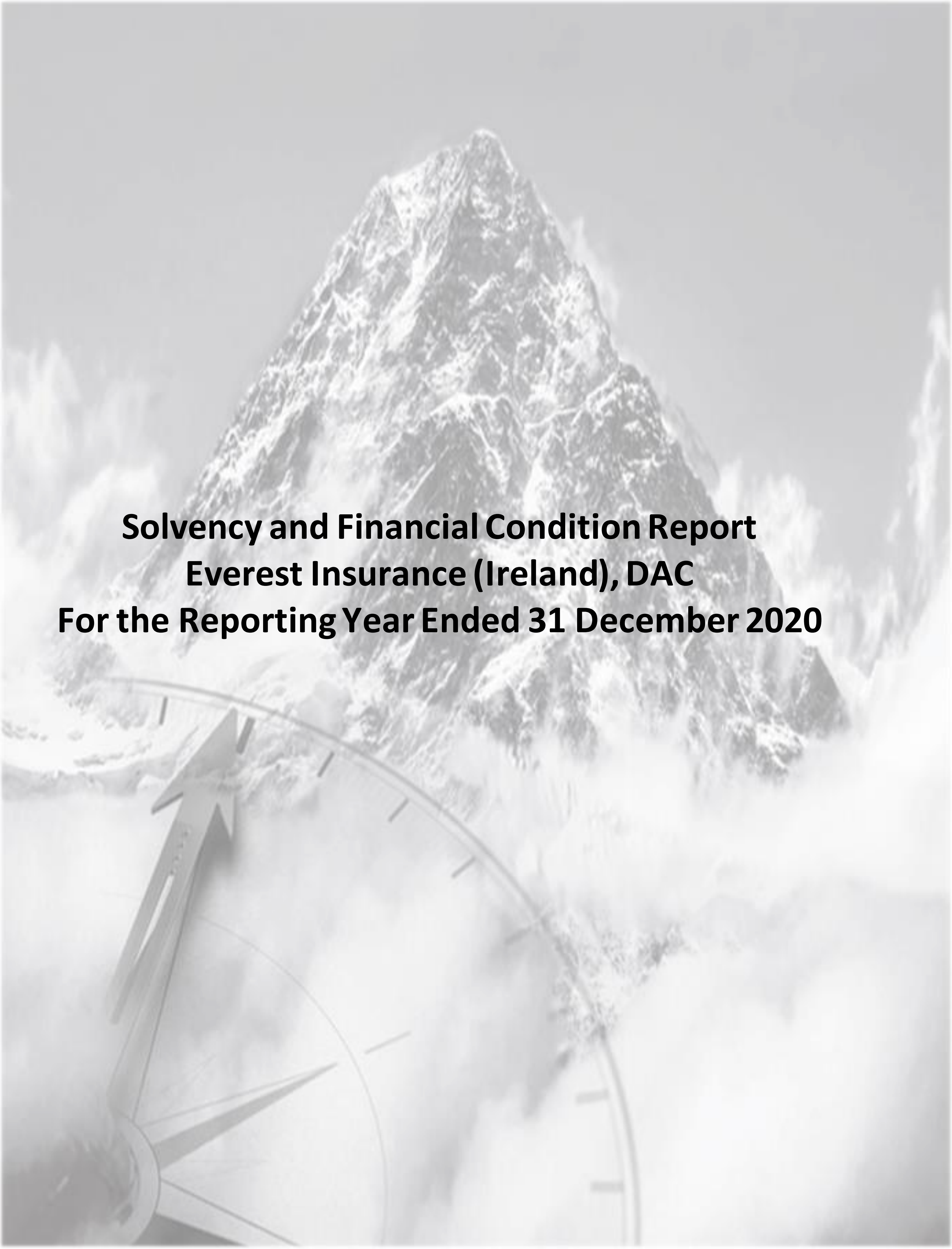


Solvency and Financial Condition Report
Everest Insurance (Ireland), DAC
For the Reporting Year Ended 31 December 2020

SUMMARY

Background

This document is the Solvency and Financial Condition Report ("SFCR") published by Everest Insurance (Ireland) DAC ("EIID" or "the Company") and is publicly available.

This report has been prepared in accordance with the Solvency II requirements relating to the reporting and public disclosure of information and seeks to provide stakeholders with an insight into the Company's overall financial condition.

The report covers the business and performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

The reporting period covered by this report is 1st January 2020 to 31st December 2020 and the reporting date is 31st December 2020.

Everest Insurance (Ireland), DAC

Everest Insurance (Ireland), DAC is an Irish designated activity Company licensed by the Central Bank of Ireland ("CBI") to write non-life insurance business.

The Company is part of Everest Re Group Ltd ("Everest Re Group", "the Group"), a global insurance and reinsurance company with common shares listed on the New York Stock Exchange.

Everest Insurance® refers to the insurance operations of Everest Re Group which offers property, casualty and specialty lines insurance on both an admitted and non-admitted basis in the United States (US) and globally. The Company, together with Everest Syndicate 2786 at Lloyd's, makes up the Group's Everest Insurance® Global Markets (previously known as Everest International Insurance) platform, offering specialty insurance solutions to clients across the globe. The Company continues the expansion of the Everest Insurance® franchise and enables Everest Re Group to operate throughout the European Union (EU) under a single regulatory framework.

A. Business and performance

The Company's strategic focus is to write insurance business across the EU, and elsewhere on a non-admitted basis. Credit insurance and political risk, General Liability and Property business lines formed the majority of business written in 2020, with Surety, Warranty and Indemnity, Financial Lines, Professional Liability, Specie and Medical Malpractice forming the remainder. The Company can, through outsourced arrangements with Everest Re Group entities, access additional expertise and infrastructure to provide market leading capabilities. The Company sources business from large corporate and specialist brokers. The Company also supports a small number of Managing General Agents ("MGAs"). The majority of the Company's current business, by premium volume, is with medium to large corporate customers.

The Company has a branch in the UK, which became operational in 2019. Additionally, the Prudential Regulation Authority ("PRA") confirmed the Company's entry into the Temporary Permissions Regime in the UK following the UK's exit from the EU. The Company intends to apply to the PRA for permission to establish a Third Country Branch in the UK before 31 December 2022.

The Company established an additional European branch in The Netherlands in 2020. This branch will primarily write Property insurance in the open market and through MGA partnerships.

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with

Financial Reporting Standards 102 & 103 (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland). The Company is also subject to the requirements of the Companies Act 2014 and the European Communities (Insurance Undertakings: Financial Statements) Regulations, 2015.

Per the financial statements, the Company incurred a pre-tax loss of €2.75m for 2020. The Company grew significantly in 2020. Gross Written Premium ("GWP") was €116.7m (2019: €39.3m) and Net Earned Premium ("NEP") was €23.6m (2019: €5.9m). Gross claims paid totalled €0.8m (2019: €0.007m) and net claims paid totalled €0.4m (2019: €0.003m). A provision for claims (net of reinsurance) was made of €20.9m (2019: €2.8m). Incurred claims increased primarily because of the growth in business volumes, and also because of an increase in claims reserves to allow for potential exposure to Covid-19. The Company uses reinsurance as a key risk mitigation technique to limit risk exposure, protect capital and reduce volatility. Reinsurance treaties are in place with a panel of external reinsurers and with Everest Re Group entities. Net operating expenses of €5.06m (2019: €4.7m) relate to costs incurred in developing and running the Company, including infrastructure and costs relating to the recruitment of staff to key functions.

The Company invests mainly in fixed income securities. The Company maintains a low risk, well diversified portfolio consisting of highly rated and liquid government and corporate bonds.

Further detail on the Company's performance is provided in Section A.

B. System of governance

The Company's governance structure reflects the nature, scale and complexity of its business and complies with the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 and the System of Governance requirements of the Solvency II regulations.

The Board of Directors (the "Board") is ultimately responsible for the system of governance and for effective, prudent and ethical oversight. The Company is governed by its Board and three sub-committees: the Risk, Underwriting and Audit Committees. Changes to Board membership in 2020 consisted of the resignation and subsequent replacement of an Independent Non-Executive Director, the retirement of the Chair and the appointment of an existing Group Non-Executive Director to role of Chair. There were also changes to the management team, with an appointment to the role of The Netherlands Branch Manager. Further detail is provided in Section A.1 (g) and Section B.1 (a).

The Company has established an extensive system of governance, which includes risk management and internal control systems together with key functions (Internal Audit, Actuarial, Compliance and Risk Management) to ensure the sound and prudent management of the Company's business.

The Company employs a "three lines of defence" approach to managing risk across the business that allows the key functions to review and independently challenge the running of the business, and report findings to the Board and other committees.

The Company continues to develop its business, operational and governance processes and systems to support a growing platform.

Further detail is provided in Section B.

C. Risk profile

The Company has a disciplined approach to the management of risk through five key processes as an integral part of the day to day running of its business. Further detail on these processes is included in Section C.

The material risks to which the Company is exposed include underwriting, market, credit, liquidity, operational risk and other material risks. Further detail on each of these risk categories is provided in Section C.

The primary business of the Company is to underwrite insurance risk and, as such, it represents the principal risk to which the Company is exposed. As the Company continued to grow, risk exposure increased during the year and we expect this to continue as the Company develops. The Company uses a diversified panel of strongly rated reinsurers to mitigate insurance risk exposure.

The Company is exposed to potential claims arising from Covid-19. To date, no significant claims volumes have been reported, although claims reserves for potential Covid-19 exposure have been established. Actual claims experience could be different to reserves, potentially materially so. Resulting from the Covid-19 pandemic, the economic outlook is uncertain and could affect claims experience over the medium term.

The Company has a prudent investment strategy and maintains a low risk, well diversified investment portfolio consisting of fixed income securities and given the credit quality of its financial assets it can quickly liquidate its investments to meet its liquidity requirements.

A material operational risk to which the Company is exposed is outsourcing risk given its reliance on Group and external entities to undertake certain activities relating to underwriting, claims, IT support, internal audit, and other activities. The Company has contracts and SLAs in place for all outsourced services. The temporary work from home environment introduces the risk of potential operational inefficiencies and/or loss in effectiveness of internal controls because of on-going remote working. However, measures have been established to support staff working from home and there has been continued engagement with staff through the year to mitigate the operational risks arising from Covid-19. The Company's internal control framework is operational in a remote working environment.

Further detail is provided in Section C.

D. Valuation for Solvency Purposes

The Solvency II net assets at 31 December 2020 were €140.2m (2019: €152.1m), compared with Irish Generally Accepted Accounting Principles ("GAAP") net assets of €137.99m (2019: €140.7m).

Section D, Valuation for Solvency Purposes, outlines the difference between the Solvency II valuation and the Financial Statements of the Company.

The Company's approach to valuing assets and liabilities under Solvency II is set out in Section D and includes the reconciliation of the valuation of assets and liabilities made under FRS and Solvency II. Differences include the valuation of gross and reinsurance technical provisions, insurance receivables and payables and other liabilities.

There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

Further detail is provided in Section D.

E. Capital management

The Company aims to maintain a strong capital base to support its business model and to ensure there is a sufficient level of own funds to meet its Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR").

The Company uses the Standard Formula specified by EIOPA to estimate the SCR. This models insurance, market, credit and operational risk and takes account of the Company's outwards reinsurance programmes. The MCR is designed to correspond to a solvency level below which policyholders and beneficiaries would be exposed to an unacceptable level of risk if the Company were allowed to continue its operations.

The Company was in a strong capital position at the reporting date with own funds, classified as Tier 1 unrestricted, of €140.2m (2019: €152.1m), SCR of €61.98m (2019: €33.0m) and a solvency ratio of 226.2% (2019: 461%), MCR of €15.5m (2019: €8.2m) and an MCR ratio of 904.8% (2019: 1844%). The reduction in own funds was mainly driven by increases in technical provisions to allow for potential Covid-19 exposure, increased operating expenses and a reduction in bond values, offset by expected profit on new business. The reduction in SCR coverage results mainly from the strong growth in business volumes in 2020 and further growth planned for 2021.

The Company received a capital contribution on 19 December 2019 totalling €89.0m. This was retrospectively approved as Tier 1 Unrestricted Own Funds by the CBI on 20 February 2020.

Given the nature of the Company's liabilities we do not extrapolate risk-free rates or apply matching or volatility adjustments. None of the Company's own funds are subject to the transitional arrangements. The Company does not have any ancillary own fund items. The Company has not deducted any items from own funds.

There was no non-compliance with the MCR or non-compliance with the SCR over the reporting period.

Further detail is provided in Section E.

Approval of this Report

This report was reviewed and approved by the Board on 1st April 2021.

A. Business and performance

A.1 Business

A.1 (a) Name and legal form of the undertaking

Everest Insurance (Ireland), DAC
Incorporated in the Republic of Ireland.

Registered Address:
38/39 Fitzwilliam Square West
Dublin 2
D02 NX53
Ireland

Everest Insurance (Ireland) DAC has branches in the UK and in The Netherlands.

A.1 (b) Name of the supervisory Authority responsible for the financial supervision of the undertaking

The Central Bank of Ireland,
New Wapping Street,
North Wall Quay,
Dublin 1, Ireland.

Name of the supervisory Authority responsible for the financial supervision of Everest Re Group, Ltd.

Delaware Department of Insurance,
1351 West North Street, Suite 101
Dover, DE 19904,
United States of America.

