Reliance National Insurance Company (Europe) Limited

Solvency and Financial Condition Report 2021

Date: April-2021

Contents

Table of Contents

Summary

This report forms part of the annual submission to the Prudential Regulatory Authority under the annual submission requirements of Solvency II. This report outlines the financial condition of Reliance National Insurance Company (Europe) Ltd ("RNICE" or the "Company"). All figures are as at 31 December 2021, unless otherwise stated. The Company changed its functional and presentation currency from US Dollars to Euro with effect from 1 January 2021. All prior year figures have been restated Euro.

Business and Performance

The principal activity of the Company is the run-off of general insurance business.

The Company has not written any new business since it voluntarily ceased underwriting on 15 January 2001. Its authorisation to write new and renewal business was withdrawn by the Financial Services Authority on 30 November 2001, at the Company's request. Following the completion of a Scheme of Arrangement in 2012, the remaining liabilities at that time were a small number of UK Employers' Liability policies.

On 21 November 2018 a portfolio of discontinued Medical Liability Insurance was transferred into the Company under Part VII of the Financial Services and Markets Act 2000 (the "Part VII Transfer"). This portfolio now represents substantially all of the Company's insurance liabilities. The portfolio was originally underwritten by QBE Insurance Europe Limited ("QIEL") between 2002 and 2013 and provided coverage to public and private hospitals and other healthcare institutions predominantly in Italy but also in Spain. Open claims primarily relate to policies which indemnify policyholders for compensation claims made against them alleging medical negligence which has caused bodily injury and other losses to claimants. The circumstances underlying each claim may be complex, and a high proportion of claims involve ongoing litigation between the claimants and the policyholder the outcome of which is difficult to predict. The portfolio was written on a claims-made basis with the last policy underwritten in 2013; it is unlikely therefore that any new valid claims will be made.

The Company's outstanding policyholder obligations consist of the following:

- An Italian medical liability portfolio consisting of approximately 600 open claims
- A Spanish medical liability portfolio consisting of approximately 20 open claims
- A small number of UK Employers' Liability policies underwritten between 1992 and 2001.

The Company is exposed to significant uncertainties about future events and conditions, principally relating to litigation outcomes on claims made against the Company's policyholders.

The Company has experienced a material deterioration in its financial position during 2021, primarily as a consequence of number of adverse litigation outcomes and a re-estimation of future claim costs which resulted in a strengthening of balance sheet provisions. As a consequence, it now has limited surplus assets available to absorb any further unanticipated adverse developments in its business and is in breach of its minimum regulatory capital requirements.

The Directors consider however that it is more likely than not that the Company will continue to be able to meet its contractual obligations in full to policyholders and its other creditors. The uncertainties referred to above and the extent to which the run-off of the Company's book is prolonged in settling policyholders' claims, particularly where those claims are the subject of litigation (with potentially adverse cost consequences) casts some doubt however, about its continued ability to do so.

During 2021 the Company implemented a remediation plan designed to reduce the uncertainty associated with its exposures and restore it to a more stable financial position. In addition to this the Company is exploring a number of options to address these risks and to facilitate the conclusion of the run-off in a solvent and orderly manner.

System of governance

The day-to-day operations of the business have been outsourced as follows:

- The Company's claims administration has been outsourced to Third Party Administrators ("TPA"), who also manage some lower value claims.
- The Company has outsourced all other operations, including supervision of the TPAs and management of high value or complex claims to a service provider (the "Service Provider") (see below).

During 2021 the service company outsourcing arrangement was transferred from Armour Risk Management Limited to Premia UK Services Company Limited ("Premia") through a novation of the existing management services agreement in place with Armour Risk Management Limited. A transition plan was successfully implemented to ensure business continuity, including the transfer of data, records, certain operational processes and systems, and a number of key staff. Premia assumed full responsibility for delivery of activities outsourced to the service company from 30 June 2021.

Whilst the Board retains ultimate ownership, it has delegated oversight responsibilities for risk management, capital modelling, financial reporting and expense management to the Board's Audit and Risk Committee ("ARC"). The role of the ARC is to constructively and independently challenge the activities of the service provider.

Management committees monitor performance and provide focused challenge on the Company's investments, credit control, and claims management. The actions of these committees are overseen by the ARC and summarised to the Board. The Service Provider reports to the Board at least quarterly on business performance against plan, operational matters, key risks, financial and investment matters, and claims.

This approach provides independent assurance to the Board about the capability of the business to achieve its objectives and management's ability to manage the business to achieve the overall business objectives.

Risk Profile

The Company has changed its functional and reporting currency during the year to Euro (EUR) from US Dollars (USD), as this represents the currency through which most transactions are conducted and reflects the currency of the primary source of risk.

SCR composition	€m	
Non-life insurance risk	17.8m	*86%*
Market risk	1.8m	*9%*
Counterparty default risk	1.4m	*7%*
Diversification	(1,9m)	*-9%*
Basic solvency requirement	19.1m	*92%*
Operational risk	1.6m	*8%*
Solvency capital requirement	**20.7m**	*100%*
Minimum capital requirement	**5.6m**	

Source: ART Form S.25.01.b

The Company's key risk is that claims and expenses are higher than the amounts assumed in the calculation of Technical Provisions (see Insurance Risk).

The Company has exposure to counterparty default risk, primarily from deductibles recoverable from policyholders (see Counterparty Default Risk).

The largest element of market risk relates to currency risk which arises from net exposures to assets and liabilities denominated in US dollars (USD) and in Pounds Sterling (GBP). The Company previously held surplus assets in USD, however a decision was taken during the Q4 2021 to transfer USD assets into EUR. The final element of USD assets was transferred into EUR in January 2022. The Company also accepts some spread risk and concentration risk in order to increase expected investment returns. (see Market Risk)

Valuation for Solvency Purposes

Net Solvency II Technical Provisions including risk margin were €56.1m (2020: €58.8m). They are valued using standard actuarial techniques based on historic claims.

Other assets and liabilities primarily consisted of holdings of investment grade government and corporate bonds. Assets required to match liabilities are held in EUR and GBP with respect to the technical provisions. GBP assets match the element of expenses within the technical provisions which are expected to be incurred in this currency.

The Company has not taken advantage of any transitional provisions or used a volatility or matching adjustment.

Capital Management

The Solvency position is summarised as follows:

EUR (€)	**Dec-2021**	**Dec-2020**
Solvency Capital Requirement (SCR)	20.7m	22.5m
Minimum Capital Requirement (MCR)	5.6m	5.7m
Own Funds	3.2m	26.8m
SCR coverage ratio	16%	**119%**
MCR coverage ratio	59%	**468%**

All Own Funds are eligible Tier 1 and consist of paid in share capital, capital contributions and retained earnings. There are currently no dividends awaiting regulatory approval.

