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Elini

SOLVENCY FINANCIAL CONDITION REPORT (SFCR) Version 2020

The SFCR covers the Business and Performance of ELINI and the Swiss Branch, its system of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

ELINI is always required to hold sufficient assets to match its liabilities while at the same time be committed to high governance standards.

Yearly, The Executive Committee and the Board of Directors are issuing a statement that the Mutual has complied with, and will continue to comply with, Corporate Governance Code that contains both nationally and internationally recognised standards of good and responsible enterprise management.

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1. Business and performance

Governments have long recognised that a nuclear accident will also cause transboundary damage. This led to the development of international frameworks to ensure that access to justice was readily available for victims outside of the country in which an accident occurs, so far as the countries are party to the relevant conventions. The number of different international instruments and their arrangements often give rise to confusion. Many of the major instruments, outlined below, have been amended several times and not all countries party to the earlier version have ratified the latter. The result is a patchwork quilt of countries and conventions and work towards harmonisation of these regimes is ongoing.

The international liability regime is embodied primarily in two instruments:

1/ the IAEA's Vienna Convention on Civil Liability for Nuclear Damage of 1963 (entered into force in 1977), and

2/ the OECD's Paris Convention on Third Party Liability in the Field of Nuclear Energy of 1960 which entered into force in 1968 and was bolstered by the Brussels Supplementary Convention in 1963.

These Conventions were linked by the Joint Protocol adopted in 1988 to bring together the geographical scope of the two.

In the context of the strengthening of the international nuclear third-party liability regime (increasing insurance limits, extending definition of nuclear damage and liability period to 30 years), the nuclear operators have expressed their concerns regarding both the availability of insurance capacity in the market at an economical acceptable pricing and the potential gap between required and offered guaranties.

The objective of ELINI is to provide civil liability insurance capacity, in branch 13, to its Insured Members within the framework of and limited to civil liability in the field of nuclear energy, as specified in the national legislations of countries who have signed the Paris Convention of July 29th 1960 or the Vienna Convention of May 21st 1963 (as amended from time to time) or those countries who have not signed the Paris Convention nor the Vienna Convention but apply the same principles in their national legislations, or based on Common Law and/or Civil Law ('droit commun')

a) Underwriting & business performance

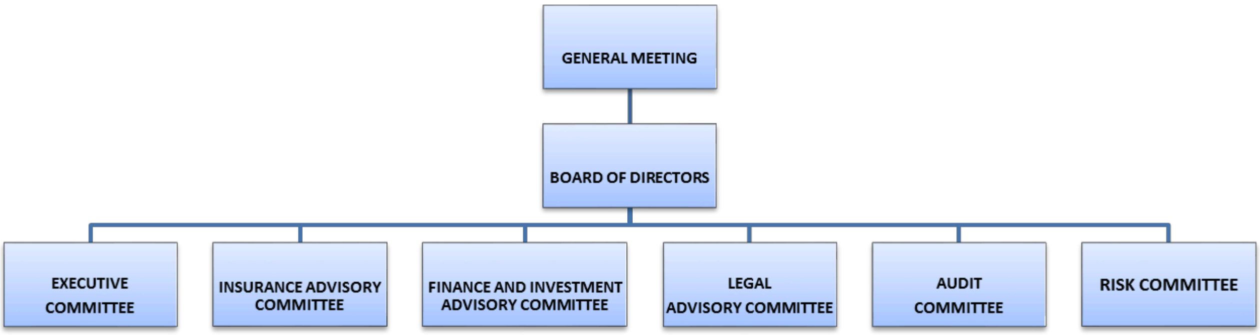
The table below shows an overview of the performance at 31 December 2019.

INCOME STATEMENT FOR THE PERIOD ENDING 31 DECEMBER 2019
(Currency - Euro)

