the insurance industry such as changes in regulation, competitive structure and macroeconomic, legal and social trends. Strategic risks are managed by strong governance procedures, including a robust system of processes and internal controls.

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.

The Company's Risk Assessment report has identified Group risks as material strategic risk. Brexit was removed from the risk universe. The risk category climate change was extended to cover all sustainability risks (environmental, social, governance).

Group risks

The Company is exposed to Group risks of financial and operational nature. Financial risks relate mostly to the Company's reliance on Group affiliates for reinsurance which implies counterparty and liquidity risk and are assessed as low due to the high credit rating and solvency ratios of the relevant affiliate companies. Group risks of operational nature relate to the embedding of Company processes in Group processes and the provision of services by affiliate companies.

Environmental, Social and Governance ("ESG") risks

ESG risks are risks related to environmental, social and governance aspects that could have potential or actual negative impacts on the financial position, performance or reputation of the Company. Relevant ESG sub-risks for the Company are climate change, liability risks, transition risk on investments, and operational and reputational risks.

The Company is exposed to increased tropical cyclone activity on its North American specialty lines portfolio. With current knowledge, the Company is not considered to be significantly exposed to changes in severity or frequency of other natural catastrophe perils such as flood.

D&O business could potentially be exposed to ESG related liability claims. So far, very few such claims have been observed.

Investments are mostly exposed to transition risks related to ESG or climate change-related policy actions and changing consumer and investor sentiment. These risks can be systemic (affecting whole sectors or investment classes) or idiosyncratic (affecting individual investments). The systemic risk is of greater importance for the Company while the idiosyncratic risk is largely mitigated by limits on individual exposures and diversification.

Operational and reputational risk can occur directly through company actions, including employee actions, (e.g. non-compliance with regulation or violation of ESG principles) or indirectly through the Company's business and investment choices. These risks are considered to be effectively mitigated by the ESG-related activities, policy and process updates and controls implemented in recent years.

Reputational risks

Reputational risk is the risk of potential loss through deterioration of the Company's reputation or standing due to a negative perception among customers, counterparties, shareholders or supervisory authorities. Reputational impacts tend to be an outcome of other risk types materialising; therefore, managing each type of risk serves to manage reputational risk.

Reputational 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. No significant reputational risks for the Company have been identified.

Emerging risks

Emerging risks are subject to the risk identification, assessment, monitoring and reporting as set out in section B.3 in this report.

C.7. ANY OTHER INFORMATION

There is no other material information in respect of the Company's risk profile.

D. VALUATION FOR SOLVENCY PURPOSES

D.1. ASSETS

	2022			2021		
	Solvency II Valuation	IFRS Valuation	Variance Solvency II v IFRS	Solvency II Valuation	IFRS Valuation	Variance Solvency II v IFRS
	€'000	€'000	€'000	€'000	€'000	€'000
Fixed income securities	164,706	164,706	—	212,088	212,088	—
Cash and cash equivalents	12,763	12,763	—	15,990	15,990	—
Deposits other than cash equivalents	—	—	—	1,082	1,082	—
Reinsurance recoverable	327,480	582,425	(254,945)	251,187	464,943	(213,756)
Reinsurance receivables	7,551	7,551	—	6,651	6,651	—
Deferred acquisition costs	—	67,697	(67,697)	—	58,772	(58,772)
Insurance and intermediaries receivable	14,294	14,294	—	5,417	5,417	—
Receivables (trade, not insurance)	3,437	3,437	—	4,310	4,310	—
Deferred tax asset	2,959	2,805	154	1,798	728	1,070
Deposits to cedants	—	—	—	193	193	—
Other assets	1,325	1,314	11	18	18	—
Total	**534,515**	**856,992**	**(322,477)**	**498,734**	**770,192**	**(271,458)**

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 IFRS Balance Sheet.

Cash and cash equivalents

Cash and cash equivalents are carried at face value in the IFRS balance sheet as best representing their fair value. Since the underlying currency of the cash is freely tradeable the Company considers them to be classified as Quoted Market Price in Active Markets for the Same Assets ("QMP") for valuation purposes under Solvency II. There is no variance in the valuation when compared to the IFRS 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 IFRS Balance Sheet.