A.1 (c) External Auditor of the undertaking

PricewaterhouseCoopers,
One Spencer Dock,
North Wall Quay,
Dublin 1, Ireland.

A.1 (d) Holders of qualifying holdings in the undertaking

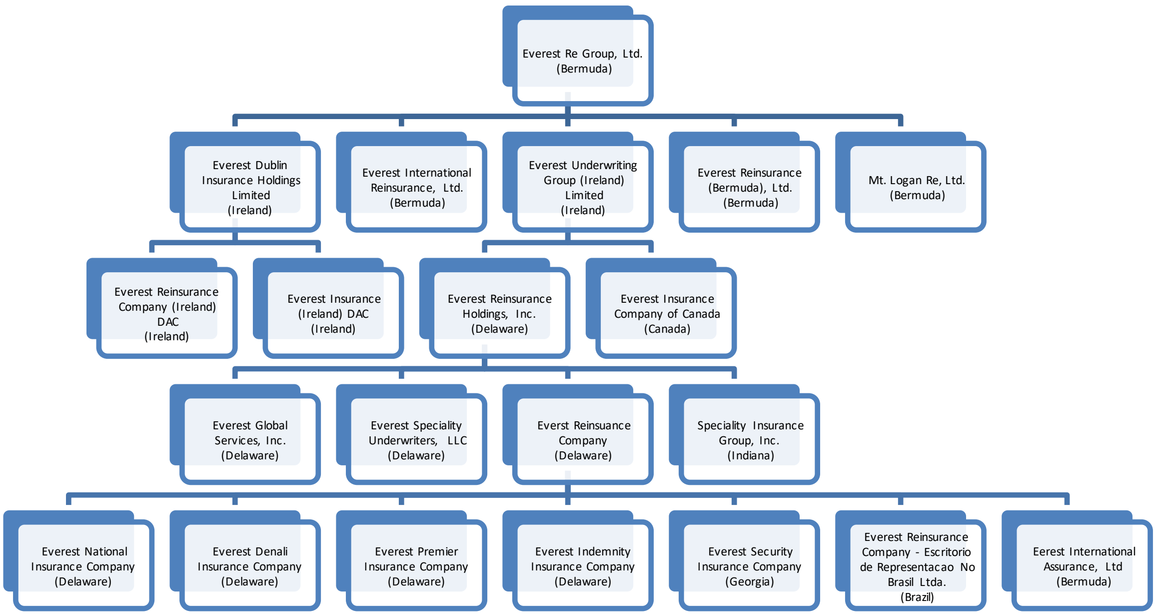
Everest Dublin Insurance Holdings Limited,
3rd Floor, Huguenot House,
35 – 38 St Stephen's Green,
Dublin 2, Ireland.

A.1 (e) Legal structure of the Company and Group

The Company is a designated activity Company and is part of the Everest Re Group, Ltd (Bermuda). A summary of material related undertakings is below.

Name of Related Entities	Legal Form	Country	Participating Undertaking	Proportion of Ownership Interest Held by the Participating Undertaking	Proportion of Voting Rights Held by the Participating Undertaking
Everest Dublin Insurance Holdings Limited (Ireland)	Limited by shares	Ireland	Everest Insurance (Ireland), DAC	100%	100%
Everest Re Group, Ltd. (Bermuda)	Limited by shares	Bermuda	Everest Dublin Insurance Holdings Limited (Ireland)	100%	100%

A simplified version of the Group Structure is as follows:



A.1 (f) Material lines of business and material geographical areas in which business is carried out

The Company is licenced to write certain classes of Non-Life Insurance business as follows:

- 7 Goods in transit (including merchandise, baggage, and all other goods)
- 8 Fire and natural forces
- 9 Other damage to property
- 13 General liability
- 14 Credit
- 15 Suretyship
- 16 Miscellaneous financial loss

The Company's strategic focus is to write insurance business across the EU, and elsewhere on a non-admitted basis. Credit insurance and political risk, US Excess Casualty, Liability, Financial Institutions and Property business lines formed in the majority of business written in 2020, with Surety, Warranty and Indemnity, Commercial Management Liability, Professional Indemnity, Specie and Medical Malpractice forming the remainder. The Company can, through outsourced arrangements with Everest Re Group entities, access additional expertise and infrastructure enabling it to provide full service capabilities across its product lines and compete with market leading capabilities. The Company utilises large corporate and specialist brokers and also writes business directly with its clients. The Company supports a small number of MGAs. The majority of the Company's current business, by premium volume, is with medium to large corporates.

A.1 (g) Significant business or other events over the reporting period that have had a material impact on the undertaking

The following significant events occurred during the reporting period:

Capitalisation	An additional capital contribution of €89.0m was received from the Company's parent in December 2019. This was retrospectively approved as Tier 1 Unrestricted Own Funds by the CBI on 20 February 2020.
Board Changes	There were a number of changes to our Board of Directors in 2020: • On the 16th March, Mr. Alan Fairhead was appointed to the position of the office of Non-Executive Director (PCF-2). • On the 30th June, Mr Eoin Byrne resigned from his position as Non-Executive Director (PCF-2) and Chairman of the Risk Committee (PCF-5) and Mr Mark DeSaram resigned from his position as Non-Executive Director (PCF-2) and Chairman of the Board (PCF-3). • On the 30th June, Mr Vincent Vandendael was appointed to the position of the office of Chairman of the Board (PCF-3) and Mr Alan Fairhead was appointed to the position of the office of Chairman of the Risk Committee (PCF-5) , replacing Mr. Mark DeSaram and Mr. Eoin Byrne respectively.
Netherlands Branch	The Company established an EEA branch in The Netherlands in 2020, which will began trading in 2020.

A.2 Underwriting performance

The Company is pursuing a strategy that emphasises profitability over premium volume and maintaining pricing and underwriting discipline.

Per the financial statements, the Company incurred a pre-tax loss of €2.753m for 2020. The Company grew significantly in 2020. Gross Written Premium ("GWP") was €116.7m (2019: €39.3m) and Net Earned Premium ("NEP") was €23.6m (2019: €5.9m). Claims paid totalled €0.8m (2019: €0.01m), and a provision for claims (net of reinsurance) was made of €20.9m (2019: €2.8m). Incurred claims increased primarily because of the growth in business volumes, and also because of an increase in claims reserves to allow for potential exposure to Covid-19. The Company uses reinsurance as a key risk mitigation technique to limit risk exposure, protect capital and reduce volatility. Reinsurance treaties are in place with a panel of external reinsurers and with Everest Re Group entities. Net operating expenses of €5.1m (2019: €4.7m) relate to costs incurred in developing and running the Company, including infrastructure and costs relating to the recruitment of staff to key functions.

The following tables outline the Company's underwriting performance per the financial statements by line of business at the report date and at 31 December 2019:

	Direct business and accepted proportional reinsurance				Accepted Non-proportional reinsurance		
2020 €'000	**Marine, aviation and transport**	**Fire and other damage to property**	**General liability**	**Credit and suretyship**	**Casualty**	**Property**	**Total**
Net Earned Premium	20	3,734	13,635	5,288	701	191	23,569
Net Incurred Claims	12	8,007	10,691	1,681	542	409	21,342
Expenses Incurred	7	1,468	2,920	361	227	72	5,055
Underwriting (Loss)	**1**	**(5,741)**	**24**	**3,246**	**(68)**	**(290)**	**(2,828)**

	Direct Business and Accepted Proportional Reinsurance		Accepted Non-Proportional Reinsurance	
2019 €'000	**General Liability**	**Credit and Suretyship**	**Casualty**	**Total**
Net Earned Premium	3,442	2,371	134	5,947
Net Incurred Claims	1,888	879	9	2,776
Expenses Incurred	2,692	1,855	105	4,652
Underwriting (Loss)	**(1,138)**	**(362)**	**21**	**(1,480)**

The following tables outline the Company's underwriting performance by geographic region per the financial statements at the report date and at 31 December 2019:

2020 €'000	EEA	North America	Asia	Rest of World	Total
Net Earned Premium	16,104	4,440	1,062	1,963	23,569
Net Incurred Claims	16,834	2,901	553	1,054	21,342
Expenses Incurred	3,453	953	228	421	5,055
Underwriting (Loss)	**(4,183)**	**586**	**281**	**488**	**(2,828)**

2019 €'000	EEA	North America	Asia	Rest of World	Total
Net Earned Premium	3,929	1,201	288	529	5,947
Net Incurred Claims	1,746	719	109	201	2,776
Expenses Incurred	2,558	1,078	346	670	4,652
Underwriting (Loss)	**(375)**	**(596)**	**(167)**	**(342)**	**(1,480)**

The Company has been focussed on growing its portfolio of business since its establishment in November 2017 and will continue to grow its portfolio in 2021. The key focus of this growth has been to identify profitable business that fits within the strategy and risk appetite of the company.

A.3 Investment Performance

The Company maintains a low risk, well diversified portfolio consisting of highly rated and liquid government and corporate bonds.

(a) At the report date the investment income for 2020 was €0.2m (2019: €1.1m). The Company's investment holdings of €142.8m at the reporting date (2019: €55.4m) were held exclusively in Government and Corporate Bonds.

(b) There is a Translation adjustment of €.003m recognised in equity.

(c) The Company has no investments in securitisation.

A.4 Performance of other activities

Other material income and expenses

The Company does not carry out any activities which are not directly connected to the provision of insurance.

Net operating expenses incurred in the day to day operation of the Company for the year ended 31 December 2020 were €5.1 million (2019: €4.7m).

Other than the income and expenses disclosed above the Company does not have any other material income and expenses.

The Company has not entered into any leasing arrangements.

A.5 Any other material information

Going Concern

The directors have not identified any material uncertainty 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 financial statements are approved ('the period of assessment') and have prepared the Solvency and Financial Condition Report on a going concern basis. In making this assessment the directors considered the following:

- Solvency Capital position, with available capital of €140 million at the 2020 year-end, with a Solvency Capital Ratio of 226% and a ratio of eligible own funds to Minimum Capital Ratio of 905%
- Financial plans and forecasts for the subsequent three-year period including projections of premiums, claims and reinsurance and consideration of the credit risk associated with reinsurers.

On that basis, the directors consider it appropriate to prepare the Solvency and Financial Condition Report on a going concern basis. As such the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

COVID-19 – Business and Operational Performance

Everest Group has led the operational response to COVID-19, including IT, HR and communications. In accordance with Group's Organisational Resilience Programme, the Company implemented a full Work from Home strategy. All staff continued to follow this strategy throughout 2020. EIID's priority remains the well-being of staff and the ongoing ability to provide exceptional service to our customers.

The Group Organisational Resiliency Programme is an integrated framework designed to assess, mitigate, and respond to certain key operational risks to reduce the impact of unplanned business disruptions and protect critical processes, applications and services. The framework includes Crisis Management; rigorous business continuity plans to ensure uninterrupted operation of all critical business functions and processes including claims processing and payments; disaster recovery across all technology platforms; and Emergency Management. Organisational resiliency training, testing and program maintenance are conducted on an ongoing and continual basis.

COVID-19 – Underwriting Performance

Although limited claims volumes have been reported, claims reserves have been established to reflect potential exposure to Covid-19 related claims.

EIID adapted its underwriting appetites and terms/ conditions during 2020 to address the evolving external environment and is expected to continue to adapt in 2021 as needed. Potential Covid-19 risk is considered by the underwriter and addressed by excluding Covid-19 /communicable disease, declining the risk or accepting the risk based on the underwriter's review of the submission and the applicable terms and conditions. Other actions include increased pricing, reduced commissions, change in business mix, reducing exposure to sectors with greater recession exposure and/or tighter terms and conditions.

Other Material Information

Outside of the information disclosed above, the Company does not have any material information relating to its business and performance.

B. System of Governance

B.1 General Information on the System of Governance

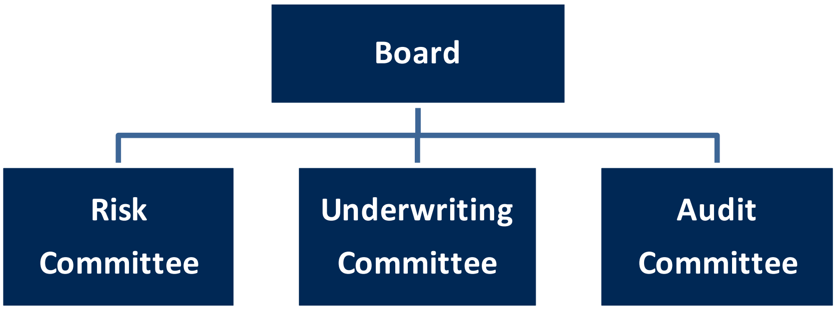
The Company's governance structure reflects and is appropriate for the nature, scale and complexity of its business. It complies with the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 and the System of Governance requirements of the Solvency II regulations.

B.1 (a) The role and responsibility of the administrative, management or supervisory body and key functions

The Board is ultimately responsible for the System of Governance and for effective, prudent and ethical oversight. The Board sets the strategy and oversees its implementation by the Company. The CEO is responsible for implementing the strategy and for the effective running of the business in accordance with the strategy and plan ensuring compliance with laws and regulations.

The Board is comprised of a mix of Independent Non-Executive Directors ("INEDs"), Non-Executive Directors ("NEDs") and management. The governance structure incorporates well defined roles and responsibilities, key functions and a 'three lines of defence' approach to managing risk.