		31/12/2019
1 Earned premiums net of reinsurance		
a) Gross premiums		11.150.766,19
· Premiums written	11.150.766,19	
· Rebates to members	0,00	
b) Reinsurance premiums		-3.334.270,35
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)		132.204,27
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)		7.881,85
		7.956.581,96
2bis Investment income		
b) Income from other investments		145.690,63
c) Write-back of adjustments on investments		217.586,44
d) Realized capital gains		4.619.695,18
		4.982.972,25
3 Other technical income net of reinsurance		**160.388,91**
4 Costs of claims, net of reinsurance (-)		
a) Net amount paid		
aa) gross amount		-6.547,79
bb) part of reinsurers		1.704,64
b) Variation of the claims services reserve, net of reinsurance		346.468,82
aa) Variation of the reserve for claims gross of reinsurance		346.468,83
bb) Variation of the reserve for claims part of reinsurance		-0,01
		341.625,67
7 Net operating expenses (-)		
a) Acquisition expenses		-240.953,50
c) Administrative expenses		-2.141.073,88
		-2.382.027,38
7bis Expenses relating to investments (-)		
a) Expenses for managing investments		-34.041,29
b) Adjustments to investment values		0,00
c) Realized less values		-522.630,41
		-556.671,70
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES		**10.502.869,71**
9 Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +)		**-7.647.837,42**
SURPLUS/(DEFICIT) OF THE PERIOD AVAILABLE FOR DISTRIBUTION		***2.855.032,29***
15 Taxes		**-908,35**
RESULT OF THE PERIOD		***2.854.123,94***

2. Management structure, remuneration and Membership

2.1. Management structure



a) Board of Directors (composition, duties, operation)

Competences

The Board of Directors outlines the general policy of the Association which is subject to prior agreement of the General Meeting.

The Board of Directors ensures the monitoring of the business of the Association and of its management by the Executive Committee, which is appointed by the Board from among its Members. The Board of Directors has a broad mandate to investigate in this respect. To protect the interest of the Association, every Director is requested to sign a confidentiality agreement.

The Chairman of the Board supervises the division of the powers / competencies between the Board of Directors and the Executive Committee.

The President of the Executive Committee is appointed by the Board of Directors in accordance with the NBB.

The Board of Directors, after consulting the NBB, shall confer to the Executive Committee the competence to take any decisions relating to the administration and the objects of the Association and to represent the Association, with regard to this management, in relations with members of staff, Members of the Association and any third parties, according to the laws and regulations in force and to the Articles of Association.

Composition

The NBB must be informed prior to as well the appointment or reappointment as the resignation of persons participating at the effective management.

The (re)nomination of members of the Board of Directors is subject to prior written approval by the Belgian supervisor who assesses the candidates in accordance with the principles included in the circular on Fit & Proper requirements and integrated in the Fit & Proper policy. The Board is responsible to install an appropriate recruitment-, evaluation- and education policy and will therefore perform an assessment of the candidate on fit- and properness at the moment of selection. The NBB will receive a copy of the fit and proper assessment.

The Board of Directors is appointed for a three-year period by the Annual General Meeting, who can dismiss them at any time, and is composed of at least 9 Directors.

A minimum of two Members of the Board are independent and the majority of Board members are non-executive Directors.

The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

From among its Members who are not Members of the Executive Committee, the Board of Directors elects a Chairman and two vice-Chairmen for a period of three years. They are eligible for re-election.

In the absence of the Chairman, the Board of Directors meets under the presidency of a Vice-Chairman or in his absence, of a Director chosen by the Directors, who is not a member of the Executive Committee.

On completion of their three-year period of office, Directors are eligible for re-appointment.

If there is a vacancy for one or more Directors, the remaining directors have the right to arrange for temporary replacements until the next General Meeting.

The Board of Directors may call upon the services of any person whose presence is considered to be useful. Such person shall have no vote in the proceedings.

In line with the fit and proper requirements applicable by the fit and proper policy, the Board of Directors performs annually a self-assessment.

Incompatibilities

Members of the Board of Directors who are not Members of the Executive Committee may not engage in any management function of the Association.

Meeting dates and location

The Board of Directors meets, under the presidency of the Chairman, as often as the interests of the Association require, and whenever five or more Directors make a written request for such a meeting.

Convocation

Notice of Board meetings are sent by ordinary mail or by e-mail at least ten days before the date of the meeting. This notice states the date, place, time of the meeting and the items on the agenda.

The Board of Directors can only take decisions if all the Directors have been given notice of the meeting.

Proceedings of the sitting

Each Director has one vote.

The Board of Directors can only take decisions if a majority of Directors are present or represented. Any Director may, by letter or by e-mail, give authority to another Director, to represent him at a particular meeting of the Board of Directors and to vote in his name. No Director may exercise more than two such proxy representations.

In the case of a tied vote, a new vote will be organised.

All decisions of the Board of Directors are taken by simple majority of expressed votes, with the exception of:

A three-quarters majority of expressed votes is required to:

- cases stated in article 27 §3, §7 and 28 §1 of the Articles of Association,
- the acceptance of a new Member,
- the expulsion of a Member,
- the cessation of the issuing of insurance policies or
- the decision to dissolve the Association.