Deferred acquisition costs

Acquisition costs are charged to expenses as the related premium is earned, with the unearned portion recognised as an asset on the IFRS 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 IFRS 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 IFRS 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:

2022 Line of Business	Claim Provision €'000	Premium Provision €'000	Recoverables from Reinsurance contracts €'000	Risk Margin €'000	Total Technical Provisions net of Recoverables €'000
Marine, aviation and transport	58,842	486	(52,125)	1,379	**8,582**
Fire and other damage to property	91,775	(4,441)	(75,789)	2,242	**13,787**
General liability	158,721	70,455	(199,488)	6,590	**36,278**
Credit and suretyship	109	(17)	(78)	18	**32**
Total	**309,447**	**66,483**	**(327,480)**	**10,229**	**58,679**

2021 Line of Business	Claims Provisions €'000	Premium Provisions €'000	Recoverables from Reinsurance contracts €'000	Risk Margin €'000	Total Technical Provisions net of Recoverables €'000
Marine, aviation and transport	46,873	83	(39,167)	1,939	**9,728**
Fire and other damage to property	109,926	(8,620)	(86,872)	1,737	**16,171**
General liability	106,837	37,473	(124,941)	5,607	**24,976**
Credit and suretyship	265	—	(207)	38	**96**
Total	**263,901**	**28,936**	**(251,187)**	**9,321**	**50,971**

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 premium 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 euro 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 SII line of business, as defined under SII. 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 cashflows relating to existing obligations for each of the claims provision and premium provision independently. Premium, losses, expenses and costs are considered separately and all cashflows are discounted using prescribed EIOPA risk-free yield curves for SII 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 expenses were estimated based on an analysis of the planned 2023 expenses. The expenses estimated which relate to existing business, including business incepted post-technical cutoff date, and Bound but Not Incepted ("BBNI") business were calculated in total and allocated across lines of business and between the claims and premium provision in line with expected future payments.

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 ("ENIDs") 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 2022

There have been no material changes to assumptions underlying the BEL calculation during 2022.

Level of uncertainty

The IFRS 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 IFRS reserves, such as priced profitability of unearned premium. 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 IFRS reporting

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

- IFRS 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 IFRS reserves.
- IFRS 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.
- IFRS 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.
- IFRS UPR is 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 premium payable

(net of acquisition cost and commissions); this is likely to produce a Solvency II premium provision that is less than that under IFRS. The premium provision also considers BBNI contracts, which is not required in the IFRS calculation.

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

2022	Best Estimate Liability	Risk Margin	Solvency II Technical Provision	Gross IFRS Valuation	Difference
Line of Business	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Marine, aviation and transport insurance	59,328	1,379	60,707	82,356	(21,649)
Fire and other damage to property insurance	87,334	2,242	89,576	139,269	(49,693)
General liability insurance	229,177	6,590	235,767	423,351	(187,584)
Credit and suretyship	91	18	109	301	(192)
Total	**375,930**	**10,229**	**386,159**	**645,277**	**(259,118)**

2021	Best Estimate Liability	Risk Margin	Solvency II Technical Provision	Gross IFRS Valuation	Difference
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Marine, aviation and transport insurance	46,956	1,939	48,895	62,691	(13,796)
Fire and other damage to property insurance	101,307	1,737	103,044	150,643	(47,599)
General liability insurance	144,310	5,607	149,917	299,777	(149,860)
Credit and suretyship	264	38	302	447	(145)
Total	**292,837**	**9,321**	**302,158**	**513,558**	**(211,400)**

Simplifications used in the calculation of the technical provisions

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

- Reserves have been split using only seven major currencies (USD, EUR, GBP, AUD, CAD, CHF and JPY) to discount future cash flows;
- 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 and comparison for other liabilities, excluding TPs, as at the end of the current and prior financial years. For reconciliation purposes, the categories listed below for the IFRS balance sheet have been aligned to those of the Solvency II balance sheet.

	2022			2021		
	Solvency II Valuation	IFRS Valuation	Variance Solvency II v IFRS	Solvency II Valuation	IFRS Valuation	Variance Solvency II v IFRS
	€'000	€'000	€'000	€'000	€'000	€'000
Reinsurance payables	12,081	12,081	—	44,672	44,672	—
Insurance and intermediaries payable	3,700	3,700	—	34,681	34,681	—
Payables (trade, not insurance)	4,125	4,125	—	1,729	1,729	—
Other liabilities	1	1	—	22	22	—
Total	**19,907**	**19,907**	**—**	**81,104**	**81,104**	**—**

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 IFRS 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 IFRS 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 IFRS Balance Sheet.