The Board delegates its authority, within agreed Terms of Reference, to relevant committees. These committees act in an advisory capacity and this delegation does not remove or absolve the Board members of their responsibilities. The Board has delegated authority to three committees, shown below:



Committee	Composition	Key Responsibilities
Board	2 INEDs 3 NEDs (Chairman) CEO	• Direct and set the strategy and risk appetite • Set and oversee the system of internal control • Oversee the risk management system • Monitor capital adequacy • Monitor compliance with relevant laws and regulations
Risk	2 INEDs (Chairman) CEO	• Review the risk management system • Review the risk appetite framework • Monitor and assess compliance with laws and regulations • Advise the Board on risk strategy, exposure, solvency targets
Underwriting	2 NEDs CUO (Chairman) CEO	• Establish and oversee underwriting policy • Review compliance with underwriting principles • Review certain underwriting transactions
Audit	2 INEDs (Chairman) 1 NED	• Approve the appointment of Internal and External Auditors • Review the performance of Internal and External Auditors • Review and approve audit plans • Review the effectiveness of internal control

Key Functions

The key functions within the System of Governance include the Risk Management, Compliance, Actuarial and Internal Audit functions. The functions operate independently from management and each function reports to and has access to the Board, Risk Committee and / or Audit Committee. The functions have open access to management, the Board and the books and records of the Company. The functions may draw upon support from Everest Re Group where appropriate and also may engage external resources (whether systems, tools or people) as required. As the business grows the Company will recruit additional staff as appropriate to support these functions. Further information on the key functions is included in Sections B.3 to B.6.

Risk Management Function

The Risk Management Function, led by the Chief Risk Officer ("CRO"), is responsible for facilitating the implementation and operation of the Risk Management System, reporting on risk exposure and making recommendations on risk appetite and other risk matters to the Board as appropriate.

Compliance function

The Compliance Function, led by the Head of Compliance, is responsible for the management of compliance risk, assessing the impact of changes in the regulatory environment and the mitigation of financial crime and data protection risks.

Actuarial function

The Actuarial Function, led by the Head of Actuarial Function, is responsible for the oversight and calculation of technical provisions and the provision of opinions on technical provisions, the ORSA, underwriting and reinsurance to the Board. The roles of CRO and Head of Actuarial are held by the same person.

Internal Audit function

The Internal Audit Function, which is outsourced to Eisner Amper Ireland, provides independent and objective assurance to the Board on the adequacy and effectiveness of the governance, risk management and internal control processes. An appropriate contract and service level agreement is in place to ensure sufficient resources, capability and independence to carry out this function. Oversight and support are provided by the Everest Re Group as appropriate. The Board believes that this arrangement provides independent oversight both from a local and global perspective.

B.1(b) Material changes in the system of governance in the reporting period

There have been a number of organisational changes during the reporting period, including changes to the management team and Board, as set out above in A.1 (g).

B.1(c) Remuneration policy

Overview of the Company's compensation objectives

The Company's compensation policy, approved by the Board, is to have clear, transparent and effective governance with regard to remuneration. The compensation programme is designed to attract, retain and motivate individuals whose abilities are important to the success of the Company while also ensuring that such practice is consistent with and promotes sound and effective risk management and does not encourage excessive risk taking.

The Company believes in rewarding behaviours that generate sustained value for the Company while reinforcing personal contribution and accountability.

The performance management process supports the compensation policy.

Components of the Company's compensation program

Annual compensation for the Company's employees consists principally of a base salary and a merit based discretionary cash bonus. The Company awards annual merit based discretionary cash bonuses to employees who hold positions of significant responsibility and/or whose performance or potential contribution, in the judgment of management and the Everest Re Group Board contributes materially to the success of the Company. The actual cash bonus amounts are based on a variety of factors including individual responsibilities, experience, contributions and performance as well as position relative to internal peers.
The Company's senior management is also eligible to receive equity-based awards representing shares in the Company's ultimate parent, Everest Re Group.

INEDs and external NEDs are paid an annual fee. They do not participate in any other incentive arrangement or pension scheme.

B.1(d) Material transactions with shareholders

The Company received a capital contribution of €89.0m during 2019 from Everest Dublin Insurance Holdings Limited. This was retrospectively approved by the CBI as Tier 1 Unrestricted Own Funds during 2020.

B.2 Fit and proper requirements

B.2(a) Requirements with regard to skills, knowledge and expertise of key persons, positions and functions

The Company is required to fulfil the minimum requirements as set out by the CBI in the Fitness and Probity Standards 2014 and supporting guidance ("Fitness and Probity Standards"). A Fitness and Probity Policy, approved by the Board, sets out the process for conducting assessments to determine an individual's fitness, probity and financial soundness to fulfil the requirements as prescribed in the Fitness and Probity Standards.

The Company is required to determine an individual's suitability for a role, submit an online questionnaire and obtain the pre-approval of the CBI, before appointing individuals to PCF roles.

The Company requires that a person who holds a Pre-Approved Control Function ("PCF") or Control Function ("CF") role can demonstrate that they have the necessary competence and capability to undertake the relevant function, have a sound knowledge of the business and their specific responsibilities together with a clear and comprehensive understanding of the legal and regulatory obligations to undertake that function.

B.2(b) Description of processes for assessing the fitness and the propriety of the persons who effectively run the undertaking or have other key functions

Due diligence checks are completed on senior employees and if the Company determines that an individual is appropriate for a PCF role, an application is submitted via the ONR to the CBI. The individual can only commence in the PCF role following approval of their appointment from the CBI.

The Head of Compliance is responsible for the ongoing monitoring of these PCFs through the completion of annual due diligence and self- declarations.

Persons undertaking CF roles are notified in writing by the Head of Compliance of their obligations under the Fitness and Probity Standards. CFs are monitored through the completion of annual self- declarations and risk based due diligence checks by the Compliance Function.

In circumstances where employees are not undertaking CF roles, the Company assesses whether these employees hold relevant professional qualifications, have the level of knowledge and experience that would be reasonably expected for the role by an informed third party, and are of good repute and integrity.

The Company has processes in place to enable it to confirm, annually, to the CBI that the Company is compliant with the regulatory requirements under the CBI's Fitness and Probity Standards. These processes ensure that all relevant persons meet, and continue to meet, the Fitness and Probity Standards and fulfil any training obligations.

B.3 Risk Management System including the Own Risk and Solvency Assessment (ORSA)

B.3(a) Risk Management System

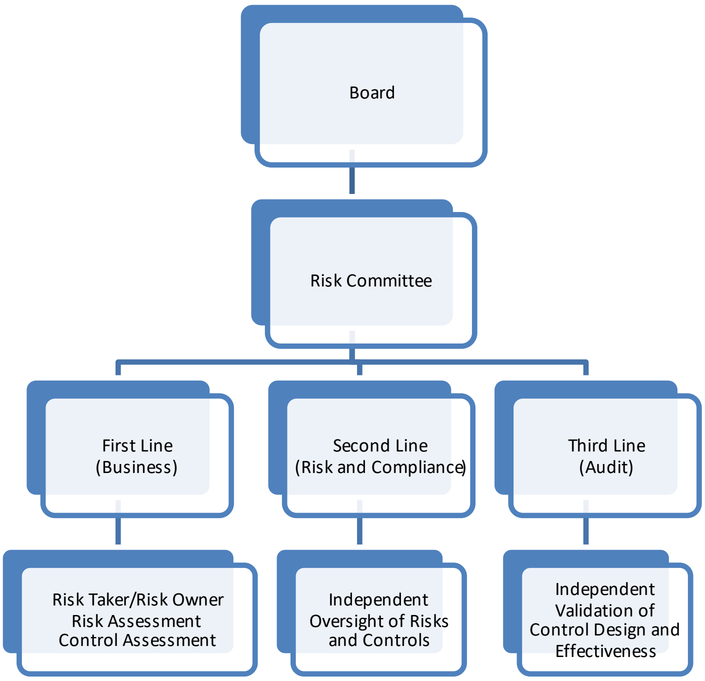
The Company seeks to fully embed risk-based decision making across its business. The Risk Management System aims to ensure that risk is appropriately considered in strategic and operational decisions and the material risks the Company is or could be exposed to are understood and addressed. The Risk Committee provides oversight of the implementation and embedding of the Risk Management System and reports on it to the Board.

The Risk Management System comprises a number of components, as described below. Where appropriate, the Company draws upon aspects of the Everest Re Group Risk Management System.

The Risk Management System covers both branches in the UK and The Netherlands.

<u>Three Lines of Defence</u>

Roles, responsibilities and accountabilities for the management of risk and controls are defined in a "three lines of defence" approach, shown below:



<u>Risk Strategy and Risk Appetite</u>

EIID's risk strategy is to maintain a balance between risk and return, including holding a sufficient amount of capital to support EIID's business strategy. EIID's risk objectives are to manage uncertainty, maintain policyholder protection and enhance shareholder value through controlled risk taking and the effective deployment of capital when considering the risk-return characteristics of EIID's business activities. EIID also seeks to develop and support a strong risk culture, to promote fair customer outcomes and to comply with all applicable regulatory and legal requirements. EIID's risk strategy and risk objectives also encompass Branch business and operations.

The Company's risk appetite, as set by the Board, details the parameters and capacity to assume risk, aligns the approach to managing the risks with the business strategy, and balances risk and return with sufficient capital to support the business strategy.

Policies

The approved risk strategy and risk appetite are reflected in policies, with specific requirements to be met for each type of risk, including the related roles, responsibilities and reporting requirements. Policies are owned by the Board and are reviewed and approved by the Board at least annually. Policies are available to staff as appropriate.

Risk Register

The Risk Register records risks that management and the Board believe could lead to significant impairment of the Company's capital, solvency position, liquidity, reputation and/or ability to operate. Each business function identifies risks and mitigating controls that are recorded in the Risk Register. The risk function co-ordinates the development and maintenance of the Risk Register, adds any risks and mitigating controls, and discusses and challenges the inputs from the business functions. This forms the basis upon which the five key processes (risk identification, measurement, management, monitoring and reporting), as detailed below, are conducted.

1. The Risk Function oversees the identification of risks within the Company, engaging with Everest Re Group on emerging risks. All staff are responsible for identifying risks to the business over the short, medium and longer term, including risks to the Company's financial and solvency position, its ability to execute strategy, its reputation and its ability to comply with applicable laws and regulations. Internal and external information together with expert judgement are used to identify risks.
2. Risks are measured according to the impact and likelihood of the risk occurring with the residual risk determined by identifying mitigating controls. The Company's regulatory capital charges for measurable risks (underwriting, market, counterparty default and operational risk) are calculated quarterly and reported at each Risk Committee meeting. In the event of any material proposed strategic changes, the Company envisages assessing the impact on its regulatory capital charges of such changes.
3. A business wide risk register is maintained and updated regularly. Each risk is allocated to a risk owner, with associated actions assigned as required. Risks may be managed in various ways including avoidance, limitation or mitigating controls. Each function is responsible for establishing necessary controls to manage risks arising from its activities.
4. Risks are monitored by the business at least quarterly through the risk assessment process where risks, controls and mitigating actions are reviewed. The Risk Function monitors the risk profile through a review and challenge of quarterly risk assessments, a quarterly review of compliance with risk appetite limits and tolerances and on-going engagement with the business. The Board reviews and approves the Company's Risk Appetite Statement, which includes Risk Appetite and Tolerance limits, each year. Adherence to these limits is monitored and reported to management each quarter and the actual risk position relative to Risk Appetite and Tolerance is reported at each Board and Risk Committee meeting.
5. Key risk reports include the annual ORSA report, quarterly reporting of risk appetite metrics, quarterly reporting of SCR and individual risk charge components of SCR, risk register and key risk reporting, risk event / near miss log updates and the CRO's quarterly report to the Board Risk Committee.

Decision Making
The Company seeks to fully embed risk-based decision making across its business. The planning process and planning discussions include considerations of risks to the business and the impact of the plan on the Company's risk profile. The Company seeks to ensure that the ORSA process is well integrated into the Company's strategic management and decision-making process. As a result, the ORSA process is a part of the model for decision making in which the Company's solvency position and risk profile is considered. The Board and executive management has adopted a risk-based approach to decision making, taking into account risk and associated capital requirements.

The ORSA process includes consideration of risks, impact on risk profile and capital needs. The Company takes into account information reported as part of the risk management system including the risk appetite statement and risk metrics, any stress and scenario testing, the Company's solvency capital position and the risk register. The Risk Function is engaged at an early stage of the ORSA process and advises the Company (including the Board as necessary) on risk management matters throughout the ORSA process.

Assurance and Reporting
The Risk Function conducts independent review and challenge on elements of the Risk Management System to ensure they are operating effectively. A suite of reports is provided to the Risk Committee, including reports on risk appetite, key risks, CRO Reporting, stress and scenario testing and ORSA reports. Risk appetite and ORSA reports are also provided to the Board.

Solvency
The Risk Function determines the Company's SCR each quarter using EIOPA's Standard Formula. Details of the SCR and SCR coverage are reported quarterly to the Risk Committee. The Company's solvency needs over the plan period are assessed in the ORSA process, described below.

ORSA
The ORSA is an integral part of the Risk Management System and provides the Board and management with an understanding of the risks it is or may be exposed to over the medium term and the capital requirements for such risk. It enables the Company to develop its strategy, business plan and risk appetite by considering its risk and capital profile and its sensitivity to stressed conditions.