The Company notified the PRA it was in breach of its SCR in July 2021. Following a review of its exposures, including an independent actuarial and claims review, the Company re-estimated its provisions for future claim costs at 31 December 2021 and determined that it is also in breach of its MCR.

A remediation plan was developed and implemented in the second half of 2021 which is intended to restore the Company to a more stable financial position. This plan includes proactively seeking to accelerate settlement of claims and thereby reduce the risk and costs associated with these exposures.

A. Business and Performance

A1. Business

Reliance National Insurance Company (Europe) Limited is an insurance company limited by shares incorporated in the UK.

The address of its registered office is:
The Minster Building
Mincing Lane
London
EC3R 7AG

The financial and conduct supervisors of the Company are:
Prudential Regulation Authority,
20 Moorgate,
London,
EC2R 6DA

Financial Conduct Authority,
12 Endeavour Square,
London,
E20 1JN

The approved auditors of the Company are:
Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

Below shows company ownership as at 31 December 2020:

Name	% overall holding
ILS Property & Casualty Re Limited (Owner)	100%

On 21 November 2018 a portfolio of discontinued Medical Liability Insurance was transferred into the Company under Part VII of the Financial Services and Markets Act 2000 (the “Part VII Transfer”). This portfolio now represents substantially all of the Company’s insurance liabilities. The policies transferred provided coverage to public and private hospitals and other healthcare institutions predominantly in Italy but also in Spain. The portfolio was originally underwritten by QBE. Between 2002 and 2009 the Italian and Spanish Medical Liability business, which was underwritten on a claims-made basis, was underwritten by QBE from the UK, while between 2009 and 2013 it was underwritten by QBE’s Italian and Spanish branches.

Open claims primarily relate to policies which indemnify policyholders for compensation claims made against them alleging medical negligence which has caused bodily injury and other losses to claimants. The circumstances underlying each claim may be complex, and a high proportion of claims involve ongoing litigation between the claimants and the policyholder the outcome of which is difficult to predict. As the portfolio was written on a claims-made basis with the last policy underwritten in 2013 it is unlikely that any new valid claims will be made.

The UK Employers Liability insurance was underwritten in the UK between 1992 and 2001.

Net Best Estimate Technical Provisions (€)	Dec-2021	Dec-2020
Italian and Spanish Medical Liability	53.9m	55.6m
UK Employers Liability*	0.1m	0.1m
Total*	**53.9m**	**55.6m**

*rounded to the nearest €100,000
Source: ART Form S.17.01 & LOB analysis , excluding risk margin

Objectives and strategies

The Company breached both its SCR and MCR during 2021. The remediation plan which has been implemented is anticipated to restore the Company's compliance with its MCR during 2022, however the restoration of the Company's solvency above its SCR is unlikely within this timeframe. In addition to this the Company is exploring a number of options to address the current position and to facilitate the conclusion of the run-off in a solvent and orderly manner.

The Company's strategic objective continues to be the orderly run-off of the remaining books of business, settling claims as they become due. The Company will continue to progress the remediation plan developed and implemented in 2021 with respect to Italian medical liability claims, including seeking to reduce litigation risk through a proactive settlement strategy, maximising contributions from third parties who may be liable to contribute in respect of underlying claims and maximising recoveries from claimants following successful appeals which overturn previously enforced verdicts. The Company will also continue the orderly run off of the Spanish medical liability claims albeit there are now only a very small number of claims remaining.

The Company's small residual UK Employers' Liability business continues to be run off. The Company considers the possibility of any significant impact on the Company's solvency arising from this exposure to be extremely low based on historical experience.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company does not have any related undertakings or permanent employees.

A2. Underwriting Performance

The UK GAAP Technical Account results for 2021 and 2020 were as follows:

Technical Account (€m)	Dec-2021	Dec-2020
Net claims paid	(26.7m)	(11.2m)
Net change in the provision for claims	2.9m	(6.4m)
Net operating expenses	(2.0m)	(1.5m)
Balance on technical account for general business	(25.8m)	(19.1m)

Source: 2021 Report & Accounts

The underwriting loss of €25.8m was driven by deterioration in Italian and Spanish Medical Liability claims. This deterioration was due to a number of adverse litigation outcomes which exceeded provisions held in respect of these claims and a re-estimation of future claim costs which resulted in a strengthening of balance sheet provisions.

Net claims paid of €26.7m (2020: €11.2m) increased significantly year on year, reflecting the impact of the accelerated claims settlement strategy that was implemented in the second half of 2021.

A3. Investment Performance

All funds are held as investment grade bonds and bank deposits broadly matched to the Company's liability profile by duration and currency.

Investment gains (€m)	Dec-2021	Dec-2020
Total investment income	**(0.2m)**	**0.7m**

Source: 2021 Report & Accounts

The Company has shifted surplus assets into EUR during the year, with final element of USD asset being transferred to EUR in January 2022 in order to reduce currency risk for its stakeholders.

Investment performance reduced during the year primarily caused by low and negative interest rates on EUR assets and an overall reduction in investable assets due to claims payments.

All investment gains and expenses are recognised through the Profit and Loss Account.

A4. Performance of other activities

Other items (€m)	Dec-2021	Dec-2020
Foreign exchange on monetary assets	2.0m	(4.3m)
Other income	-	0.2m
Total other items	**2.0m**	**(4.1m)**