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 PartnerRe Holdings Europe Limited ("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 other Group companies 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.

A capital contribution of €20m was received from the Company's parent in November 2022 and approved by the CBI as Tier 1 own funds.

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

2022	Tier 1 - unrestricted funds €'000	Tier 3 €'000	Total €'000
Ordinary share capital	2,249	—	2,249
Reconciliation reserve	(8,222)	—	(8,222)
Net deferred tax assets	—	2,959	2,959
Other Own Funds approved by the supervisory authority	131,463	—	131,463
Total Solvency II Own Funds	**125,490**	**2,959**	**128,449**
Total eligible own funds to meet SCR	**125,490**	**2,959**	**128,449**
Total eligible own funds to meet the MCR	**125,490**	**—**	**125,490**

2021	Tier 1 - unrestricted funds €'000	Tier 3 €'000	Total €'000
Ordinary share capital	2,249	—	2,249
Reconciliation reserve	(40)	—	(40)
Net deferred tax assets	—	1,798	1,798
Other Own Funds approved by the supervisory authority	111,463	—	111,463
Total Solvency II Own Funds	**113,672**	**1,798**	**115,470**
Total eligible own funds to meet SCR	**113,672**	**1,798**	**115,470**
Total eligible own funds to meet the MCR	**113,672**	**—**	**113,672**

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

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 2022 or 2021.

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 three years, 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 IFRS Shareholders' Equity

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

	2022 €'000	2021 €'000
IFRS Shareholders' Equity	**129,029**	**121,674**
Net deferred acquisition costs	(4,919)	(4,917)
Revaluation of net non-life technical provisions	4,196	(2,357)
Revaluation of other assets and liabilities	143	1,070
Solvency II Own Funds	**128,449**	**115,470**

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 non-life TPs.

A detailed line-by-line Solvency II balance sheet is provided in the QRT number 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:

	2022 €'000	2021 €'000
Market risk	17,754	12,675
Counterparty default risk	18,919	16,156
Non-life underwriting risk	32,110	29,500
Sum of risk components	**68,783**	**58,331**
Diversification effects	(16,203)	(12,967)
BSCR	**52,580**	**45,364**
SCR operational risk	11,278	8,785
SCR	**63,858**	**54,149**
Solvency II Own Funds	**128,449**	**115,470**
Ratio of Eligible Own Funds to SCR	**201 %**	**213 %**

The decrease in the ratio of eligible own funds to SCR is due to an overall increase in the SCR year on year.

The SCR has increased by €9.7 million since 2021, driven by the following factors:

- Market risk has increased by €7 million (before diversification), driven by the increased currency risk arising from the receipt of the capital contribution in the form of USD denominated assets, in addition to the strengthening of the USD against the EUR. This was partially offset by lower spread risk charges due to the decreased market values of investments.
- Counterparty default risk increased by €2.8 million (before diversification) during the year. The driver of this increase is an increase in the reinsurance share of technical provisions within type 1 exposures, resulting from the increase in the related gross TPs. The TPs were impacted by the volume of business written and the strengthening of the USD against the EUR during the year.
- Non-life underwriting risk has increased by €3.7 million (before diversification) due to the increase in premium volumes on casualty business, in addition to the strengthening of the US dollar against the Euro.
- Operational risk has increased by €2.5 million due to the increase in the BEL.

The SCR calculation is based on the aggregation of the different sub-modules of the SCR that have been calculated by the various departments responsible.

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 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.

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::

	2022 €'000	2021 €'000
Linear MCR	7,967	7,392
SCR	63,858	54,149
MCR cap	28,736	24,367
MCR floor	15,965	13,537
Combined MCR	15,965	13,537
Absolute floor of the MCR	4,000	3,700
MCR	**15,965**	**13,537**

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.