Reporting

Minutes are kept of every meeting. They are signed by the Chairman after approval. Copies and extracts of minutes are signed by the Chairman or a member of the Executive Committee.

Remuneration

Directors of the Mutual are not remunerated with the exception of the Independent Directors who receive an attendance fee. Board members, travelling on ELINI business will be reimbursed for travel expenses according the Board expense policy.

Conflict of interests

All members of the Board shall withhold from participating in discussions and decisions whereby they have a personal or business interest for their company, which is not compatible with the interests of ELINI or where the decisions within ELINI concerns the individual ELINI Member to which the Board member relates as an employee.

These members shall in each case where they feel confronted with such a conflict of interests, inform the Chairman of the meeting where such point is on the agenda, so that in due time can be decided how to deal with the further discussion and decision process.

b) Executive Committee (composition, functions, operation)

Competences

The Executive Committee has full authority to undertake the daily management of the Association.

In line with the fit and proper requirements applicable by the fit and proper policy, the Executive Committee performs annually a self-assessment.

Composition

All Members of the Executive Committee are members of the Board of Directors, appointed or dismissed by the Board of Directors, subject to prior written approval by the Belgian supervisor who assesses each candidate in accordance with the principles included in the circular on Fit & Proper requirements.

There are no persons having the status of Executive Committee member but not the status of Board Member.

The Executive Committee meets under the presidency of its Chairman as often as the interest of the Association requires. Members of the Executive Committee are collegially responsible but it does not prevent members from having allocated specific areas of responsibility and lines of reporting.

The Executive Committee may call upon the services of any person whose presence is considered to be useful. Such person shall have no vote in the proceedings.

Voting system

At this moment, the Articles of Association stipulate in Article 23 § 3 that all decisions of the Executive Committee are taken by simple majority of expressed votes. All members of the Executive Committee are entitled to one vote. In the case of a tied vote, a new vote will be organised.

Remuneration

Members of the Executive Committee receive no additional compensation for their engagement and are just remunerated as salaried staff.
ELINI will adapt to comply with the new rules stated in the Communication of the NBB named NBB_2020_017, issued on the 5th May 2020

Internal distribution of the tasks of the Executive Committee members

The Executive Committee is a board acting jointly and collegially. It may delegate various tasks amongst its members, but this shall not detract from the fact that they are jointly and collegially responsible.

The Executive Committee may grant special, defined powers to one or more persons of its choice ad may be assisted by any member of staff of the Association.

The actual Executive Committee is composed by:

- J-D Treillard
- J. Machtelinckx

Special powers of the Executive Committee

Special powers are determined and granted by the Board of Directors to the Members of the Executive Committee or to certain members of the personnel. These powers relate to financial and administrative matters and are published in the annexes to the Belgian Official Gazette (Moniteur belge/Belgisch Staatsblad).

c) Advisory Committees to the Board of Directors (composition, functions, operation)

The Board of Directors has created five specialized Committees with an advisory task.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision-making process remains the competence of the Board. The existence of the Committees does not decrease the responsibility of the Board as a whole.

The Committees are nominated for the same 3 years term as the Board of Directors.

Committee members are nominated by the Board of Directors for their experience in the specific domains of the Committee they take part in. Every Committee consists of a mix of Board members, other Members and supporting staff to ensure execution and communication on every level of the Association.

After each meeting, the Board of Directors will promptly be informed of discussions and recommendations through the circulation of minutes. The Board will also receive the Committee's recommendations through the Chairman of the Committee or his delegate. Committee members travelling on ELINI business will be reimbursed for travel expenses according to the Advisory Committee expense policy.

In line with the fit and proper requirements, every Committee performs annually a self-assessment.

A description of the working of each Committee can be found on the individual Charter. Each of the members of Committees have to sign a confidentially agreement that is stored.

Conflict of interests

All members of the Advisory Committees shall withhold from participating in discussions and recommendations whereby they have a personal or business interest for their company, which is not compatible with the interests of ELINI or where the decisions within ELINI concerns the individual ELINI Member to which the Committee member relates as an employee.

These members shall in each case where they feel confronted with such a conflict of interests, inform the Chairman of the meeting where such point is on the agenda, so that in due time can be decided how to deal with the further discussion and decision process.

Audit Committee

The Audit Committee has been created to assist the statutory auditor in all aspects of follow-up, handling and development of the control system of the annual accounts.