ORSA Process
The ORSA process, described further below, links the risk and capital assessment processes with the Company's strategy. A significant change in the Company's risk profile may trigger the need for a full or partial ORSA outside of the routine annual planned ORSA.

The ORSA is a set of processes employed by business functions (Underwriting, Actuarial, Finance etc.), the risk management function and the Board to:

- Identify, measure, monitor, manage and report risks that the Company faces or may face (Own Risk Assessment).
- Assess the own funds necessary (Capital Requirements) to ensure that the Company's overall solvency needs are met at all times over the business planning horizon (Solvency Assessment), taking into account the risk profile, risk tolerance limits and business strategy of the Company.
- Assess continuous compliance with regulatory capital requirements and with Solvency II requirements regarding technical provisions.
- Assess the significance with which the risk profile of the Company deviates from the assumptions underlying the Solvency II standard formula calculation of the Solvency Capital Requirement.
- Document the outcome of the Risk Assessment in an ORSA report.

These processes and their outputs are embedded in day to day "business as usual" processes.

The Company's ORSA policy is owned by the Board and is reviewed and updated at least on an annual basis. It was most recently reviewed and approved by the Board at its September 2020 meeting.

The main objectives of the ORSA policy are to:

- Define the ORSA and the ORSA processes
- Set out the Company's ORSA methodology
- Set out the governance and reporting requirements of the ORSA

Own solvency needs are determined by projecting the SCR for each year over the plan period using the EIOPA Standard Formula, which the Company assesses the appropriateness of for determining the SCR. A set of stress and scenario tests, informed by the Company's risk profile and risk assessments, is conducted to assess capital needs under a range of outcomes with management actions identified where appropriate.

The Board owns and directs the ORSA process and reviews and approves the ORSA report annually. The Risk Committee reviews the ORSA report and recommends it to the Board for approval. Management consider risks to the business strategy, scenarios to assess its ability to operate effectively under stress conditions and the assessment of capital requirements to meet its strategy. The CRO conducts the ORSA process, reviewing and challenging the risk and capital assessments and drafts the ORSA report.

B.4 Internal Control System

B4(a) Description of the internal control system

The Company has an internal control framework. The purpose of this framework is to establish and maintain an effective system of internal control and to provide assurance that controls are designed and operating effectively.

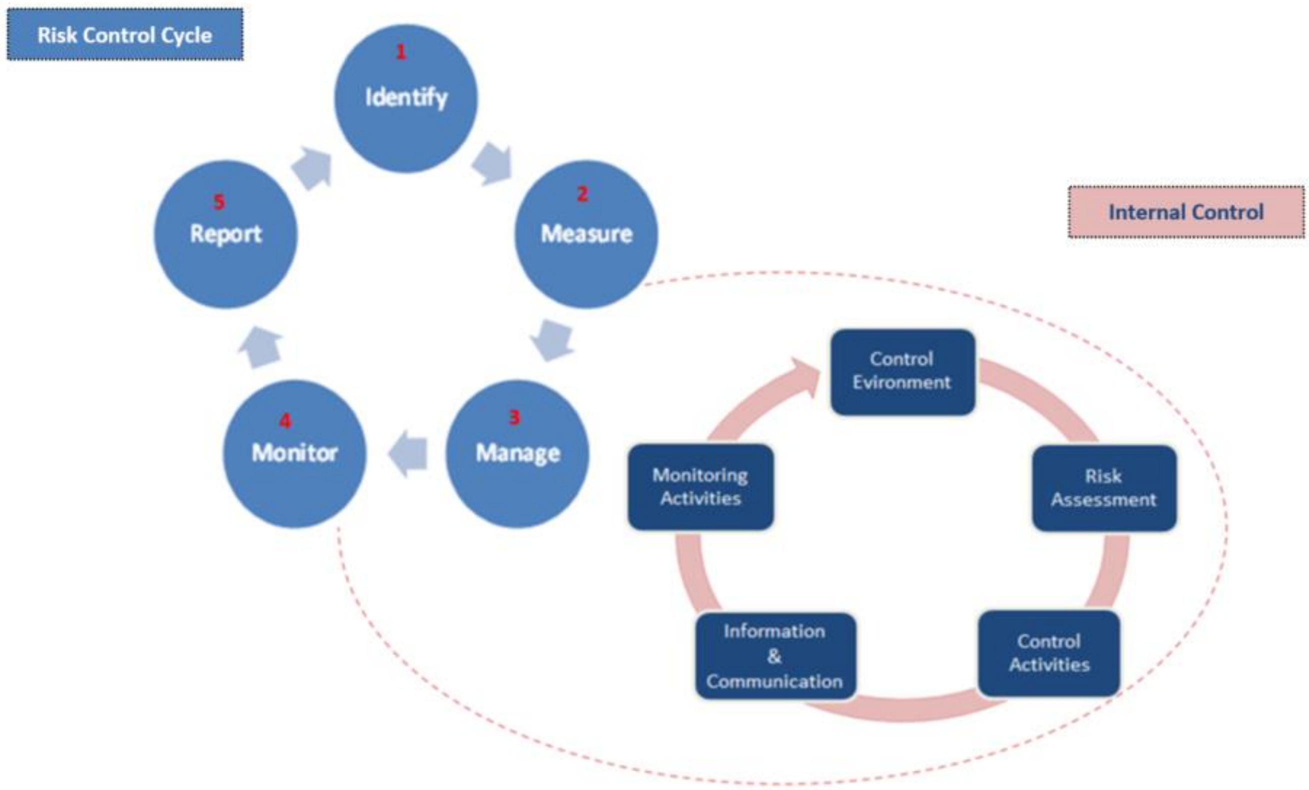
The objectives in implementing this framework are to ensure:

- the effectiveness and efficiency of operations;
- the reliability and integrity of financial and non-financial information;
- that reporting and disclosure obligations are met;
- compliance with policies, procedures and applicable laws and regulations.

The Internal Control Framework is designed to manage and mitigate the risk of failing to achieve the Company's strategy and objectives and seeks to provide reasonable assurance against material financial misstatement or loss, governance, operational, regulatory or legal failings. The Board, through the operation of the Underwriting, Audit, and Risk Committees, is responsible for establishing and monitoring the effectiveness of the system of internal control.

Risk Control Cycle

The Risk Control Cycle is the process through which risks are identified, measured, managed, monitored and reported on. Internal controls are a key component of this cycle and are considered particularly in stages 2, 3 and 4.



Control environment - guiding principles or standards and processes that provide the basis for internal control. Controls span processes across functions including finance, underwriting, claims, actuarial, operations, risk and compliance. Management are accountable for the design and operating effectiveness of controls and may delegate responsibility for executing the controls to others, including outsourced arrangements, provided they have the relevant knowledge and experience to execute the control.

Risk assessment – the basis on which risk is managed with controls identified / reviewed as part of this process and their suitability and appropriateness considered to ensure they prudently manage the associated risk. The Company systematically captures the output of this review and details the risks to which the Company is exposed and the controls in place to mitigate those risks.

Control activities – the appropriate design of controls and assessment controls to ensure they are in place, executed in line with the frequency expected and that they are effective in mitigating the risk.

Information & Communication – sharing of information on control gaps or weaknesses and action plans to address issues identified to ensure lessons are learned from control failures.

Monitoring Activities - the regular monitoring of controls to assess whether they are operating effectively.

The internal control framework covers all branches.

B.4(b) The Compliance Function

The Compliance Function is a second line function, operating independently from other functions, and providing assurance to the Board on compliance with applicable regulations and laws. The Head of Compliance is not involved in day to day operational activities other than those required to fulfil their duties and to ensure that no conflicts of interest arise. The Head of Compliance has access to all the necessary Company information to discharge the duties of the role in respect of oversight of the Company's internal control system.

Where necessary, the Compliance Function works closely with the Internal and External Audit functions to ensure that any deficiencies are noted, remediation plans are implemented, and all material issues are brought to the attention of the Audit and Risk Committees.

The Compliance Function is underpinned by a compliance policy and compliance plan. The Compliance policy, approved by the Board, sets out the principles, implementing measures and framework to promote compliance, embed a compliance culture and reduce compliance risk. The compliance plan, approved by the Board, sets out the objectives and planned activities the Compliance Function undertakes each year.

The key responsibilities of the Compliance Function include, but are not limited to:

- Maintaining a sound framework for the oversight and management of regulatory risk, and utilising compliance management practices that contribute to the use of sound, responsible and sustainable business practices by the Company;
- Ensuring that the compliance risks facing the Company are accurately identified, assessed, monitored, mitigated, and reported;
- Assessing the potential impact of changes in the regulatory environment and advising the business on the application of such change to business processes and activities; and
- Reporting to management and the Board on regulatory matters.

These responsibilities were extended to the UK branch when it became operational in August 2019 and to the Netherlands branch in December 2020.

B.5 Internal Audit Function

The Internal Audit Function is a third line function, operating independently from other functions, and providing independent and objective assurance to the Board on the adequacy and effectiveness of the governance, risk management and internal control processes.

The scope of work of the Internal Audit department is to evaluate the adequacy and effectiveness of the internal control system and other elements of the system of governance, thereby providing assurance that:

- Risks are appropriately identified and managed and that adequate measures have been taken to mitigate the risk of any conflicts of interest;
- The Company's goals and objectives are achieved;
- Interaction with the various governance groups occurs as needed;
- Significant financial, managerial, and operating information is accurate, reliable and timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected.

B.5(a) Implementation of the Internal Audit Function

The Company outsources the Internal Audit Function to Eisner Amper Ireland, a firm of Chartered Accountants based in Dublin who hold the Pre-Approval Controlled role of Head of Internal Audit. An appropriate contract and service level agreement is in place to ensure sufficient resources, capability and independence to carry out this function. Further oversight and support are provided by Everest Re Group as deemed appropriate. The Board believes that this arrangement provides independent oversight both from a local and global perspective.

B.5(b) Independence of the Internal Audit Function

The Internal Audit Function objectively assesses whether the risk management, governance and control processes are designed and operating effectively. The Internal Audit Function maintains its independence and objectivity by ensuring that it does not engage in any operational or management function relating to the day-to-day activities of the Company. The Head of Internal Audit reconfirmed his independence to the Audit Committee in December 2020. The Head of Internal Audit has a direct reporting line to the Chairman of the Audit Committee who is an INED. The Audit Committee reviews and approves the Internal Audit Plan annually. The Internal Audit Report is reviewed by the Audit Committee and presented to the Board by its Chairman.

B.6 Actuarial Function

In 2018, the Company established the Actuarial Function and appointed a Head of Actuarial Function ("HoAF") to manage this function.

B.6(a) Responsibilities of the Actuarial Function

The actuarial function is responsible for:

- Calculating technical provisions;
- Assessing the quality and sufficiency of data used in the calculation of technical provisions;
- Providing opinions to the Board on underwriting policy, the adequacy of reinsurance arrangements and aspects of the ORSA;
- Contributing to the effective implementation of the Company's risk management system;
- Providing a report to the Board, at least annually, documenting the main tasks undertaken by the actuarial function.

The HoAF provides an Annual Opinion on Technical Provisions to the CBI, supported by an Actuarial Report on Technical Provisions which is provided to the Board.

B.7 Outsourcing

The Company outsources certain activities and functions to related entities Everest Advisers (UK) Ltd (EAUK), Everest Corporate Services Limited (ECS) and Everest Global Services Inc. US (EGS). The Company also outsources certain underwriting and claims handling activities to Managing General Agents. Certain claims handling has also been outsourced to Third Party Claim Administrators (TPAs).

IT support is outsourced to EAUK while activities including IT infrastructure, investment management services, legal and finance support are outsourced to EGS. Payroll is outsourced to Grant Thornton and the company secretarial activity is outsourced to Law Debenture. The Internal Audit Function, as referred to in Section B.5 above, is outsourced to Eisner Amper.

The Company remains fully responsible for meeting all of its obligations where an activity or function has been outsourced.

The Company undertakes a detailed assessment of service providers to ensure they have the necessary ability to carry out the outsourcing function or activity, taking into account the impact of the proposed outsourcing arrangement on the operations of the Company.

B.7(a) Outsourcing policy

The Outsourcing policy is approved by the Board at least annually and covers the following:

- Principles on which the Company outsources material functions;
- Functions eligible for outsourcing by the Company;
- Roles and responsibilities within the Company in relation to outsourcing;
- Procedures to be followed prior to outsourcing;
- Procedures to be followed following commencement of the outsourcing relationship including the level of review, monitoring and reporting required by the Company.

B.7(b) Critical or important functions or activities outsourced by the Company

Activity	Service Provider	Jurisdiction
Underwriting/Claims Handling	Various Third Party MGAs/TPAs	EEA / UK
Information Technology Support	Everest Advisors (UK) Ltd	UK
Internal Audit	Eisner Amper	Ireland
Information Technology Infrastructure	Everest Global Services, Inc.	USA
Investment Management	DWS Group BNY Mellon Everest Global Services, Inc.	EEA USA USA

B.8 Any other material information

The Company does not have any other material information to disclose with regard to its System of Governance.

C. Risk profile

The Company has identified the material risks it is or may be exposed to over the lifetime of its insurance obligations, as set out in the table below.