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
SE.02.01
Balance sheet
31 December 2022
€'000

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	2,959
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	-
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	164,706
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	164,706
Government Bonds	R0140	63,602
Corporate Bonds	R0150	101,104
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	327,480
Non-life and health similar to non-life	R0280	327,480
Non-life excluding health	R0290	327,480
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	14,294
Reinsurance receivables	R0370	7,551
Receivables (trade, not insurance)	R0380	3,437
Own shares	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	12,763
Any other assets, not elsewhere shown	R0420	1,325
Total assets	R0500	534,515

		Solvency II value
Liabilities		C0010
Technical provisions - non-life	R0510	386,159
Technical provisions - non-life (excluding health)	R0520	386,159
TP calculated as a whole	R0530	-
Best Estimate	R0540	375,930
Risk margin	R0550	10,229
Technical provisions - health (similar to non-life)	R0560	-
TP calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
TP calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	-
TP calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions - index-linked and unit-linked	R0690	-
TP calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	
Contingent liabilities	R0740	1
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	-
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Debts owed to credit institutions resident domestically	ER0801	
Debts owed to credit institutions resident in the euro area other than domestic	ER0802	
Debts owed to credit institutions resident in rest of the world	ER0803	
Financial liabilities other than debts owed to credit institutions	R0810	-
Debts owed to non-credit institutions	ER0811	
Debts owed to non-credit institutions resident domestically	ER0812	
Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	
Debts owed to non-credit institutions resident in rest of the world	ER0814	
Other financial liabilities (debt securities issued)	ER0815	
Insurance & intermediaries payables	R0820	3,700
Reinsurance payables	R0830	12,081
Payables (trade, not insurance)	R0840	4,125
Subordinated liabilities	R0850	-
Subordinated liabilities not in basic own funds	R0860	-
Subordinated liabilities in basic own funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
Total liabilities	R0900	406,066
Excess of assets over liabilities	R1000	128,449

Annex
S.05.01
Premiums, claims and expenses by line of business
31 December 2022
€'000

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						22,952	104,290	176,537	84	-	-	-					303,863
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	-	-	276	-	-	-	-	-	-					276
Gross - Non-proportional reinsurance accepted	**R0130**													-	-	-	-	-
Reinsurers' share	**R0140**	-	-	-	-	-	20,124	93,657	162,440	71	-	-	-	-	-	-	-	276,292
Net	**R0200**	-	-	-	-	-	3,103	10,633	14,097	13	-	-	-	-	-	-	-	27,846
Premiums earned																		
Gross - Direct Business	**R0210**						24,739	107,748	158,968	140	-	-	-					291,594
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	-	-	532	-	-	-	-	-	-					532
Gross - Non-proportional reinsurance accepted	**R0230**													-	-	-	-	-
Reinsurers' share	**R0240**	-	-	-	-	-	21,910	96,667	144,294	119	-	-	-	-	-	-	-	262,990
Net	**R0300**	-	-	-	-	-	3,361	11,081	14,673	21	-	-	-	-	-	-	-	29,136
Claims incurred																		
Gross - Direct Business	**R0310**						35,229	32,647	90,419	(137)	-	-	-					158,159
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	-	-	(1,626)	-	-	-	-	-	-					(1,626)
Gross - Non-proportional reinsurance accepted	**R0330**													-	-	-	-	-
Reinsurers' share	**R0340**	-	-	-	-	-	30,896	28,737	80,519	(117)	-	-	-	-	-	-	-	140,035
Net	**R0400**	-	-	-	-	-	2,708	3,910	9,900	(20)	-	-	-	-	-	-	-	16,498
Changes in other technical provisions																		
Gross - Direct Business	**R0410**						-	-	-	-	-	-	-					-
Gross - Proportional reinsurance accepted	**R0420**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0430**													-	-	-	-	-
Reinsurers' share	**R0440**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	**R0500**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred	**R0550**	-	-	-	-	-	559	-60	7,911	9	-	-	-	-	-	-	-	8,418
Other expenses	**R1200**																	
Total expenses	**R1300**																	8,418