Source: 2021 Report & Accounts

A5. Any other information

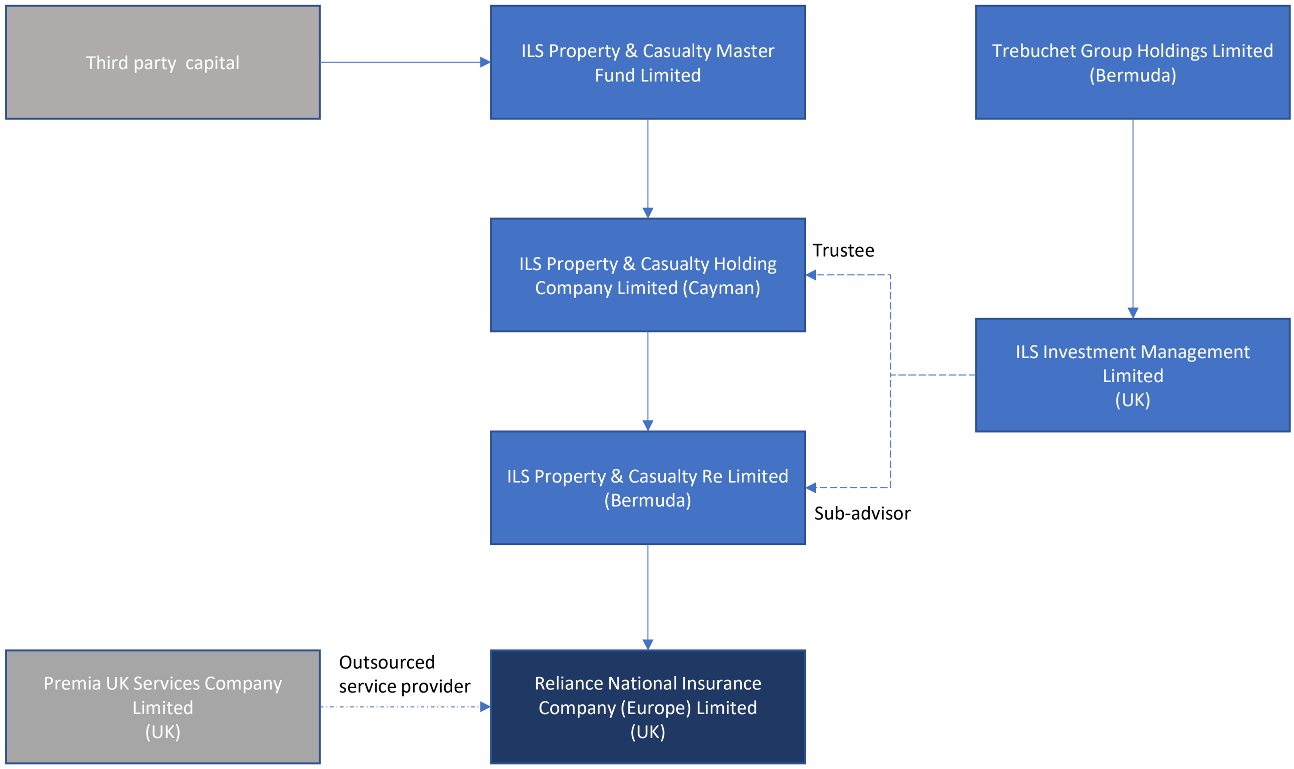
There is no other material information to report.

B. System of governance

B1. General information on the system of governance

RNICE has established a sound and effective corporate governance framework that is appropriate to the size, nature, complexity, and risk profile of the Company. The Company does not have any employees and outsources the majority of its administrative functions to Premia.

The governance structure presented below reflects the position as at 31 December 2021:



The Board is responsible for ensuring that proper systems and risk management oversight continue to be in place for the Company and that regulatory standards for compliance and governance are adhered to. As at 31 December 2021 the Board of Directors includes one independent Non-Executive Director (iNED), an acting Executive Chairman, an acting Chief Risk Officer Director and two Non-Executive Directors (NEDs). Collectively, the RNICE Board delivers an appropriate balance of knowledge, experience, skills, and independent challenge.

The Board receives quarterly updates from an Investment Committee, Credit Committee, Claims Committee and Audit and Risk Committee in order to assist it in the effective discharge of its duties, although it continues to retain ultimate responsibility.

The Board's oversight responsibilities include:

- Developing high-level strategy and objectives;
- Reviewing and approving business plans and budgets;
- Confirming that corporate governance policies and practices are developed and applied in a sound and prudent manner;
- Ensuring that the Company is effectively directed and managed;
- Ensuring that its activities are conducted with due care, skill and integrity;
- Ensuring sufficient capital is held to maintain the Company's ongoing solvency;

- Providing oversight of the risk management framework, including setting the Company's risk appetite and tolerance statements;
- Appointing senior executives;
- Approving the financial statements;
- Setting and overseeing the effectiveness of the Company's governance structure and internal control system;
- Reviewing and approving significant policies and procedures; and
- Reviewing and approving arrangements with the Service Provider and ensuring it adheres to the above Risk Management Framework.

The Board meets at least quarterly, or as is needed, and carries out its duties within established terms of reference. It is provided with accurate, appropriate and timely information that enables it to monitor and review key areas, including Company performance and key risks to which it is exposed. The Company is structured to operate in alignment with a Three Lines of Defence model, ensuring appropriate segregation of roles and responsibilities across the Company, including its outsourced functions. This segregation applies across all business functions meaning multiple layers of review take place within each business function, and between committees and the Board.

The **Audit and Risk Committee** ("ARC") of the board is chaired by the independent non-executive director and also includes the Acting Executive Chairman and Chief Risk Officer. The ARC meets at least quarterly and in practice more frequently. It provides independent oversight of the Company's risk management, capital management and audit activities. In addition to constructively and independently challenging the activities of the Service Provider its key responsibilities include:

- oversight of current and future risk exposures, including the determination and monitoring of actual exposures against risk appetite and tolerance;
- providing guidance on the implementation of the risk management framework;
- reviewing and where necessary recommending for approval to the Board, all relevant financial statements and regulatory returns
- ensuring the maintenance of sufficient economic and regulatory capital and allocation of capital;
- promoting a risk aware culture;
- oversight of the effectiveness of internal controls and the performance of the outsourced internal and external audit functions

In addition to the Board and ARC, management committees have been established by the Service Provider including:

- **Finance and Investment Committee** – meeting at least quarterly, providing oversight of the performance and management of the Company's investment portfolio and review of expense management and overall financial performance. Key responsibilities include monitoring and forecasting financial performance, review of actual and forecast solvency, review of balance sheet composition, development and maintenance of an appropriate investment strategy; monitoring of the investment strategy, asset allocation and value of invested assets; monitoring the performance of the investment manager.

- **Claims Committee –** meeting monthly, reviewing claims settlement strategy and performance, and providing oversight of the claims handling process and development trends, including movements in reportable claim values and handling of large claims. The Committee also provides oversight of the current debt exposures for claims (i.e. in relation to recoveries due from policyholders in respect of deductibles) and reinsurance claims.

B2. Fit and Proper requirements

The Company does not employ any staff other than directors, with its principal functions being outsourced. Therefore, personnel arrangements are managed on its behalf by the Human Resources function of the

Service Provider, which, in consultation with the Company sets the minimum standards for the appointment and promotion of individuals. The Company ensures that Board members and senior executives are fit and proper to discharge their responsibilities in accordance with the following definitions:

- **Fit** – their professional qualifications, knowledge and experience are adequate to enable sound and prudent management of the Company's activities. An assessment of whether an individual is 'fit' involves an evaluation of their professional qualifications, knowledge and experience to ensure they are appropriate for the role. It also demonstrates whether the person has exercised due skill, care, diligence, integrity, and compliance with relevant standards applicable to the area or sector in which the individual has worked.

- **Proper** – whether a person is of good repute and integrity. An assessment of whether a person is 'proper' includes an evaluation of their honesty, reputation and financial soundness. This includes, if relevant, criminal convictions or disciplinary offences.