Risk Category	Risk Description
Underwriting (Insurance) Risk	The risk that total the cost of claims, claims adjustment expenses, internal expenses and premium acquisition expenses exceeds the premiums received.
Market (Asset) Risk	The risk that the fair value of investments fluctuates due to changes in market prices or defaults by bond issuers. The value of technical provisions is also subject to interest rate risk as these are discounted using risk free rates.
Credit Risk	The Company is exposed to the risk that counterparties fail to meet their obligations as they fall due through exposure to banking counterparties, reinsurance arrangements and insurance premium receivables. Credit risk associated with bonds is considered as part of market risk.
Liquidity Risk	The risk of failure of the Company to meet its financial obligations as they fall due. The risk could arise due to adverse bond markets, unexpected large claims or other payments, failure to collect premium or reinsurance recoveries or insufficient liquidity planning
Operational Risk	The risk of loss or expense resulting from inadequate systems or processes or from human behaviour.
Other Material Risks	Strategic Risk - the risk of failure to evaluate or prioritise strategic options. Environmental Risk - risks resulting from the environment in which the Company operates and includes macroeconomic, political, legislative and climate change risks. Fungibility Risk - the risk of inability to access sufficient capital from Group

This section analyses each of the above risks, providing qualitative and quantitative information on each risk category as at the report date.

The Risk Management System, described in Section B.3, incorporates the ongoing assessment of these risks and the effectiveness of controls in mitigating those risks.

Stress and scenario testing is an important component of our ORSA process with management and the Board involved in the selection of suitable scenarios to assess the financial and management capability of the Company to continue to operate effectively under unfavourable but plausible conditions. Uncertainties and vulnerabilities within the business model are assessed using scenarios that incorporate stress and sensitivity testing to determine what these risks might look like under stressed conditions.

C.1 Underwriting risk

Risk Description

Underwriting risk is the risk of loss resulting from an inadequate or inaccurate assessment of the risks associated with writing insurance business or from uncontrollable factors which result in costs exceeding earned premiums.

This could arise as a result of factors including:

- poor risk selection
- failure to comply with underwriting authorities or guidelines
- inadequate pricing

- inadequate response to market cycle, economic, environmental trends and emerging risks
- accumulation of exposures to a single event (e.g. natural catastrophe)

Prudent underwriting and informed pricing are key to writing a profitable book of business.

EIID writes mainly longer tail lines of business with, typically, low frequency / high severity loss exposure. The Company plans to increase the proportion of short tailed business it writes over 2021-2023. A list of our current business class authorisations is included in the Summary Section of this report.

Risk Exposure

As at the report date, the Company's non-life underwriting risk component of the SCR was €36.3m. The key components of underwriting risk to which the Company is exposed are:

- Pricing risk - the risk that premium is inadequate to cover the underlying risk arising from incorrect or inappropriate pricing tools, inappropriate use of pricing tools or insufficient pricing monitoring;
- Underwriting risk - the risk of loss to the Company as a result of failure to accurately assess the risk, inappropriate underwriting processes or inappropriate policy terms and conditions;
- Reserving risk - the risk that the claims experience, including actual amount of claims and / or claims management expenses is worse than assumed in setting claims reserves;
- Event risk - the risk that individual events or catastrophes result in large losses and/or multiple unanticipated claims;
- Lapse risk - the risk of loss of future premiums arising from cancelled policies.

During 2020, EIID's underwriting risk exposure increased as the business grow. The business became more diversified as volumes grew across multiple segments. The Company started writing property business in late 2019 and has increased the proportion of short tail business written. Property business is exposed to natural catastrophe risk and property catastrophe reinsurance arrangements mitigate this exposure. EIID expects exposure to underwriting risk to continue to grow as the Company develops.

The Company is exposed to potential claims arising from Covid-19. To date, no significant claims volumes have been reported. Claims reserves for potential Covid-19 exposure have been established. Actual claims experience could be different to reserves, potentially materially so.

Resulting from the Covid-19 pandemic, the economic outlook is uncertain. The impact on EIID would vary by line of business and risk category but could include:

- adverse claims experience
- lower premium base which is not matched by a proportionate reduction in claims
- changes in claim propensity
- increased reinsurance costs / limitations on available cover

The Company has taken a variety of measures to address Covid-19 and recession risks**.** These include underwriting actions such as Covid-19 / communicable disease exclusions, negotiating increased pricing and reduced commissions, reducing business volumes in certain economically exposed lines and industry sections, changing business mix and/or agreeing tighter terms and conditions.

The Company monitors the effectiveness of its underwriting risk assessment and mitigation tools using measures which include:

- Monitoring of actual vs. expected performance of the underwriting portfolio. Actions are taken to address issues identified.
- Analysis of changes in estimates of the value of the insurance reserves reported to the Reserving Committee
- Underwriting file reviews to verify compliance with Underwriting Guidelines and Letters of Authority.

- Quarterly monitoring and reporting of insurance risk capital charges to the EIID Risk Committee and senior management

The nature of the business written to date is mainly long tail with, typically, low frequency / high severity loss exposure. It could take several years for claims to develop with any material deviation of actual experience from initial reserving assumptions not evident for some years. To the extent that reserves prove to be insufficient to cover claims costs and adjustment expenses the Company would recognise such reserve shortfalls and incur a charge to earnings which could be material in the period such recognition takes place. Reserve risk will become more material over time as business volumes grow and reserve balances increase.

The Company did not make use of any special purpose vehicles in the reporting period.

Risk Sensitivity
Scenario analysis was conducted on underwriting risk as part of the ORSA process. The scenarios considered alternative assumptions for claims performance. If the ultimate loss ratios for all lines of business were increased by 15% (additive), the Company's 2021 SCR Coverage ratio would drop by 14% but would remain within the Company's risk appetite. The impact on the 2021 Non-Life Underwriting Risk SCR would be €0.2m.

C.2 Market risk

Risk Description
Market risk is the risk that the fair value of investments will fluctuate due to changes in market prices or defaults by bond issuers. The value of technical provisions is subject to interest rate risk as these are discounted using risk free rates.

Risk Exposure
As at the report date the Company's market risk component of the SCR, before diversification benefits, was €16.0m.

Assets are invested in accordance with Board approved investment guidelines and an investment policy which was designed to be consistent with the "prudent person principle". EIID seeks to match its investments to the nature, duration and currency of its liabilities. All financial assets are invested in bonds or cash.

During 2020, the Company invested the €89m capital contribution received in late 2019 in bonds, resulting in an increase in the Company's market risk charges over the year.

There were no other material changes in the Company's market risks in 2020.

Risk Concentration
There is no material risk concentration as the Company maintains a low risk, well diversified investment portfolio consisting of highly rated and liquid corporate and government bonds.

Risk Assessment and Mitigation
The Company has developed Board approved investment guidelines and has approved an investment policy. The investment guidelines limit exposure to individual issuers and classes of issuers and specify minimum credit rating levels.

The Company monitors the effectiveness of its market risk assessment and mitigation tools using measures which include:

- Quarterly statements by investment managers to confirm compliance with EIID investment guidelines

- Quarterly reports to the EIID Board and senior management on portfolio performance and on compliance with investment limits
- Quarterly monitoring and reporting of market risk capital charges to the EIID Risk Committee and senior management
- Analysis of the profile of assets compared to the liability profile to check that there is no material mismatching

Risk Sensitivity

Scenario analysis was conducted during 2020 on market risk as part of the ORSA process.

The Company applied a 1-in-20 year loss to the value of assets in 2021, equal to a 10% drop in bond values. In applying this stress, we have reduced the value of each bond in the Company's investment portfolio at year end 2021 and assumed no recovery in asset values. This stress also assumes yield curves are a maximum of 0%. The Company's 2021 available capital reduces, and the Company's 2021 SCR Coverage ratio would drop by 21%, before taking any management actions, and would remain within the Company's risk appetite. The impact on the 2021 Market Risk SCR would be €0.469m.

C.3 Credit risk

Risk Description

Credit risk arises if counterparties fail to meet obligations as they fall due. It could also result from fluctuations in the credit standing of counterparties. The Company is exposed to credit risk through its banking counterparties, reinsurance arrangements and insurance premium receivables. Credit risk associated with bonds is considered as part of market risk. Direct credit risk from certain credit-related lines of business (e.g. CPR) is considered within underwriting risk.

Risk Exposure

As at the report date, the Company's counterparty credit risk component of the SCR was €22.4m, resulting from cash balances, expected reinsurance recoveries and overdue premiums. EIID's banking counterparty is highly rated, with a credit quality step of 2. All of the internal and external reinsurance counterparties are also highly rated, with a credit quality step of at least 2.

Risk Concentration

The Company's internal reinsurance treaties are placed with a Group affiliate and as such the Company has a concentration of credit risk. However, the Company accepts this risk due to the high rating of the internal reinsurer (Credit Quality Step 2; AM Best rating A+) and because the Company's payment obligations are supported by a Guaranty agreement from an Everest Re Group affiliate. The Company's cash holdings are mainly held with one banking counterparty. The Company accepts this risk due to the high rating of the counterparty. Premium receivables are spread across a relatively large number of clients.

Risk Assessment and Mitigation

Credit risk is assessed through measures including monitoring of counterparties' credit ratings and calculation of the counterparty credit risk component of the SCR. Credit risk in relation to external reinsurance is mitigated through the use of a diversified panel of strongly rated reinsurers. Credit risk in relation to intra Group reinsurance is mitigated through the provision of a Guaranty from an Everest Re Group affiliate and the strong rating of our reinsurance counterparty.

The Company has a Board approved reinsurance policy which sets out the standards, requirements, roles and responsibilities in managing reinsurance and other risk mitigating techniques.

The Company monitors the effectiveness of its credit risk assessment and mitigation tools using a number of tools, including:

- Monitoring of cash collections
- Quarterly monitoring of reinsurance exposures and credit rating of counterparties and reporting to the Risk Committee and senior management
- Quarterly monitoring and reporting of counterparty risk capital charges to the EIID Board, Risk Committee and senior management

Risk Sensitivity

Scenario analysis was conducted on Credit risk (Counterparty Default) as part of the ORSA process and considered a reinsurer downgrade.

We have tested the impact of a downgrade of all reinsurers in 2021 by one Credit Quality Step with no subsequent upgrades. SCR increases to reflect the lower financial strength rating of our reinsurance counterparties and SCR coverage reduces by 17% at the end of 2021. The SCR and MCR coverage remain with risk appetite. The impact on the 2021 Counterparty Default Risk SCR would be €9.77m.

C.4 Liquidity risk

Risk Description

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due.

The Company must meet its liabilities as and when they fall due, notably from claims arising from its non-life insurance contracts. There is therefore a risk that the cash and cash equivalents held will not be sufficient to meet its liabilities when they become due.

Risk Exposure

The total amount of expected profit included in future premiums, net of reinsurance, is €14.6m (2019: €12.5m)

The Company has invested most of its assets in fixed income securities but retains cash balances in order to meet liquidity needs. Given the credit quality of the Company's financial assets, and the relatively short duration of the investment portfolio, it can quickly liquidate its investments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

Risk Concentration

The Company does not have any material risk concentration.

Risk Assessment and Mitigation

The Company's liquidity needs are met on both a short- and long-term basis by funds provided by premiums collected, investment income, collected reinsurance receivable balances and the sale and maturity of investments, together with the availability of funds under the Everest Re Group's surplus guarantee.

The Company has a Board approved Liquidity and Concentration Risk policy together with liquidity limits which are monitored quarterly. Several reinsurance agreements include cash call provisions which permit the Company to accelerate recoveries in the event of paying large losses.

The Company monitors the effectiveness of its liquidity risk assessment and mitigation tools using measures which include quarterly monitoring of liquidity risk appetite and limits and reporting to the Risk Committee and senior management.

Risk Sensitivity
Scenario analysis was conducted on liquidity risk as part of the ORSA process and considered the impact of a large claim on the Company's liquidity.

In circumstances where the largest individual gross exposures had full limit losses, the Company's net liquidity exposure would be limited by the terms of reinsurance treaties which mandate remittance of amounts within a short period of time for claims in excess of agreed thresholds. In the event of a liquidity strain, management actions could include one or a combination of the following options, if necessary:

- selling shortest dated bonds to minimise risk of loss on realisation
- selling longer dated bonds
- calling on the Company's Guaranty arrangement with an Everest Re Group affiliate to fund the claim.

C.5 Operational risk

Risk Description
Operational risk is the risk of loss arising from inadequate or failed internal processes, systems, people or external events.

Operational risks include, but are not limited to, failure or weaknesses in financial reporting and control, fraud, failure to scale and adapt operations to meet business growth, IT systems failure, breach of information security, inadequate disaster recovery, non-compliance with laws and regulations, failure of an outsourced provider and loss of key personnel.

Risk Exposure
As at the report date, the Company's operational risk component of the SCR, before diversification benefits, was €4.0m (2019: €1.4m).

A material operational risk to which the Company is exposed is outsourcing risk, given our reliance on Everest Re Group affiliates and other entities, including managing general agents, to undertake key activities including underwriting, claims, policy administration, investment management and IT support.

Additional Covid-19 operational risks include potential operational inefficiencies and/or loss in effectiveness of internal controls because of on-going remote working.

Risk Concentration
There is concentration risk in relation to reliance on key personnel and Everest Re Group affiliates in performing certain activities. The Company frequently reviews its staffing needs, with additional headcount added in 2020 and planned for 2021.