Annex
S.05.02
Premiums, claims and expenses by country
31 December 2022
€'000

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(US) United States	(GB) United Kingdom	(DE) Germany	(CA) Canada	(AU) Australia
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	625	290,381	242,190	30,334	7,952	4,738	4,543
Gross - Proportional reinsurance accepted	R0120	-	(85)	(62)	(23)	-	-	-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	-	-
Reinsurers' share	R0140	543	264,061	220,530	27,710	6,976	4,226	4,077
Net	R0200	82	26,236	21,597	2,602	976	512	466
Premiums earned								
Gross - Direct Business	R0210	268	276,551	225,284	32,228	8,727	4,342	5,704
Gross - Proportional reinsurance accepted	R0220	-	(76)	(62)	(13)	-	-	-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	-	-
Reinsurers' share	R0240	236	249,155	203,164	29,113	7,653	3,879	5,111
Net	R0300	32	27,321	22,057	3,102	1,074	463	594
Claims incurred								
Gross - Direct Business	R0310	64	147,972	122,070	14,859	3,006	3,050	4,924
Gross - Proportional reinsurance accepted	R0320	-	(433)	(23)	(401)	(1)	-	(9)
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	-	-
Reinsurers' share	R0340	61	131,460	108,574	13,011	2,786	2,698	4,329
Net	R0400	3	16,079	13,473	1,446	219	353	586
Changes in other technical provisions								
Gross - Direct Business	R0410	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	-	-	-	-
Reinsurers' share	R0440	-	-	-	-	-	-	-
Net	R0500	-	-	-	-	-	-	-
Expenses incurred	R0550	(6)	(3,518)	(2,778)	184	(444)	(158)	(316)
Other expenses	R1200							
Total expenses	R1300		(3,518)					

Annex
S.17.01
Non-life Technical Provisions
31 December 2022
€'000

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Legal expenses insurance**	**Assistance**	**Miscellaneous financial loss**	**Non-proportional health reinsurance**	**Non-proportional casualty reinsurance**	**Non-proportional marine, aviation and transport reinsurance**	**Non-proportional property reinsurance**	**Total Non-Life obligation**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**																	
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																		
Best Estimate																		
Premium provisions																		
Gross	**R0060**	-	-	-	-	-	486	(4,441)	70,455	(17)	-	-	-	-	-	-	-	66,483
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	795	(2,884)	65,108	(11)	-	-	-	-	-	-	-	63,009
Net Best Estimate of Premium Provisions	**R0150**	-	-	-	-	-	(310)	(1,557)	5,347	(6)	-	-	-	-	-	-	-	3,473
Claims provisions																		
Gross	**R0160**	-	-	-	-	-	58,842	91,775	158,721	109	-	-	-	-	-	-	-	309,447
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	-	51,330	78,673	134,380	89	-	-	-	-	-	-	-	264,472
Net Best Estimate of Claims Provisions	**R0250**	-	-	-	-	-	7,513	13,102	24,342	19	-	-	-	-	-	-	-	44,976
Total Best estimate - gross	**R0260**	-	-	-	-	-	59,328	87,333	229,177	91	-	-	-	-	-	-	-	375,930
Total Best estimate - net	**R0270**	-	-	-	-	-	7,203	11,545	29,689	13	-	-	-	-	-	-	-	48,449
Risk margin	**R0280**	-	-	-	-	-	1,379	2,242	6,590	18	-	-	-	-	-	-	-	10,229
Amount of the transitional on Technical Provisions																		
Technical provisions calculated as a whole	**R0290**																	
Best Estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**	-	-	-	-	-	60,707	89,575	235,766	110	-	-	-	-	-	-	-	386,159
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-	-	-	-	-	52,125	75,789	199,488	78	-	-	-	-	-	-	-	327,480
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-	-	-	-	-	8,582	13,787	36,278	32	-	-	-	-	-	-	-	58,679

Annex
S.19.01
Non-life Insurance Claims Information
31 December 2022
€'000

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											116
N-9	R0160	1,250	24,776	17,422	5,089	3,196	3,489	1,797	3,665	439	722	
N-8	R0170	2,424	26,175	19,401	23,024	15,831	5,573	1,483	620	1,453		
N-7	R0180	3,787	30,146	45,822	28,907	15,823	11,118	3,256	1,448			
N-6	R0190	9,147	23,021	31,482	13,176	7,062	4,122	2,616				
N-5	R0200	4,715	28,570	26,089	19,183	9,831	2,137					
N-4	R0210	5,232	53,482	17,206	22,952	21,557						
N-3	R0220	147	15,340	10,257	9,704							
N-2	R0230	332	19,689	19,874								
N-1	R0240	981	22,972									
N	R0250	332										

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

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	116	116
N-9	R0160	722	61,844
N-8	R0170	1,453	95,985
N-7	R0180	1,448	140,308
N-6	R0190	2,616	90,626
N-5	R0200	2,137	90,526
N-4	R0210	21,557	120,429
N-3	R0220	9,704	35,448
N-2	R0230	19,874	39,894
N-1	R0240	22,972	23,953
N	R0250	332	332
Total	R0260	82,932	699,461
		TA/Non-cumulat	TA/Accumulated