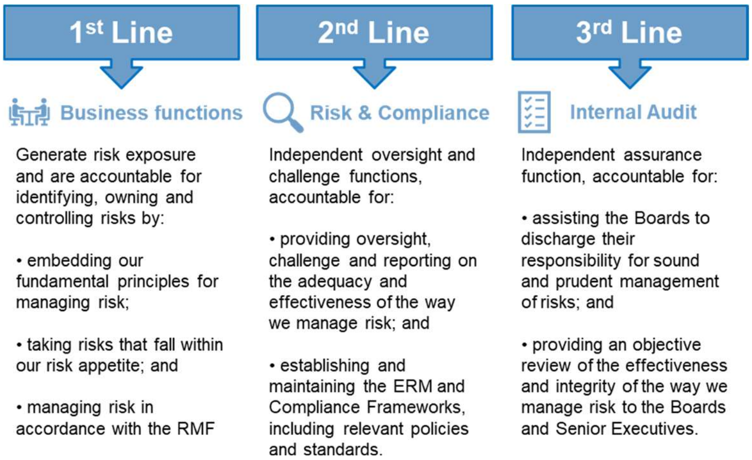
The Company's Fit and Proper Policy covers the initial and ongoing procedures to be applied in order to confirm that the relevant individuals meet the specified Fit and Proper requirements, together with relevant regulatory notification and reporting responsibilities. The following table provides details on which individuals are covered by this Fit and Proper policy and the assessment requirements that relate to them.

Individual's Status	Description	Assessment Process
Senior Manager Function	PRA and FCA SMFs	SMFs subject to PRA and FCA approval Firm to assess ongoing fitness and propriety.
Key Function Holder not performing a PRA or FCA SMF	Individuals responsible for a key function	Firm to assess initial fitness and propriety and make a notification to the regulators. PRA supervise assessments on an ex-post basis. Firm to assess ongoing fitness and propriety.
Persons "performing a key function"	Individuals employed in a key function but not the key function holder.	Firm to assess initial fitness and propriety and on an ongoing basis.
Certified Persons	Those classified as holding a certification role and therefore being subject to the Certification Regime requirements.	Firm is responsible for identifying those persons who hold a certification role and for completing an annual certification for each of them. Firm to notify the Regulators of all Certified Persons.
All other staff	n/a	Internal HR processes to ensure performance

B3. Risk Management System

RNICE has established, and maintains, a strong and effective Enterprise Risk Management Framework ("ERMFW" or "the Risk Framework"). The Risk Framework supports the execution of the Company's strategic objectives and business plan, allowing an appropriate understanding of the nature and significance of the enterprise-wide risks to which the Company is exposed. This includes assessing the sensitivity to those risks and the ability to identify, assess, control and mitigate these.

Risk governance is a key component of the Company's overall Risk Framework, providing for clear roles and responsibilities in the oversight and management of risk. Moreover, it provides structure to the reporting and escalation of risk and control issues across the Company. RNICE adopts a "Three Lines of Defence" approach to managing and mitigating risk events:



The Risk Framework is built on three core pillars:

- Strategic planning;
- Risk appetite; and
- Capital management.

Strategic planning

Strategic planning is key to the development and achievement of the Company's objectives. It considers factors such as prospective opportunities, market conditions, the profitable development of reserves, the objectives of the Company, financial targets, and risk appetites.

Risk appetite

The Company's Risk Appetite Statements (RASs or "the statements") set out the nature and level of risk it is willing to take in pursuit of organisational objectives. The RASs are used to support risk-based decision making by clearly defining appetite i.e. the maximum level of risk the Company wishes to take, and its risk tolerances.

The statements are formally reviewed annually to ensure they reflect any changes to strategic objectives, and to the internal and external environment. The Board remain responsible for the review, challenge, and adoption of the risk appetite framework.

The core objective of RNICE is to pay liabilities as they become due while meeting regulatory requirements. It does this by seeking to maintain a capital level that is well in excess of assessed liabilities in order to absorb reasonably foreseeable fluctuations in the amounts required.

The Company needs to hold capital in line with the Solvency Capital Requirement (SCR) according to Solvency II requirements. In addition, the company sets a target risk appetite capital buffer above the SCR. This is monitored by the board and informs the company's approach to capital management, including ensuring that the Company continues to offer a prudent level of policyholder protection.

As a consequence of the material adverse results experienced in 2021 the Company notified the PRA it was in breach of its Solvency Capital Requirement ("SCR") in July 2021. Following a review of its exposures, including an independent actuarial and claims review, the Company re-estimated its provisions for future claim costs at 31 December 2021 and determined that it was also in breach of its Minimum Capital Requirement ("MCR").

A remediation plan was implemented in 2021 which is anticipated to restore the Company's compliance with its MCR during 2022. However, the restoration of the Company's solvency above its SCR and internal target capital is unlikely within this timeframe.

Capital management

The objective of capital management is to ensure the Company manages and maintains adequate levels of capital to achieve a balance between elements of strategic planning and risk appetite. As the portfolios of insurance business run-off, the liabilities and risk margin of the Company should reduce over time, meaning Own Funds should increase above the target SCR risk appetite threshold.

The Board monitors the ratio of Own Funds against target risk appetite capital. In the event Own Funds falls below target risk appetite the Board will evaluate options available to remediate this circumstance. In the event Own Funds exceeds target risk appetite, the Board may choose to apply to the Prudential Regulatory Authority ("PRA") for non-objection to a dividend remittance. Any dividend paid will reduce Own Funds to a point not below the agreed SCR thresholds as set out in the Risk Appetite Framework

The Solvency II Standard Formula is used to determine the SCR of the Company. Notwithstanding the recognised shortcomings of the Standard Formula, it is believed this approach provides a reasonable and objective approach to measuring and ranking material risks.

Risk register

The risk register summarises the overall risk profile of the Company and is broader in application than the capital-based risk profile produced by the Solvency II Standard Formula. RNICE monitors risk against the following risk categories:

- Strategic risk
- Insurance risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk
- Group risk

Risk owners are required to assess the inherent and residual risk position using standardised assessment ratings. Each Risk Owner has the responsibility to identify and assess design and performance of key controls that are in place to mitigate the impact and probability of each risk event occurring. Ineffective controls are identified for improvement, and the Board receive regular reports on the completion of control improvement activities.

The results of the assessment are subject to regular review by the Audit and Risk Committee with escalation to the Board as appropriate.

Own risk and solvency assessment (ORSA)

The Own Risk and Solvency Assessment ("ORSA") provides a process for the assessment of all the risks inherent to the Company's business, in the context of its overall business strategy, to determine its corresponding capital needs. An ORSA is a company's own assessment of the risks faced, the operation of the RMF, its capital requirements and how these are met.

RNICE adopts the definition of the ORSA to be the entirety of the processes and procedures employed to identify, assess, control, manage, and report the short and long term risks it faces or may face and to determine the assets necessary to ensure that the undertaking's overall capital needs (solvency and economic) are met at all times.