Risk Assessment and Mitigation
The Company actively manages operational risks and mitigates them as appropriate. The Operational Risk policy approved by the Board sets out the Company's approach to managing operational risks including the roles and responsibilities in monitoring and reporting such risk. Other policies such as IT, Outsourcing and Data Protection support the Operational Risk policy in assessing, managing and mitigating operational risk.

Actions taken by the Company to mitigate outsourcing risk include:

- Board approved outsourcing policy
- Before establishing any outsource arrangement, EIID takes measures including:
  - Completion of appropriate due diligence
  - Drafting a Service Level Agreement ("SLA") which includes provisions to protect the Company against outsourcing risks, including appropriate KPIs

- Pre-notification to the CBI of intention to outsource Critical or Important Functions of Activities ("CIFAs") as per the CBI's pre-notification process for the outsourcing of CIFAs
- Regular reviews of the performance of outsource service providers

Measures have been established to support staff working from home. There has been continued engagement with staff through the year to mitigate the operational risks arising from Covid-19.
The Company's internal control framework is operational in a remote working environment.

Key person risk is mitigated through the availability of Everest Re Group personnel in the event of the departure of key Company employees and recent recruitment of additional staff.

The Company monitors the effectiveness of its operational risk assessment and mitigation tools using measures which include:

- Quarterly reporting of operational risk events and near misses to the Risk Committee and senior management
- Regular reporting of results of self-assessments of the effectiveness of key controls to mitigate risks to the Risk Committee and senior management
- Quarterly reporting by the CRO to the Risk Committee on operational risks

Risk Sensitivity

As part of the ORSA process, EIID conducted stress and scenario testing that included stress testing for material operational risks, including testing for the impact of temporary disruption to our business that may be caused by a 'no deal' Brexit, and testing for the impact of unexpected additional IT investment to produce efficiencies needed to support a growing business. This stress testing demonstrated that the Company's solvency position remains within appetite in both scenarios.

C.6 Other material risks

C.6.1 Strategic Risk

Risk Description

Strategic risk is the risk of failure to evaluate, prioritise or optimise strategic options. The Company envisages significant growth over the medium term, so any three-year plan and strategy may evolve further as the Company grows and new opportunities are identified. The Company's strategy could change, possibly considerably, over the medium term resulting in required changes to resourcing, systems, capital requirements and processes.

Relevant areas of strategic risk over the planning horizon for EIID include:

- Ability to achieve plan will depend on the competitive landscape and resulting market conditions, which are expected to be favourable over the near term.
- Successful execution of the strategy will depend on recruitment of additional personnel and on-going development of the operations and systems necessary to support a growing business.
- Significant unexpected adverse claims development could result in reducing the level of capital available to support the Company's planned growth.
- Recessionary risk could result in fewer opportunities to grow, whether through tightening risk appetite, lower insurable exposures, or to inability to gain rate increases.
- Strategic decisions at Group level could affect EIID's strategy, subject to approval by local management and Board as appropriate.
- The Company has ambitions to grow beyond the business plan, so premium could exceed plans if the right business opportunities arose.

Risk Exposure
The risks outlined above are not explicitly captured in the Standard Formula. The potential impact of some of the risks above on the Company's solvency position is considered in a range of stress and scenario tests.

Risk Concentration
This risk exists across all lines of business.

Risk Assessment and Mitigation
The Company actively manages the above risks and mitigates them through governance structures supported by processes and controls. Risks are identified and assessed on an ongoing basis with stress and sensitivity testing conducted as part of the ORSA process. A list of the top risks is produced from the risk register and is reviewed by the Risk Committee quarterly. The risk appetite and the risk register, together with the ORSA Report, are considered by management and the Board. Strategic risk is further mitigated by maintaining close relationships with Everest Re Group through membership by Group executives of the Board and other committees.

The Company monitors the effectiveness of its strategic risk assessment and mitigation tools using a number of tools, including monitoring of actual versus expected performance metrics.

Risk Sensitivity
As outlined in Section C.1 above, scenario analysis was part of the ORSA process and is a key input to the Company's consideration of strategic risk.

C.6.2 Environmental Risk

Risk Description
Environmental risk is the risk resulting from the environment in which the Company operates and includes political and legislative risks.

EIID's environmental risks include exposure to Brexit. Establishing the Company's UK branch was key to EIID's Brexit risk mitigation strategy as it allows EIID to continue to operate in the UK post-Brexit with minimal disruption. The Company plans to apply to the PRA before December2022 to convert this to a Third Country Branch. Establishment of an additional branch in The Netherlands provides further mitigation against Brexit risk.

The potential implications of Brexit on the UK economy over the short and long term are uncertain. A sustained fall in the value of Sterling would result in lower expected underwriting profits on EIID's UK business but also reduced costs from the UK branch and UK service providers. A prolonged UK recession could result in a reduction in UK business and adverse claims experience.

Over the medium term, changes to UK laws or regulations may affect how the Company conducts business in the UK. Changes in the geopolitical landscape could introduce new barriers to providing services between the EU and UK.

Changes to weather patterns resulting from climate change could result in adverse claims experience because of a higher than expected level of property catastrophe claims, both in frequency and quantum. Climate change also poses transition risk as governments, corporations and societies take action to address climate change risk, resulting in new laws / regulations, disruptive technologies, obsolescence, recession or new legal precedents. In addition to resulting in the potential for adverse claims experience, climate change risk could also lead to reduced bond values, increased regulatory requirements, increased reinsurance costs and/or reputational damage.

Risk Exposure
The risks outlined above are not explicitly captured in the standard formula. The potential impact of some of the risks above on the Company's solvency position is considered in a range of stress and scenario tests. SCR coverage remains within risk appetite after application of these tests.

Risk Concentration
This risk varies across lines of business depending on the geographies where the Company writes business.

Risk Assessment and Mitigation
The Company actively manages the above risks and minimises them through governance structures supported by processes and controls. Risks are identified and assessed on an ongoing basis with stress and sensitivity testing conducted as part of the ORSA process. There is regular consideration of environment risks by management and the Board. The Company's UK branch enables the Company to continue operating in the UK post-Brexit.

The Company monitors the effectiveness of its environmental risk assessment and mitigation tools through the quarterly reviews of the risk register and top risks by the Board and senior management.

Risk Sensitivity
As outlined in Section C.5 above, scenario analysis was part of the ORSA process and considered the potential impact of a disruption in operations because of Brexit. While this scenario does not negatively impact solvency, it would result in a reduction in profit.

C.6.3 Fungibility Risk

Risk Description
Fungibility risk is the difficulty or inability to access sufficient capital when needed. Fungibility risk would materialise if EIID could not access Group capital if required.

Risk Exposure
The risks outlined above are not explicitly captured in the standard formula.

However, Everest Re Group's Economic Capital Model ("ECM") indicates that Group holds sufficient capital to meet S&P's AAA capitalisation levels. Group's analysis of the ECM has indicated that only in a very extreme scenario would the Group be unable to fulfil its obligations to EIID under the keep well agreement and guaranty. Everest Re Group has shareholders' equity totalling USD$9.726billion as at 31 December 2020.

Risk Concentration
The Company has a concentration of exposure to Group as its sole capital provider. However, as mentioned above, it is considered highly unlikely that Group would not be able to make capital available if necessary. In the event that the raising of additional capital was deemed necessary by the Board, Group capital would be the preferred source of capital, as raising capital from other sources could be more complex, more expensive and require additional time.

Risk Assessment and Mitigation
This risk is mitigated through a guaranty and a keep well agreement with Everest Re Group entities to support the Company's financial resources. Lines of communication are in place to enable EIID board of directors to alert Group senior management if the potential need for additional capital arises.

If capital were not available from Group, the Company would consider options including the following:

- Reduce business volumes
- Reduce costs
- Cease writing new business
- Enter into new reinsurance arrangements
- Enter into run-off
- Enter into portfolio transfer of some or all of the business to a third party
- Sale of the Company

The measures taken would depend on the extent of the capital shortfall and the reasons that Group capital is not available.

The Company monitors the effectiveness of its fungibility risk assessment and mitigation tools using a number of tools, including the monitoring of Group financial strength.

Risk Sensitivity

As outlined above, the solvency of the Company has been assessed through the ORSA process in light of risks and uncertainties around business performance by estimating solvency coverage in a range of scenarios, some of which are particularly severe. In each of these scenarios, the Company has sufficient assets to meet its liabilities.

Based on the Group's Economic Capital Model, the Group is capitalised to an AAA level based on S&P's thresholds and the ECM indicates that the likelihood of Group failing to meet its obligations is extremely remote.

C.7 Any other information

As disclosed in Section A.1 above, the Company established an EEA branch in the UK which became operational in August 2019 and an EEA branch in The Netherlands which was established in 2020 to become operational in 2021. Both branches have been considered in its risk profile, SCR and ORSA.

As outlined in Section A.5, the Covid-19 situation has potential implications across our business, potentially impacting our risk profile.

The Company does not have any other material information to disclose with regard to its risk profile.

D. Valuation for solvency purposes

The Company values assets and liabilities, other than technical provisions, at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods.

The financial statements of the Company are prepared under Irish GAAP. The following summarised balance sheet as at 31st December 2020 analyses the differences in valuation between the Company's financial statements and the Solvency II valuation.

	Statutory accounts value €'000	Adjustment €'000	Solvency II value €'000
Assets			
Investments	141,969	787	142,756
Reinsurers share of technical provisions	83,678	-40,309	43,369
Deferred Acquisition Costs	8,411	-8,411	0
Property, plant & equipment held for own use	59	0	59
Insurance and intermediaries' receivables	32,769	-13,573	19,196
Reinsurance Receivable	0	11,634	11,634
Receivables (trade, not insurance)	5	0	5
Cash and cash equivalents	55,442	0	55,442
Any other assets, not elsewhere shown	787	-787	0
Total assets	**323,120**	**-50,659**	**272,461**
Liabilities			
Best Estimate	0	88,677	88,677
Risk margin	0	6,424	6,424
Technical provisions	125,715	-125,715	0
Deferred Tax Liabilities	0	316	316
Insurance & intermediaries payables	41,224	-7,860	33,364
Payables (trade, not insurance)	2,277	1,200	3,477
Any other liabilities, not elsewhere shown	15,910	-15,910	0
Total liabilities	**185,126**	**-52,868**	**132,258**
Excess of assets over liabilities	**137,994**	**2,209**	**140,203**

D.1 Assets

D.1(a) Valuation for each material class of asset:

Investments – Financial Instruments

Solvency II Valuation	Financial Reporting Valuation
Financial instruments consist of Government and Corporate Bonds which are valued at 'fair value' under Solvency II. This equates to Market Value which is the amount for which the assets could be transferred in an arm's length transaction. Accrued interest is reported under investments in the Solvency II balance sheet.	There are no differences in SII valuation principles, but accrued interest is disclosed as other receivables in the financial statements.

Insurance and intermediaries receivables

Solvency II Valuation	Financial Reporting Valuation
These represent debtor balances which are past due. Balances which are not past due are included in technical provisions.	This is made up of all outstanding premiums due from policy holders. It includes amounts which are due, overdue and where premium is not yet contractually due.

Ceding Commissions

Solvency II Valuation	Financial Reporting Valuation
Ceding commissions receivable are recorded within Reinsurance Receivables. The corresponding reinsurance premiums payable are recorded within Reinsurance Payables.	Ceding commission receivable is netted against reinsurance premium payable and not shown explicitly on the balance sheet.

Cash and other cash equivalents

Solvency II Valuation	Financial Reporting Valuation
Cash and cash equivalents are monies held as cash on hand, cash and short-term deposits held on call with banks. Such balances are considered to be held at fair value under Solvency II.	There are no differences from SII valuation

All assets in the portfolio are traded in an active market and the criteria used to determine whether a market is active includes the following:

- assets traded in a regulated financial market
- credit quality can be assessed and validated
- assets can be easily liquidated
- assets and instruments where the risks can be identified, measured, monitored, managed, controlled and reported on.

The Company does not have any intangible assets and has not entered into any leasing arrangements. The Company does not have any deferred tax assets or provide any guarantees. The Company does not have any holdings in related undertakings. There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.2 Technical provisions

The HoAF is responsible for the oversight of the calculation of technical provisions. The technical provisions net of reinsurance as at 31st December 2020 are €51.7m (2019: €7.5m). The table below lists the Company's technical provisions by line of business.

SII line of business	Gross Best Estimate €'000	Recoverables €'000	Net Best Estimate €'000	Risk Margin €'000	Total Technical Provisions €'000
General liability	59,620	23,997	35,624	3,068	38,692
Credit & suretyship	6,981	13,087	(6,106)	2,004	(4,102)
Fire and Other Damage to Property	20,717	6,395	14,322	1,072	15,394
Non-proportional casualty	1,451	94	1,357	230	1,588
Non-proportional property	(81)	(184)	103	42	145
Marine, aviation and transport insurance	(12)	(20)	8	7	15
Total	88,677	43,369	45,308	6,424	51,732

Best estimate

The best estimate represents the probability weighted average of all future cash flows from bound contracts including claims, premiums, acquisition expense, internal expense and reinsurance cash flows.