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											8,896
N-9	R0160	-	-	-	16,260	12,409	8,296	9,009	3,602	3,020	2,798	
N-8	R0170	-	-	65,341	41,237	25,511	15,442	8,119	7,406	6,363		
N-7	R0180	-	102,723	75,109	54,509	29,944	10,790	10,141	5,053			
N-6	R0190	41,378	75,075	51,463	40,570	9,445	10,475	11,457				
N-5	R0200	49,002	75,105	58,134	26,402	18,402	21,105					
N-4	R0210	51,680	81,448	59,119	36,630	26,788						
N-3	R0220	22,647	48,508	47,329	60,031							
N-2	R0230	14,484	66,353	60,577								
N-1	R0240	61,729	110,642									
N	R0250	30,810										

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

		Year end (discounted data)
		C0360
Prior	R0100	7,262
N-9	R0160	2,593
N-8	R0170	5,974
N-7	R0180	4,662
N-6	R0190	9,766
N-5	R0200	18,358
N-4	R0210	24,067
N-3	R0220	54,611
N-2	R0230	54,227
N-1	R0240	100,368
N	R0250	27,560
Total	R0260	309,447

Annex
S.23.01
Own funds
31 December 2022
€'000

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		**C0010**	**C0020**	**C0030**	**C0040**	**C0050**
Ordinary share capital (gross of own shares)	**R0010**	2,249	2,249			
Share premium account related to ordinary share capital	**R0030**					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	(8,221)	(8,221)			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**	2,959				2,959
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	131,463	131,463			
Own funds from the financial statements that shall 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 shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	128,449	125,490			2,959
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	128,449	125,490			2,959
Total available own funds to meet the MCR	**R0510**	125,490	125,490			
Total eligible own funds to meet the SCR	**R0540**	128,449	125,490			2,959
Total eligible own funds to meet the MCR	**R0550**	125,490	125,490			
SCR	**R0580**	63,859				
MCR	**R0600**	15,965				
Ratio of Eligible own funds to SCR	**R0620**	201%				
Ratio of Eligible own funds to MCR	**R0640**	786%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	128,449
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own fund items	**R0730**	136,670
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	(8,221)
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	35,431
Total EPIFP	**R0790**	35,431

Annex
S.25.01
Solvency Capital Requirement - for undertakings on Standard Formula
31 December 2022
€'000

Article 112? (Y/N)	**Z0010**	(2) Regular reporting

Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	**C0040**	**C0050**
Market risk	**R0010**	17,754	17,754	-
Counterparty default risk	**R0020**	18,919	18,919	-
Life underwriting risk	**R0030**	-	-	-
Health underwriting risk	**R0040**	-	-	-
Non-life underwriting risk	**R0050**	32,110	32,110	-
Diversification	**R0060**	(16,203)	(16,203)	
Intangible asset risk	**R0070**	-	-	
Basic Solvency Capital Requirement	**R0100**	52,580	52,580	

		C0100
Calculation of Solvency Capital Requirement		
Adjustment due to RFF/MAP nSCR aggregation	**R0120**	-
Operational risk	**R0130**	11,278
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**	63,858
Capital add-on already set	**R0210**	-
Solvency capital requirement	**R0220**	63,858
Other information on SCR		
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 Requirement for ring fenced funds	**R0420**	-
Total amount of Notional Solvency Capital Requirement 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**	(4) No adjustment
Net future discretionary benefits	**R0460**	-

Annex
S.28.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
31 December 2022
€'000

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	**R0010**	7,967

		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**	7,203	3,104
Fire and other damage to property insurance and proportional reinsurance	**R0080**	11,545	10,634
General liability insurance and proportional reinsurance	**R0090**	29,689	14,096
Credit and suretyship insurance and proportional reinsurance	**R0100**	13	13
Legal expenses insurance and proportional reinsurance	**R0110**	-	-
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		**C0070**
Linear MCR	**R0300**	7,967
SCR	**R0310**	63,858
MCR cap	**R0320**	28,736
MCR floor	**R0330**	15,965
Combined MCR	**R0340**	15,965
Absolute floor of the MCR	**R0350**	4,000
Minimum Capital Requirement	**R0400**	15,965