The ORSA:

- Considers all aspects of a company and as a result of this, all material risks with additional scrutiny in place for key risks to the business identified by the Board;
- Focusses on the Company's overall solvency needs taking into account the specific risk profile, approved risk tolerance limits and business strategy;
- Assesses on a continuous basis the compliance with the SCR, MCR, and the requirements regarding Technical Provisions;
- Assesses the significance with which the risk profile of the Company deviates from the assumptions underlying the SCR calculated with the standard formula;
- Is aligned with the Company's strategic direction, receiving regular input from the Board regarding progress against strategic initiatives;
- Is forward-looking, considering the business performance, strategy, and projections;
- Will evolve in line with movements in both the strategy and risk profile of the Company;
- Is an output of a series of activities making up the RMF; and
- Production is supported by a consistent approach to capturing data on a timely and accurate basis.

The ORSA is created and collated by the Risk Management Function in accordance with the RMF and reported to and challenged by the ARC and the Boards.

The ORSA process ensures that the Board will be provided with the relevant risk and capital information they require and at an appropriate frequency, to enable them to act in the best interest of their stakeholders.

Stress and scenario testing is used to provide insights into the strength of the balance sheet and assess future potential solvency positions. The CRO function holder maintains operational responsibility for reviewing the ORSA process and delivering ORSA reports to the Board.

The ultimate responsibility for the ORSA rests with the Board, who review and approve the results of the ORSA process at least annually and is used as an input by the Board in making strategic decisions such as setting the Company's capital management policy and deciding on risk mitigation actions to be undertaken.

Based on the risk profile, the standard formula is used to determine capital requirements necessary to cover a 1-in-200-year loss over a one-year basis. The Company does not have a regular income stream the way a standard general insurer would and so also sets its own forward-looking view of capital needs, the Economic Capital Requirement (ECR), to reflect the likely capital needed for the complete run-off of liabilities to the last claim's payment.

The Company sets aside capital to cover its quantifiable risks in accordance with its capitalisation policy. The risk-based capitalisation position of the Company is monitored on a frequent basis by the Company's CRO and CFO function holders against target capital with a number of options if risk and capital develop out of pre-defined control ranges. The plan is stressed by scenarios within the ORSA process and mitigations considered to ensure that the calculated target capital still holds under those scenarios.

The Board are receiving regular updates on the key risks that may have a material impact on the capital position.

B4. Internal Control

The Company's Internal Control Framework seeks to mitigate risks, protect policyholders, and limit the likelihood of losses or other adverse outcomes, as well as providing a framework for the overall management and oversight of the business.

Controls take different forms, including but are not limited to:

- Policies and procedures
- Approvals and authorisations
- Authority limits
- Management reporting
- Reconciliations and verifications
- Peer reviews

Key controls are captured within the risk register and assessed as part of the risk and control assessment process. Internal and external auditors play a key role in the oversight and assessment of the overall control environment. Findings from audits are shared with and discussed at the Audit and Risk Committee (as set out below), and contribute to risk assessment and solvency self-assessment processes.

The RNICE internal control system is a critical component of the safe and sound operation of the Company, and comprises a coherent, comprehensive and continuous set of mechanisms designed to ensure:

- The Company operates effectively and efficiently, and within agreed risk tolerances, as it pursues its strategic objectives;
- Availability, reliability and security, of financial and non-financial data; and
- Compliance with applicable laws, regulations and administrative processes.

The Board remain responsible for, and have assumed ownership of, the internal controls system. They set the "tone at the top" for integrity and ethics, promoting a positive control environment.

B5. Internal Audit Function

The Internal Audit function is in place to provide risk-based, independent and objective assurance, advice, and insight to the RNICE Board. It is an independent assurance function within the third line of defence, providing the Board and Audit and Risk Committee with independent and objective assurance, and value adding insight on the effectiveness and efficiency of governance, risk management, and internal control processes.

It has unfettered access to all areas of the Company, including the Board, so as to effectively carry out its duties. Internal Audit is overseen by the Audit and Risk Committee which approves an annual internal audit plan. Findings and action points arising from each review are discussed with the relevant business areas and reported to the Audit and Risk Committee.

The internal audit function was historically performed by a function within the previous service provider, however the Company is in the process of transitioning to an outsourced provider.

B6. Actuarial Function

The Actuarial function is outsourced the Service Provider and subsequently carried out by a Fellow of the Institute and Faculty of Actuaries (FIA). The work is supervised, and peer reviewed by the Chief Risk Officer, also an FIA.

The work carried out includes:

- Quarterly and annual Solvency calculations
- Annual Reserve review
- Quarterly reserve monitoring process
- Production of the Actuarial Function Report

The Chief Actuarial Officer provides oversight of all actuarial activity, ensuring that relevant standards are met, while also supporting strategic projects and providing guidance to the Board. The Chief Actuary is regularly in attendance at Board and ARC meetings.

Each of these activities is undertaken at least annually, but also on an "as and when required" basis to support the business and its decision-making processes.

B7. Outsourcing

Oversight of the Company's key outsourcing relationship with the Service Provider is managed in accordance with the Company's Third- Party Service Agreement which is subject to review and approval by the Company's Board and contains detailed requirements regarding:

- Relationship management
- Due diligence and third-party selection
- Contract negotiation
- Service levels and ongoing monitoring thereof
- Compensation arrangements
- Termination
- Oversight and accountability
- Documentation and reporting
- Independent review requirements

The Service Provider delivers a quarterly report providing the following:

- Statutory reporting, prepared in accordance with Solvency II regulation;
- A written management report, benchmarked against the strategy and service agreement as determined and agreed by the Board of Directors of the Company and the Service Provider;
- Any movement in assets or liabilities that negatively affects the statutory capital of the Company by more than 5% is to be reported to the Board of Directors of the Company immediately;
- Service Provider representatives and managers attend the quarterly Board meetings to provide a verbal report and answer any question the Board of Directors may have;
- At all times the Service Provider will co-operate with the internal audit team and implement all reasonable requests immediately.

In addition, responsibility for specific Outsourced functions has been delegated to key function holders in the Service Provider. The outsourced functions are subject to both internal and external audit scrutiny. The auditors' findings are reported directly to the Audit and Risk Committee.

The key functions outsourced to the Service Provider are:

- Actuarial & Claims
- Finance
- Risk
- Compliance
- Internal Audit
- Operations

B8. Any other information

There is no other material information to report.