As there has been limited claims activity at EIID, there is not yet sufficient internal claims data to apply a full range of standard actuarial methods which use historical claims data. Therefore, in order to estimate future claims EIID has used an Expected Loss Ratio ("ELR") method for most lines of business, with the Bornhuetter–Ferguson ("BF") method applied on lines with more developed claims experience. ELRs are applied to each policy's estimated lifetime premium to project future claims. Where possible, a range of ELRs has been considered for each business segment. Sources of information used to develop ELRs include industry data, industry benchmarks, reinsurance brokers' benchmarks, planning assumptions, expert judgement, analysis of client data and benchmarks and analysis from Group affiliates.

An allowance is made for Events Not In Data to reflect the possibility of adverse claims' experience not reflected in the data and information used to calculate the best estimate.

Technical provisions include future premium cash flow. There are significant volumes of future Credit & Political Risk premium as much of this business is multi-year business.

An expense provision is required for direct and indirect expenses relating to claims handling, policy administration, acquisition and investment activities. The expense provision includes overhead expenses incurred in servicing insurance obligations arising from contracts bound at the valuation date.

Technical provisions include all expected contractual commission and brokerage cash flows. Non-acquisition expenses have been estimated by reference to planning assumptions.

Future reinsurance premiums, ceding commissions and recoverables have been estimated for each policy by applying the applicable reinsurance arrangements to projected gross premiums and claims.

The Company does not have any arrangements with special purpose vehicles and hence technical provisions are not adjusted for recoveries from such vehicles.

Best estimate technical provisions are calculated by projecting future cash flows and discounting by applying risk free yield curves by currency.

The main changes to technical provisions since 31 December 2019 include:

- increases to reflect growing business volumes
- new business segments
- premium cash flow movements
- adjustments to allow for claims experience
- adjustments to allow for potential exposure to Covid-19

Otherwise, there were no material changes to best estimate assumptions over the reporting period.

In calculating best estimate technical provisions, the Company has not applied any of the simplifications provided in the Solvency II Delegated Acts.

Risk margin

Technical provisions include a risk margin as the value of technical provisions is equivalent to the amount that an insurer would be expected to require in order to take over the insurance obligations of the Company.

In calculating the risk margin, the Company applied simplified method 2, as outlined in Guideline 62, "Hierarchy of methods for the calculation of the risk margin" of EIOPA's "Guidelines on the Valuation of Technical Provisions." A full projection of future SCR or a projection of individual modules or sub-modules for the purpose of calculating risk margin would be disproportionate to the nature and size of the Company's liabilities.

Uncertainty

Because of the nature of EIID's business, the Company expects to typically experience low frequency but high severity losses. EIID writes mainly medium to long tail lines of business, some of which attaches at an excess level. EIID's business is inherently more volatile than short term / high loss frequency business. Actual losses could be considerably higher or lower than assumed.

The Company is potentially exposed to claims arising from Covid-19. Although there have been limited claims activity, technical provisions include estimated losses from these exposure. However, losses reported to date are minimal and there are not precedents for pandemic claims of this nature. Actual experience could be considerably lower or higher than estimates.

Most global economies were in recession in 2020. Claims experience has been benign to date, with extensive government interventions supporting global economies. However, recessionary environments can affect claims experience in several ways. The potential impact on EIID would likely vary by line of business and could be different to past recessions but could include:

- higher than expected claim frequencies
- reduction in exposure, resulting in fewer claims
- higher claim severity, or
- deflationary claims costs.

Changes in the legal and claims environment including changes to legislation, new legal precedents, changes in claimants' behaviour, increased claims inflation including "social inflation" could result in increased claims activity. The emergence of new types of claims could also result in higher than expected claims.

As a recently established insurer, writing mainly longer tailed lines, and with limited claims activity to date, the Company supplements its own data with third party information (including data from Group) and expert judgment when projecting future claims. As there are limitations on the use of EIID's own claims data to estimate future claims, there is more uncertainty around such estimates. Where possible, the Company has sought to validate estimates by referencing a range of alternative sources of information.

It is typical to apply a range of actuarial methods when projecting future claims. As EIID has limited historical data, there are limitations on the range of methods that can be applied, resulting in increased uncertainty around future claims, although loss assumptions have been validated against alternative sources where possible.

There are significant volumes of future premium included in technical provisions. If these amounts are not received the Company's technical provisions' liability would increase.

The Company has significant amounts of reinsurance and this has been reflected in reinsurance recoveries. In the event of reinsurer failures or disputes, recoveries could be lower than expected, perhaps materially so.

Key differences between valuation for solvency and financial reporting

Solvency II Valuation	Financial Reporting Valuation
Future premiums: Technical provisions include all future inwards premium and outwards reinsurance premium expected to be received over the lifetime of recognised business. Past due premiums are excluded from technical provisions.	Technical provisions do not include future premiums.
Claims: Technical provisions include expected claims and recoveries from both expired and unexpired exposures. Estimated claims include an allowance for Events Not in Data.	Statutory accounts only include claims reserves for expired exposures. An unearned premium reserve is booked for unexpired exposures. There is no allowance for Events Not in Data.
Risk margin: Technical provisions include a risk margin, €6.4m (2019: €3.9m), as prescribed by Solvency II regulations.	Risk margin: The Company did not include any risk margin in its statutory accounts.

Apart from the differences above there are no material differences between the bases, methods and main assumptions used by for the valuation for solvency purposes and those used for valuation in financial statements.

Because of the nature of the Company's business it does not apply any of the following as provided in the Solvency II Delegated Acts:

- Matching adjustment
- Volatility adjustment
- Transitional risk-free rate structure volatility adjustment
- Transition deduction.

D.3 Other liabilities

Other liabilities include intercompany liabilities, other tax payable in relation to PAYE and PRSI and accruals.

The Company values other liabilities at fair value, being the amount which an asset could be exchanged between knowledgeable, willing parties using market consistent valuation methods. In order to aggregate liabilities other than technical provisions into material classes to describe the valuation basis that has been applied to them, we have considered the nature, function, risk and materiality of those liabilities.

The Company has not entered into any leasing arrangements. The Company has recognised a deferred tax liability in the Solvency II balance sheet. The Company does not operate a defined benefit pension scheme. There were no changes made to the recognition and valuation bases used or on estimations during the reporting period.

D.3(a) Solvency II valuation for each material class of non – Technical Provisions liability

Deferred Tax Liability

Solvency II Valuation	Financial Reporting Valuation
This balance represents a deferred tax provision on the difference between the Solvency II excess of assets over liabilities and the statutory balance sheet excess of assets over liabilities. There is no expiry date on this provision.	For financial reporting valuation the balance sheet does not include any deferred tax provision.

Insurance and intermediaries payables

Solvency II Valuation	Financial Reporting Valuation
These balances represent overdue premiums payable to reinsurers not yet paid. Reinsurance premiums payable but not overdue are included as part of technical provisions calculation.	In its annual financial statements, the Company includes premiums receivable net of commission in assets and reinsurance premiums payable net of commission in liabilities.

Payables (trade not insurance)

Solvency II Valuation	Financial Reporting Valuation
Payables are recorded on an accruals basis. Reinsurers share of deferred acquisition costs are valued at Nil.	Payables are recorded on an accruals basis, and include reinsurers' share of deferred acquisition costs.

These balances represent non-insurance related payables, trade and accounts payables to service providers and suppliers.

D.4 Alternative methods of valuation

The Company does not use any alternative methods for valuation.

D.5 Any other information

The Company does not have any other material information to disclose in regard to valuation for solvency purposes.

E. Capital management

E.1 Own Funds

E1(a) Objective, policies and processes for managing own funds

The capital management objectives of the Company are to:

- maintain a strong capital base to support its business model
- maintain sufficient financial strength ratings
- maintain sufficient and appropriate regulatory capital to meet or exceed minimum regulatory capital requirements.

A Capital Management policy approved by the Board sets out the approach to managing capital and the Company considers these objectives as part of the ORSA process, which is based on a three year projection of requirements. The Company holds excess funds to absorb potential volatility in SCR coverage and to absorb risks not included in the SCR e.g., strategic risk.

The Company measures and calculates its capital using the Standard Formula. The SCR and MCR coverage are calculated and reviewed on a quarterly basis. In the event that the Company's statutory capital fell below an agreed threshold at the end of any financial quarter, the Company would call upon a Keep Well Agreement with an Everest Re Group affiliate under which the Company's counterparty will take immediate action to restore GAAP surplus to the agreed threshold. Following completion of the 2019 ORSA process, Everest Re Group agreed to provide capital contributions in two tranches before 31 December 2022 to support projected growth in the business – the first capital injection totalling €89.0 million was received from the Company's parent in 2019 and was retrospectively approved as unrestricted Tier 1 own funds by the CBI in 2020.

The CRO reports regularly to the Board on the level of eligible own funds and the ratio of cover over the SCR and MCR. Ultimate responsibility for maintenance of own funds lies with the Board.

There were no material changes in the objectives, policies and processes for managing own funds over the reporting period.

E.1(b) Own funds classification

As at the report date the Company's excess of assets over liabilities was comprised of issued share capital of €2 and basic own funds of €140.2m (2019: €152.1m). This entire balance was available as Tier 1 unrestricted own funds to meet both SCR and MCR requirements. The reduction in own funds was mainly driven by increases in technical provisions to allow for potential Covid-19 exposure, increased operating expenses and a reduction in bond values, offset by expected profit on new business.

The Company does not have any Tier 1 own funds that fall within the following categories:

- paid-in subordinated mutual member accounts
- paid-in preference shares and the related share premium account
- paid-in subordinated liabilities valued in accordance with Article 75 of Directive 2009/138/EC

None of the Company's own funds are subject to the transitional arrangements. The Company does not have any ancillary own fund items. The Company has not deducted any items from own funds. There have been no other significant changes in own funds during the reporting period.

The following table shows basic own funds before deduction for participations in other financial sector as foreseen in Article 68 of delegated regulations 2015/35.

	2020 €'000	Available	Sub-ordinated	Duration
Capital contribution	144,000	*Yes*	*No*	*No redeemable date*
Reconciliation Reserve	(3,797)			
Share capital	0.002	*Yes*	*No*	*No redeemable date*
Total basic own funds after deductions	**140,203**			

The reconciliation reserve comprises the following:

	2020 €'000
Statutory Profit / (Loss) for year after tax	(2,689)
Difference in technical provisions and premiums due	(792)
Deferred Tax	(316)
Reconciliation Reserve	**(3,797)**

Further details are provided in Section E.1 (e) and E.1 (f) below.

E.1(c) Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The Company's Own Funds are represented by Tier 1 Unrestricted Own Funds totaling €140.2m which are available to cover the SCR.

E.1(d) Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers

The Company's Own Funds are represented by Tier 1 Unrestricted Own Funds totaling €140.2m which are available to cover the MCR.

E.1(e) Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

	2020 €'000
Capital Contribution	144,000
Share Capital Issued	0.002
Retained Earnings net of translation adjustment	(6,006)
Equity per financial statements	**137,994**
Technical Provisions Adjustment	(53,065)
Asset Valuation Adjustment	33,020
Other Liabilities Valuation Adjustment	22,570
Deferred Tax	(316)
Solvency II Own Funds	140,203

The Solvency II Balance Sheet is forward looking, and it includes profits / losses on unearned premium on the balance sheet at 31st December 2020. The statutory balance sheet is historic looking and includes the actual profit / loss according to FRS rules.

E.1(f) Key elements of the reconciliation reserve

The reconciliation reserve is calculated as follows

	2020 €'000
Retained Earnings	(6,009)
Translation adjustment	3
Technical Provisions Adjustment	(53,065)
Asset valuation	33,020
Other Liabilities Valuation	22,570
Deferred Tax	(316)
Reconciliation reserve	**(3,797)**

Solvency II Guidelines on "Reporting and public disclosure" require disclosure in this section E.1 of information about any additional solvency ratios reported other than those included in template S.23.01. We have not reported any such additional solvency ratios.

The Company does not have any Own Fund items subject to transition arrangements or any ancillary Own Funds. No item has been deducted from Own Funds.

E.2 Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR")

The Company's SCR, as calculated by the Standard Formula, as at the report date was €61.9m (2019: €33.0m). The table below provides a breakdown of the SCR by risk category and risk module.

	2020 €'000	2019 €'000
Underwriting Risk		
Premium and Reserve Risk	23,246	11,307
Lapse Risk	13,838	11,427
Catastrophe Risk	19,138	7,946
Diversification Benefit	*(19,882)*	*(11,536)*
Market Risk		
Interest Rate Risk	4,617	1,706
Currency Risk	11,960	11,741
Property Risk	15	17
Spread Risk	5,549	1,671
Concentration Risk	651	151
Diversification Benefit	*(6,775)*	*(2,498)*
Counterparty Risk	22,360	9,788
Diversification Benefit	***(16,753)***	***(10,126)***
Basic SCR	57,963	31,594
Operational Risk	4,018	1,396
SCR	**61,981**	**32,990**

The increase in SCR reflects the strong growth in business bound in 2020. The increase in underwriting risk charges is driven by actual and projected increases in business volumes. The Company commenced underwriting property business in late 2019 and grow this segment significantly during the year, contributing to the increase in the catastrophe risk charge. The increase in market risk is driven by the increase in bond holdings following receipt of an €89m capital contribution. The counterparty risk charge increased primarily because of growth in premium volumes and reinsurance recoverables.