The Audit Committee reports to and assists the Board of Directors in fulfilling its oversight responsibilities in the areas of corporate governance, risk management, corporate controls, financial communication and all other related areas as deemed appropriate. It is also authorized to obtain independent advice, including legal advice, if this is necessary for an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the Statutory Auditor, including reports with recommendations on how to improve the Mutual's control process.

The Audit Committee is comprised of at least 3 financial literate members as determined and appointed by the Board of Directors. At least one member must be an Independent Director. The members of the Committee, individually or collectively, are entitled to receive all information needed to accomplish their tasks as defined and are authorized to request such information from any ELINI employee.

In the scope of the follow-up of the control system of the annual accounts, the Audit Committee with the Executive Committee can discuss and take any preventive / corrective actions if needed.

The Audit Committee reports to the Board of Directors.

Risk Committee

The Risk Committee provides the Board of Directors with oversight, assessment, and advice on:

- ELINI’s current risk appetite, tolerance and strategy, material risk exposures and future risk strategy and their impact on capital;
- the structure of ELINI’s Risk Management Framework and its suitability to react to forward-looking issues and the changing nature of risks;
- the risk policies such as capital management policy, internal control policy and risk management policy;
- its on-going and potential exposure to risks of various types.

The Risk Committee is comprised of the members of the Board and as secretary the risk management function. The Risk Committee is nominated for a period of 3- year in line with the term of the Board of Directors. The Board appoints the Chairman.
Members of the Risk Committee are subjected to the fit and proper requirements and therefore perform annually a self-assessment.

The Risk Committee has a Charter in which is explained the responsibilities and duties as an Advisory Committee. The Charter is annually evaluated and when necessary suggestions on amendments to the Committee’s Charter are made to the Board for approval.

The Risk Committee meets, in person or by conference call, at least once per calendar quarter. A week before a meeting takes place the agenda is passed onto all members. A quorum exists if one half of the members of the Committee are present. Recommendations are formulated by simple majority with casting vote by the Chairperson. The Committee is authorized by the Board of Directors to engage independent counsel and other advisors as it determines necessary to carry out its duties, but they don’t have a vote.

The Risk Committee maintains written minutes of its meetings. A summary of the different proposals is included at the end of the minutes of the meeting with the recommendation for approval to the Board of Directors. Recommendations made by the Risk Committee to the Board of Directors will be numbered. The minutes are to be signed by the Chairman of the Risk Committee.

Insurance Advisory Committee

The Insurance Advisory Committee has been created for considering and making recommendations to the Board of Directors on the underwriting of nuclear third-party liability covers granted by the Association and major strategies.

The Insurance Advisory Committee will perform a technical assessment on candidate Members who wish to join the Mutual.

The Committee is comprised of suitably qualified members as determined and appointed by the Board of Directors. The Committee establishes a regular meeting schedule and meets with such frequency and at such intervals as it determines necessary to carry out its duties and responsibilities, but in no event fewer than two times annually.

The Committee maintains minutes of its meetings, as well as records of the Committee's activities in carrying out its duties and provides copies of such minutes and records to the Board and regularly reports on its actions to the Board. The Committee may seek advice from others and request attendance of any other person as it deems appropriate.

The working and responsibilities of the Insurance Advisory Committee are incorporated in the Charter of the Committee.

Finance and Investment Advisory Committee

The Board of Directors together with the Finance and Investment Advisory Committee have the responsibility and competence for the setting of the financial investment guidelines and the choice of the investment managers.

The Board decides on the strategic allocation of funds but the Committee may tactically from time to time deviate from this allocation to protect the treasury. The Committee's treasury management is frequently monitored by the Executive Committee and the Board of Directors.

The Finance and Investment Advisory Committee discusses and concludes a contract with the investment managers in line with the guidelines for investments, monetary and assets.

In the scope of the follow-up of the investment contract, the performances and results of the investment managers will be discussed. From these data, the Financial and Investment Advisory Committee will recommend upon the corrective and preventive actions to undertake and also identify any additional measures to be taken.

The Finance and Investment Advisory Committee will perform a financial assessment on candidate Members who wish to join the Mutual. Candidate Members with an external credit rating above the minimum that is required are considered to be financially robust and therefore able to meet their calls exposure. The same assessments will be also applied on an annual basis for the existing Insured Members. The calls exposure policy is further explained in the procedure manual.

The Committee is comprised of at least 4 suitably qualified members as determined and appointed by the Board of Directors. To ensure the implementation of the Committee's advice the Financial Manager and Asset Manager are also member.