C. Risk Profile

This section describes the key risks that the Company is exposed to. The Standard Formula is used to aid the quantification and ranking risks, in addition to calculating the SCR. The following table shows the contribution each risk type is making to the overall SCR:

SCR composition	€m	
Non-life insurance risk	17.8m	*86%*
Market risk	1.8m	*9%*
Counterparty default risk	1.4m	*7%*
Diversification	(1.9m)	*-9%*
Basic solvency requirement	19.1m	*92%*
Operational risk	1.6m	*8%*
Solvency capital requirement	**20.7m**	*100%*
Minimum capital requirement	**5.6m**	

Source: ART Form S.25.01.b

C1. Insurance Risk

Insurance Risk under Solvency II is derived through a combination of risk associated with the earned and unearned business. However, Insurance Risk within RNICE is simply Reserving Risk, as the last claims made policies were underwritten in 2013.

Reserve risk arises from the inherent uncertainty surrounding the on-going adequacy of the reserves or technical provisions that have been set aside to cover insurance liabilities. The key risk is that current reserves (including incurred but not reported (IBNR) reserves) are not sufficient to cover the run-off of the claims that have already occurred. The main contributor to reserve risk in RNICE is the Italian Medical Liability portfolio. Estimates of future claim costs are highly sensitive to a number of different assumptions including future litigation outcomes, the ability of the Company to enforce coverage exclusions on claims made outside the policy notification period, changes in compensation costs awarded by courts, the impact of future inflation, and the length of time and hence expense required to complete the run-off of the Company's insurance liabilities.

The Medical Liability Insurance was written on a claims made basis, with underwriting having ceased in 2013, meaning the portfolio is mature and new valid claims are considered very unlikely. On occasion, a new valid claim may be notified for example, where a policyholder has been managing the claim internally but determines that there is a risk an existing claim could exceed their Self-Insured Retention. However, experience to date means that the cost of these claims is expected to be low.

The portfolio benefits from a combination of deductibles (both each and every loss and aggregate) and reinsurance which mitigate its insurance risk:

- Deductibles account for c.35% of from the ground up ("FGU") claims, with c.30% of notified claims by number not expected to breach deductible. It is anticipated that these ratios would decline in the event of unanticipated adverse development, as individual claims to which the Company currently has no indemnity exposure could breach the applicable deductible, and the Company would receive no further benefit in the event of deterioration on claims which are already in excess of the applicable deductible.
- Reinsurance consists of excess of loss policies which protect large claims arising on certain individual policyholders and hospitals, most commonly with a limit of €4m excess €1m, which offers good protection for relevant claims. The current reinsurance Best Estimate value is €0.2m (2020: €0.0m) and there were no reinsurance receivables to collect at the year end. In the event of a significant

increase in gross claims, reinsurance could absorb some of the additional losses however, because the reinsurance is specific to certain hospitals and years of account this is thought unlikely to have a material mitigating effect.

Reserve risk exposure is managed by the Actuarial Function and through defined reserving practices. A number of controls are in place to ensure that reserving processes continue to be effective and that essential reserving data is complete and appropriate.

There has been material adverse claims development during the year. This has been reflected in the year end reserve evaluation. An independent review of claims and reserving was also performed which validated the methods and assumptions used to estimate year end reserves. It is considered that the assumptions made in estimating claims reserves within the financial statements are prudent and are as likely to result in future savings as they are in future deteriorations. Notwithstanding this, there continues to be material uncertainty in the Company's estimates of future claim costs and the Company will continue to closely monitor claim settlement activity for any indications of revised trends.

The Company's approach to reserving is described in its Reserving Review report, which is updated annually. In addition, Actual versus Expected Analyses ("AvE") are performed on a quarterly basis. The Actuarial Function meets with Claims Managers on a regular basis in order to understand claims developments and their causes. The Audit and Risk Committee, and the Board, receive regular updates on material movements and development trends.

C2. Market Risk

Market risk composition	€000s	
Interest rate risk	45	*3%*
Spread risk	395	*22%*
Concentration risk	809	*46%*
FX risk	1,406	*80%*
Diversification	(889)	*-50%*
Market risk	**1,765**	*100%*

Source: ART Form S.26.01

Market risk is actively monitored and managed through the Finance and Investment Committee and makes regular reports to the ARC and board. Investment guidelines are in place to ensure investments remain within risk appetite.

Currency Risk

Currency Risk arises where there is a mismatch between assets and liabilities by currency. The Company's liabilities are primarily denominated in EUR. Hence, the Company is holding EUR cash balances and bonds with a similar value. In addition to the Company's exposure to EUR denominated claims and claim costs, the Company has GBP denominated costs, primarily relating to administration and other corporate costs such as audit fees. The value of liabilities is subject to change, so asset liability matching is actively undertaken.

The Company's risks primarily arise from its EUR denominated claims exposures. Given the fall in the value of surplus assets during the year it is considered unlikely that the Company will be in a position to pay a dividend in the foreseeable future. Therefore a decision was taken during 2021 to change the Company's functional currency to EUR (previously USD) and transfer all its surplus assets into EUR – these assets had previously been held in USD as this is the functional currency of the shareholder. The transfer from USD to EUR has been made in stages as underlying investments mature, with the final tranche of USD denominated assets being converted into EUR in January 2022, after the balance sheet reporting date. As a consequence currency risk is the largest contributor of overall market risk, however the currency risk of the Company had been substantially eliminated by the end of January 2022.

Other elements of market risk

The Company is exposed to risks arising from changes in the value of its corporate bond holdings due to changes in market perceptions of their credit worthiness. This risk is managed through application of credit quality guidelines in the investment process.

The Company is also exposed to the risk that an individual issuer of securities may default on its obligations. This risk is managed through limits placed on exposure to any individual issuer which are contained in the investment guidelines.

Interest Rate Risk arises from a mismatch between assets and liabilities by duration or currency. Under Solvency II, Technical Provisions are discounted using EIOPA yield curves. Hence a change in the yield curve will lead to a change in the value of these provisions, which could lead to a loss or gain for the Company. At present this risk is relatively low due to the short to medium term duration of the Company's liabilities and the low level of interest rates. The Company aims to purchase assets with similar durations to liabilities in order to mitigate this risk.

Prudent Person Principle

The Solvency II regulations require insurers to invest their assets in accordance with the Prudent Person Principle. The Company's attitude to investment risk is described in its Risk Appetite Statement, which also sets out the associated Risk Tolerances. The Risk Tolerances, in turn, inform the Investment Guidelines. Together these specify the allowable types of investment activity and the limits on specific investments and classes of investment. The Finance and Investment Committee monitors ongoing compliance with these tolerances and is made aware of any technical or actual breaches.

C3. Counterparty default risk

Counterparty Default Risk encompasses deductibles due from the Company's insureds, cash at bank, debts due from reinsurers, trade debtors, and funds held by outsourced service providers. The largest components of this risk is deductibles paid in full, then recovered from Italian hospitals

Counterparty default risk on the existing net outstanding deductible asset is calculated under the Standard Formula. The hospitals have been treated as Type 2 as the exposure is diversified between hospitals where credit ratings are not readily available. However, the large majority of hospitals are state backed, so credit quality is deemed acceptable.