The SCR is designed to absorb the loss resulting from the occurrence of a 1-in-200-year loss event over the next 12 months. The Company uses the Standard Formula specified by EIOPA to estimate the SCR. This models insurance, market, credit and operational risk and takes account of the Company's outwards reinsurance programmes. The Company's SCR calculation does not include any of the simplifications provided by the Solvency II Delegated Acts.

In addition to the SCR we are required to calculate the MCR. This is lower than the SCR and is designed to correspond to a solvency level below which policyholders and beneficiaries would be exposed to an unacceptable level of risk if the insurer were allowed to continue its operations. The MCR as at the report date was €15.5m (2019: €8.2m).

Basic Own Funds is the excess of assets over liabilities as determined by the Solvency II balance sheet. The Company's own funds consist solely of Tier 1 Unrestricted Funds totalling €140.2m which are available to cover the SCR. There are no capital add-ons.

Throughout the period the Company has eligible own funds available to meet the SCR and MCR. The own funds ratio to SCR and MCR at the reporting date was 226% and 905%, respectively.

The Company has not used any undertaking-specific parameters in calculating the SCR using the Standard Formula. The Company's SCR calculation does not include any of the simplifications provided by the Solvency II Delegated Acts.

E.3 Use of duration–based equity risk sub-module in the calculation of the SCR

The Company did not make use of a duration-based equity sub-module during the reporting period.

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

The Company uses the Standard Formula to calculate the SCR, therefore no differences exist.

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

The Company complied with the Solvency II MCR and SCR requirements throughout the reporting period. The Company held Own Funds in excess of both the MCR and SCR requirements throughout the reporting period.

E.6 Any other information

The Company does not have any other material information to disclose with regard to capital management. The Company benefits from keep well and guaranty arrangements with Everest Re Group entities to support its financial resources.

APPENDICES

Appendix I Glossary of terms

ALM	Asset/liability management
BAC	Board Audit Committee
BETP	Best estimate technical provision
BSCR	Basic Solvency Capital Requirement
CBI	Central Bank of Ireland
CEO	Chief Executive Officer
CF	Control function
CFO	Chief Financial Officer
CML	Commercial management liability products
CPR	Credit insurance and political risk products
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
DAC	Designated Activity Company
EAUK	Everest Advisors UK Ltd.
EEA	European Economic Area
EGS	Everest Global Services, Inc.
EIOPA	European Insurance and Occupational Pension Authority
EIR	Everest International Reinsurance Ltd
EU	European Union
FRS	Financial Reporting Standard
GWP	Gross Written Premium
HoAF	Head of Actuarial Function
HoU	Head of Underwriting
INED	Independent Non-Executive Director
KPIs	Key performance indicators
MCR	Minimum Capital Requirement
MedMal	Medical Malpractice products
NED	Non-Executive Director
NEP	Net Earned Premium
NWP	Net Written Premium
ORSA	Own Risk and Solvency Assessment
PCF	Pre-approved controlled function
QRT	Quantitative Reporting Template
RM	Risk margin
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
W&I	Warranty and Indemnity products

Appendix II Quantitative Reporting Templates (QRT)

The following QRT templates, applicable to the Company, are required for the Solvency and Financial Condition Report.

The reporting currency is Euro.

Template ref	Template Name
S.02.01	Balance Sheet
S.05.01	Premiums, claims and expenses by line of business
S.05.02	Premiums, claims and expenses by line of country
S.17.01	Non-Life Technical Provisions
S.19.01	Non-Life Claims Information
S.23.01	Own Funds
S.25.01	Solvency Capital Requirement
S.28.01	Minimum Capital Requirement

S.02.01 Balance Sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	58
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	142,756
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	142,756
Government Bonds	R0140	40,214
Corporate Bonds	R0150	102,542
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	43,369
Non-life and health similar to non-life	R0280	43,369
Non-life excluding health	R0290	43,369
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	19,196
Reinsurance receivables	R0370	11,634
Receivables (trade, not insurance)	R0380	5
Own shares (held directly)	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	55,442
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	272,461

S.02.01 Balance Sheet (Cont'd)

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	95,101
Technical provisions – non-life (excluding health)	**R0520**	95,101
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	88,677
Risk margin	**R0550**	6,424
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**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	316
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	2,673
Reinsurance payables	**R0830**	30,691
Payables (trade, not insurance)	**R0840**	3,477
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	
Total liabilities	**R0900**	132,258
Excess of assets over liabilities	**R1000**	140,203

S.05.01 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		Total
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Casualty	Property	
		C0060	C0070	C0080	C0090	C0140	C0160	C0200
Premiums written								
Gross - Direct Business	R0110	174	13,362	61,973	30,300	-		105,808
Gross - Proportional reinsurance accepted	R0120	26	1,055	423	5,399	-		6,903
Gross - Non-proportional reinsurance accepted	R0130			-	-	2,695	1,264	3,960
Reinsurers' share	R0140	104	8,085	41,139	28,675	1,674	710	80,387
Net	R0200	96	6,331	21,257	7,024	1,021	555	36,284
Premiums earned								
Gross - Direct Business	R0210	20	8,832	41,747	24,212			74,811
Gross - Proportional reinsurance accepted	R0220	22	715	94	4,698			5,529
Gross - Non-proportional reinsurance accepted	R0230					2,129	487	2,616
Reinsurers' share	R0240	22	5,813	28,206	23,622	1,428	297	59,387
Net	R0300	20	3,734	13,635	5,288	701	191	23,569
Claims incurred								
Gross - Direct Business	R0310	12	14,188	29,159	7,263			50,622
Gross - Proportional reinsurance accepted	R0320	13	1,149	66	1,423			2,650
Gross - Non-proportional reinsurance accepted	R0330			-	-	1,483	783	2,266
Reinsurers' share	R0340	13	7,419	18,926	7,277	961	379	34,975
Net	R0400	11	7,918	10,299	1,409	522	404	20,563
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	704	2,744	2,367	66	42	5,928
Other expenses	R1200							
Total expenses	R1300							5,928

S.05.02 Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		GB	FR	LU	AU	KY	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	24,246	53,956	5,454	855	3,358	2,413	90,282
Gross - Proportional reinsurance accepted	R0120	10	936	0	2,774	0	0	3,719
Gross - Non-proportional reinsurance accepted	R0130	14	55	0	156	0	0	224
Reinsurers' share	R0140	13,331	39,124	4,667	3,027	2,340	2,066	64,554
Net	R0200	10,939	15,823	787	758	1,018	347	29,671
Premiums earned								
Gross - Direct Business	R0210	18,364	35,856	3,415	1,120	2,569	2,355	63,678
Gross - Proportional reinsurance accepted	R0220	9	708	0	2,318	0	0	3,035
Gross - Non-proportional reinsurance accepted	R0230	8	31	0	11	0	0	50
Reinsurers' share	R0240	10,744	26,613	2,922	2,652	1,927	2,017	46,874
Net	R0300	7,637	9,981	494	797	642	339	19,889
Claims incurred								
Gross - Direct Business	R0310	10,183	22,101	1,020	442	937	746	35,429
Gross - Proportional reinsurance accepted	R0320	5	326	0	700	0	0	1,031
Gross - Non-proportional reinsurance accepted	R0330	4	15	0	2	0	0	21
Reinsurers' share	R0340	4,053	13,568	866	905	584	634	20,611
Net	R0400	6,139	8,875	154	239	352	112	15,871
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	1,313	2,615	244	246	184	168	4,771
Other expenses	R1200							
Total expenses	R1300							4,771

EVEREST

S.17.01 Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance				Accepted non-proportional reinsurance		Total Non-Life obligation
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Non-proportional casualty reinsurance	Non-proportional property reinsurance	
		C0060	C0070	C0090	C0100	C0150	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 as a whole	**R0050**							
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	**R0060**	-20	3,977	19,050	-12,968	-232	-258	9,549
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-16	649	3,186	-2,212	-546	-167	894
Net Best Estimate of Premium Provisions	**R0150**	-4	3,328	15,864	-10,756	314	-91	8,655
Claims provisions								
Gross	**R0160**	8	16,740	40,571	19,949	1,683	177	79,129
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-4	5,746	20,811	15,299	640	-17	42,475
Net Best Estimate of Claims Provisions	**R0250**	12	10,994	19,760	4,649	1,044	194	36,653

S.17.01 Non-Life Technical Provisions (Cont'd)

Total Best estimate - gross	**R0260**	-12	20,717	59,620	6,981	1,451	-81	88,677
Total Best estimate - net	**R0270**	8	14,322	35,624	-6,106	1,357	103	45,308
Risk margin	**R0280**	7	1,072	3,069	2,004	230	42	6,424
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**	-5	21,789	62,689	8,985	1,682	-39	95,101
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	**R0330**	-20	6,395	23,997	13,087	94	-184	43,369
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	15	15,394	38,692	-4,102	1,588	145	51,732

S.19.01 Non-Life Claims Information

Accident year / Underwriting year	Z0020	Underwriting year [UWY]

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

		Development year										
	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											0
2011	R0160	0	0	0	0	0	0	0	0	0	0	
2012	R0170	0	0	0	0	0	0	0	0	0		
2013	R0180	0	0	0	0	0	0	0	0			
2014	R0190	0	0	0	0	0	0	0				
2015	R0200	0	0	0	0	0	0					
2016	R0210	0	0	0	0	0						
2017	R0220	0	0	0	0							
2018	R0230	0	3	592								
2019	R0240	5	107									
2020	R0250	70										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	0	0
	R0160	0	0
	R0170	0	0
	R0180	0	0
	R0190	0	0
	R0200	0	0
	R0210	0	0
	R0220	0	0
	R0230	592	595
	R0240	107	112
	R0250	70	70
Total	R0260	769	776

S.19.01 Non-Life Claims Information (Cont'd)

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											0	R0100	0
2011	R0160	0	0	0	0	0	0	0	0	0	0		R0160	0
2012	R0170	0	0	0	0	0	0	0	0	0			R0170	0
2013	R0180	0	0	0	0	0	0	0	0				R0180	0
2014	R0190	0	0	0	0	0	0	0					R0190	0
2015	R0200	0	0	0	0	0	0						R0200	0
2016	R0210	0	0	0	0	0							R0210	0
2017	R0220	0	596	892	926								R0220	935
2018	R0230	2,436	7,297	15,119									R0230	15,163
2019	R0240	6,671	28,051										R0240	27,850
2020	R0250	35,514											R0250	35,181
												Total	R0260	79,129

EVEREST

S.23.01 Own Funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	0	0		0	
Share premium account related to ordinary share capital	**R0030**	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	0	0		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Surplus funds	**R0070**	0	0			
Preference shares	**R0090**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Reconciliation reserve	**R0130**	-3,797	-3,797			
Subordinated liabilities	**R0140**	0		0	0	0
An amount equal to the value of net deferred tax assets	**R0160**	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	144,000	144,000	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0				
Deductions						
Deductions for participations in financial and credit institutions	**R0230**	0	0	0	0	0
Total basic own funds after deductions	**R0290**	140,203	140,203	0	0	0

EVEREST

S.23.01 Own Funds (Cont'd)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0			0	
Unpaid and uncalled preference shares callable on demand	**R0320**	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	0			0	0
Other ancillary own funds	**R0390**	0			0	0
Total ancillary own funds	**R0400**	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	140,203	140,203	0	0	0
Total available own funds to meet the MCR	**R0510**	140,203	140,203	0	0	
Total eligible own funds to meet the SCR	**R0540**	140,203	140,203	0	0	0
Total eligible own funds to meet the MCR	**R0550**	140,203	140,203	0	0	
SCR	**R0580**	61,981				
MCR	**R0600**	15,495				
Ratio of Eligible own funds to SCR	**R0620**	2.2620				
Ratio of Eligible own funds to MCR	**R0640**	9.0480				

S.23.01 Own Funds (Cont'd)

Reconciliation Reserve		C0060
Excess of assets over liabilities	R0700	140,203
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	144,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	-3,797

Expected Profits		
Expected profits included future premiums (EPIFP) – Life Business	R0770	0
Expected profits included future premiums (EPIFP) – Non-life Business	R0780	14,613
Total Expected profits included in future premiums	R0790	14,613

S.25.01 Solvency Capital Requirement

-		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	16,017	-	0
Counterparty default risk	R0020	22,360	-	
Life underwriting risk	R0030	0	0	0
Health underwriting risk	R0040	0	0	0
Non-life underwriting risk	R0050	36,340	0	0
Diversification	R0060	-16,753	-	-
Intangible asset risk	R0070	0	-	-
Basic Solvency Capital Requirement	R0100	57,963	-	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	4,018
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	61,981
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	61,981
Other information on SCR		-
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

S.28.01 Minimum Capital Requirement

		C0010
MCR_{NL} Result	R0010	9,605

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Marine, aviation and transport insurance and proportional reinsurance	R0070	8	96
Fire and other damage to property insurance and proportional reinsurance	R0080	14,322	6,321
General liability insurance and proportional reinsurance	R0090	35,624	21,267
Credit and suretyship insurance and proportional reinsurance	R0100	0	7,024
Non-proportional casualty reinsurance	R0150	1,357	1,021
Non-proportional property reinsurance	R0170	103	555

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070		
Linear MCR	R0300	9,605		
SCR	R0310	61,981	-	-
MCR cap	R0320	27,892		
MCR floor	R0330	15,495		
Combined MCR	R0340	15,495		
Absolute floor of the MCR	R0350	3,700		
-	-	C0070		
Minimum Capital Requirement	R0400	15,495		