In addition to the outstanding deductibles for claims that have already been paid, there are also deductible reserves on claims that have yet to be paid. Hence there is also potential credit risk on these balances. Credit risk exposures, and risk tolerances, are monitored and managed by the Claims Committee.

Excess of loss insurance on the Medical Liability portfolio is placed with 'AA' rated reinsurers and considered very secure.

C4. Liquidity Risk

Liquidity Risk is the risk that cash is not available to settle liabilities as they fall due. In addition to reputational damage it may lead to additional costs such borrowing costs or distressed asset sales.

At present all assets are held in investment grade marketable bonds and cash. 90% of investment assets are due in less than 1 year, so Liquidity Risk in not considered material.

C5. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This risk is mitigated by the robust governance model the Company has in place, and contractual agreements with the Service Provider. The operations of the Service Provider have been established in a manner designed to ensure operational risk is controlled and meets the high regulatory standards in place, for example, with respect to cyber risks. The Company has implemented a project to meet enhanced regulatory expectations with respect to operational resilience which have come into force in 2022. The Company's capital requirements also include an allowance for Operational Risk.

C6. Other material risks

Regulatory and legal risk

Regulatory and legal risk is the risk arising from not complying with regulatory and legal requirements. The operations of the Company are subject to legal and regulatory requirements within the jurisdictions in which it operates. The Compliance function is responsible for ensuring that these requirements are adhered to.

Group risk

Group risk occurs where business units fail to consider the impact of their activities on other parts of a group, as well as the risks arising from these activities. The Company's exposure to group risk has been significantly reduced following the transfer of the Service Provider responsibility from Armour Risk Management, which was connected with the owner of the Company, to Premia UK Services Limited, which is unconnected.

C7. Any other information

There is no other material information to report.

D. Valuation for Solvency Purposes

Comparisons of the UK GAAP and Solvency II balance sheets is summarised in the following table:

	2021			2020		
Balance Sheet Comparison €m	**Solvency II value**	**Statutory accounts value**	**Difference**	**Solvency II value**	**Statutory accounts value**	**Difference**
Assets						
Investments	44.4m	44.2m	0.2m	72.5m	72.3m	0.2m
Reinsurance recoverables	0.2m	0.2m	0.0m	0.0m	0.0m	0.0m
Debtor balances	3.2m	3.2m	-	2.9m	2.9m	-
Cash and cash equivalents	14.1m	14.1m	-	11.4m	11.4m	-
Accrued income	-	0.2m	(0.2m)	-	0.2m	(0.2m)
Total assets	**61.9m**	**61.9**	**0.0m**	**86.7m**	**86.7m**	**0.0m**
Liabilities						
Technical provisions	56.1m	52.1m	4.0m	58.8m	54.5m	4.3m
- Best Estimate	54.2m	n/a	n/a	55.6m	n/a	n/a
- Risk margin*	2.0m	n/a	n/a	3.1m	n/a	n/a
Insurance & intermediaries payables	1.3m	1.3m	-	0.2m	0.2m	-
Any other liabilities, not elsewhere shown	1.3m	1.3m		0.7m	0.7m	-
Total liabilities	**58.7m**	**54.7m**	**4.0m**	**59.8m**	**55.5m**	**4.3m**
Excess of assets over liabilities	**3.2m**	**7.2m**	**(4.0m)**	**26.9m**	**31.1m**	**(4.3m)**

Source: ART Form S.02.01.b *The Company has elected to use Method 2 for the calculation of the Risk Margin

Own Funds are equal to excess of assets over liabilities on a Solvency II basis and consist of Tier 1 paid share capital and the reconciliation reserve.

A qualitative description of the reasons for differences between UK GAAP and Solvency II is set out at section D.1 (assets), D.2 (technical provisions) and D.3 (liabilities other than technical provisions).

D1. Assets

The assets in the Company are either cash or receivables and therefore valuation of these amounts under Solvency II has been taken to be the values under the local reporting requirements.

Cash and cash equivalents balances are valued at their nominal value.

Other assets are generally held at their nominal value and recognised when they fall due. However, they also include deductibles due from policyholders. For these, a bad debt provision has been netted off against their nominal value.

There has been no change to the valuation and recognition basis during the year.

D2. Technical Provisions

The Company has determined the technical provisions as per the EIOPA guidance as the discounted best estimate of reserves plus a risk margin.

Solvency II technical provisions by material line of business

The technical provisions are primarily for direct Italian Medical Liability policies, which are classified as General Liability under Solvency II. Other lines of business are immaterial by comparison:

Net Best Estimate Technical Provisions (€m)	Dec-2021	Dec-2020
Italian and Spanish Medical Liability	53.9m	55.6m
UK Employers Liability*	0.1m	0.1m
Total*	**53.9m**	**55.6m**

*rounded to the nearest €100,000
Source: ART Form S.17.01 & LOB analysis , excluding risk margin

Calculation of technical provisions

The technical provisions are calculated in line with the prescribed Solvency II requirements as per Articles 76 to 86 of Directive 2009/138/EC. In particular, the value of technical provisions corresponds to the current amount an insurance or reinsurance undertaking would have to pay if they were to transfer their insurance or reinsurance obligations immediately to another insurance or reinsurance undertaking.

Provisions for Reported But Not Settled ("RBNS") claims are the most material element of the technical provisions.

The Best Estimate has been calculated using the following methods:

- Case reserves for existing losses are set individually using claims handler judgement and the latest available information from policyholders, and legal and medical experts.
- A gross reserve for future deterioration in existing losses has been calculated using an average cost per claim method, segmented by injury type
- ALAE has been calculated using Development Factor Models based on both Incurred and Paid Claims.
- Due to the low frequency of new valid claims and the Claims Made basis of the policies, a judgemental reserve is being held for future claims based on an assessment of the number of future new or reopened claims that will be received and result in a claim payment and an average cost of claim.
- Deductibles would be applied where relevant to any future claim deterioration. Existing claims reserves have been analysed in order to estimate a marginal deductible proportion, adjusted to reflect claims which are already in excess of the deductible. This estimate has then been applied to the estimated provision held against future deterioration.
- The reserves for deductibles have been impaired to allow for potential bad debts. The allowance is based on historic data.
- ULAE has been calculated by projecting expected future expenses based on budgeted costs and the expected period of time required to run-off all claims

Level of uncertainty associated with the value of technical provisions

Claims uncertainty is considered as part of periodic reserving reviews. There are a number of areas of significant uncertainty inherent in the valuation of the technical provisions, including those described below.

Provisions for RBNS claims are the most material and uncertain element of the technical provisions. While reserves have been set on a case-by-case basis, the eventual cost of each claim ultimately remains uncertain. Estimates of future claim costs are highly sensitive to a number of different assumptions including future litigation outcomes, the ability of the Company to enforce coverage exclusions on claims made outside the policy notification period, changes in compensation costs awarded by courts, and the impact of future inflation.

Future new claims are not expected to be significant, as the Italian Medical Liability business was written on a Claims Made basis and the last policies were underwritten in 2013. On occasion, new valid claims may be notified where a policyholder determines that there is a risk that an existing claim could exceed their Self-Insured Retention ("SIR"). However, experience to date means that the cost of these claims is expected to continue be low. Nevertheless, a single large claim could still incur a material cost.

Where a court decision is made in favour of RNICE there is no downside for the policy holder in lodging a formal appeal. Appeal Judges can rule against the Company, meaning the outcome remains uncertain until a final court ruling is delivered. This means the length of time it can take to recover SIRs may be extended.

Other uncertain factors that could affect the value of claims include lower than expected deductibles recovered due to the failure of a non state-backed counterparty/counterparties. Private clinics are a relatively small proportion of the remaining portfolio and the policy wording states that the Insurer has the right to make payments net of deductibles following any bankruptcy declarations reducing the risk of the Company not obtaining the benefit of a deductible to which it is entitled.

Valuation differences of technical provisions by material line of business between Solvency II and UK GAAP

The following table shows the differences between UK GAAP and Solvency II Technical Provisions:

Technical Provisions Reconciliation (€m)	**Dec-2021**	**Dec-2020**
GAAP Net Technical Provisions	**51.8m**	**54.5m**
Remove margin for prudence	-	-
ENID	0.4m	0.4m
Expense Provisions	1.5m	-
Discounting	0.1m	0.7m
Risk Margin	2.0m	3.1m
Solvency II Net Technical Provisions*	**55.9m**	**58.8m**

*Including roundings

The Company has not taken advantage of any of the transitional provisions under Solvency II or for a matching or volatility adjustment in the calculations. Furthermore, no simplifications have been used except in the calculation of the risk margin, which has been calculated using Method 2. No material issues have been identified with the data used in the calculation of technical provisions.

D3. Other liabilities

Solvency II requires that all assets and liabilities should be measured at fair value. However, book value as per UK GAAP is used as a proxy for the fair value for Solvency II balance sheet purposes where the impact of discounting is not material because the balances are due within one year or amounts due in more than one year are not material.

D4. Alternative methods for valuation

Unless otherwise explained in Sections D1-D3, no other alternative methods for valuation are used.

D5. Any other information

There is no further material information to disclose.

E. Capital Management

This section describes the solvency requirements of the Company and the level of Own Funds in relation to the solvency capital requirements.

E1. Own funds

Under the Solvency II guidance, the eligible Tier 1 Own Funds of the Company are €3.2m (2020: €26.9m).

There are no ineligible Own Funds or that are included in Tiers 2 and 3. The Own Funds consist of paid-in share capital and a reconciliation reserve. There are no significant restrictions or constraints on the Own Funds.

	Dec-2021				Dec-2020			
Own Funds (€m)	**Tier 1**	**Tier 2**	**Tier 3**	**Total**	Tier 1	Tier 2	Tier 3	Total
Share Capital	-	-	-	-	-	-	-	-
Reconciliation Reserve	3.2m	-	-		26.9m	-	-	26.9m
Own Funds	**3.2m**	-	-		**26.9m**	**-**	**-**	**26.9m**

Own Funds consist of the UK GAAP Shareholders' Funds on a GAAP basis adjusted for the Solvency II restatements, which are shown in the table below:

Own Funds Reconciliation (€m)	**Dec-2021**	Dec-2020
UK GAAP Shareholders' Funds	**7.2m**	**31.1m**
Remove margin for prudence	-	-
ENID	(0.4m)	(0.4m)
Expense Provisions	(1.5m)	-
Discounting	(0.1m)	(0.7m)
Risk Margin	(2.0m)	(3.1m)
Solvency II Own Funds	**3.2m**	**26.9m**

The Reconciliation Reserve consists of the following items:

Reconciliation Reserve (€m)	**Dec-2021**	Dec-2020
Capital contribution reserve	60.5m	60.5m
Profit and loss account	(53.2m)	(29.4m)
Difference in the valuation of Technical Provisions	(4.1m)	(4.3m)
Forecast dividend	-	-
Solvency II Reconciliation Reserve	**3.2m**	**26.9m**

Objectives, policies and processes for managing own funds

The Company is a run-off operation, so capital requirements are expected to reduce steadily as claims are settled. Capital requirements and Own Funds are assessed on a quarterly basis.

The Company is currently in breach of its minimum regulatory capital requirement and has implemented a remediation plan to address this issue. The remediation plan has been shared with the regulator and with regular updates on progress being made since this time. In addition to this the Company is exploring a number of options to address the current position and to facilitate the conclusion of the run-off in a solvent and orderly manner.

Ensuring minimum Tier 1 levels to cover the SCR

It is anticipated that the remediation plan will restore Own Funds to a level above the Company's minimum capital requirement during 2022, however it is unlikely that the Company will restore Own Funds to a level in excess of its MCR within this timeframe.

E2. Solvency Capital Requirement and Minimum Capital Requirement

The following table shows the components of the SCR:

Analysis of SCR (€m)	**Dec-2021**	Dec-2020
Insurance risk	17.8m	18.4m
Market risk	1.8m	5.2m
Counterparty default risk	1.4m	1.0m
Diversification	(1.9m)	(3.8m)
Basic Solvency Capital Requirement	**19.1m**	**20.9m**
Operational risk	1.6m	1.6m
Solvency Capital Requirement	**20.7m**	**22.5m**
Minimum Capital Requirement	**5.6m**	**5.7m**

No simplifications or Undertaking Specific Parameters ("USPs") have been used in the calculation of the SCR.

The following table shows the derivation of the MCR:

Overall MCR calculation (€m)	**Dec-2021**	Dec-2020
Linear MCR	**5.6m**	5.7m
SCR	**20.7m**	22.5m
MCR cap	9.3m	10.1m
MCR floor	5.2m	5.6m
Combined MCR	5.6m	5.7m
Absolute floor of the MCR	3.7m	3.5m
Minimum Capital Requirement	**5.6m**	**5.7m**

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

Not applicable.

E4. Differences between the standard formula and any internal model used

Not applicable.

E5. Non-compliance with the minimum capital requirement and significant non-compliance with the solvency capital requirement

Not applicable.

E.6 Any other information

Not applicable.

F. Director's statement

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

We are satisfied that:

a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and

b) it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.

Director

Annex 1 – Quantitative reporting templates

The following templates are provided below:

S.02.01.02 - Balance sheet
S.05.01.02 - Premiums, claims and expenses by line of business
S.05.02.01 - Premiums, claims and expenses by country
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Unless otherwise stated, figures are shown in thousands of EUR, rounded to the nearest thousand.