The Committee may call upon other persons whose presence could be useful, but their attendance is non-voting. The Finance and Investment Advisory Committee reports directly to the Board of Directors.

The working and responsibilities of the Finance and Investment Advisory Committee are incorporated in the Charter of the Committee.

Legal Advisory Committee

The Legal Advisory Committee is responsible for considering and making recommendations to the Board of Directors and to the Executive Committee on the legal matters of nuclear third-party liability and insurance and on other legal business of ELINI.

To assist the Board of Directors, it is responsible for reviewing strategies, plans, policies and actions related to the legal matters within ELINI and the nuclear third-party liability field.
The Legal Advisory Committee reports to the Board of Directors.

The working and responsibilities of the Legal Advisory Committee are incorporated in the Charter of the Committee.

2.2. Remuneration

a) Policy

ELINI's overall remuneration system has been designed to deliver compensation, driven by both mutual and individual performance, and according to its Members' interests. The focus will be on and long-term performance and will be aligned to market levels. Our principles are inspired by the Financial Stability Board principles for sound compensation practices.

Board Members as well as Executive Directors receive no remuneration. Only Independent Directors receive a fixed but modest cash amount per year which is approved by the General Meeting for the current financial year. No variable nor incentive programs are included for any Board member.

Members of Advisory Committees receive no additional compensation, fixed or variable, for their contribution to the Mutual.

Actual expenses in connection with Board and Committee meetings are reimbursed.

Members of the Executive Committee receive no additional compensation, fixed or variable, for their contribution to the Mutual.

Senior Management and staff are employed on a contractual basis. Their remuneration is subject to annual reassessment. A desire to ensure that ELINI is able to attract and retain managers with the best possible qualifications and the existence of sound succession plans have a decisive influence on the remuneration. The compensation package consists of 3 integrated elements: a base pay, appropriate benefits and an annual pre-agreed, personalized incentive bonus. The remuneration policy is designed so as not to encourage unauthorised or unwanted risk-taking that exceeds the level of tolerated risk of the undertaking.

b) Implementation Process for ELINI staff

Base salary levels are designed to compensate the Mutual's officers for their responsibilities and their experience. Market levels for comparable positions are targeted for the base pay and the base pay levels are subject to regular reviews. Except for annual cost of living adjustments required under Belgian law, there is no mechanism for automatic adjustment. In addition, some appropriate employee benefits are given fully in line with what the insurance sector allows.

The annual incentive bonus recognizes and rewards individual performance as well as team performance but is never a substantial proportion of the compensation package. The form of variable compensation can be cash or option incentive plan. The funding levels for the annual incentive bonus are dependent upon non-financial criteria such as personal development and contribution to an improved Member-relationship. Bonuses are not guaranteed because they are not consistent with the pay-for-performance principle.

Management and key/critical functions that are on the payroll, are employed on a contractual basis. A desire to ensure that ELINI is able to attract and retain persons with the requisite skills and experience best possible qualifications and the existence of sound succession plans have a decisive influence on the remuneration. However, remuneration also has to make financial sense from the Mutual's point of view to maintain its competitive cost structure.

Key/critical functions that are outsourced will follow the outsourcing policy and the outsourcing process in which a market competitive remuneration assessment is included.

Annually, the Managing Director will present the total remuneration package to the Chairman of the Board of Directors for approval. He will conduct an independent review on the suggested bonuses and the proposed compensation policy for the next year.

Key/critical functions that are outsourced will follow the outsourcing policy and the outsourcing process in which a market competitive remuneration assessment is included.

2.3. Membership

a) Process for monitoring the changes in the Membership structure

The Members of the Association are most of the original "Signatory Members" of the Articles of Association, as published in the Belgian Official Gazette (Moniteur belge/Belgisch Staatsblad) of December 19th 2002, as well as all the "New Members" approved after this publication by the General Meetings as it is specified in article 6 §2 of the Articles of Association.

Election of a New Member shall be subject to the following conditions:

- The New Member must be a company or authority in the private or public sectors which has an insurable interest in a nuclear installation or installations, directly or indirectly, or their representatives.
- The New Member must be accepted by the Board of Directors on the basis of the terms laid down by the General Meeting.
- The New Member must unreservedly accept these Articles of Association.
- The New Member must take out or have the intention to take out at a later stage at least one insurance policy, with unreserved acceptance of the rights and obligations attaching hereto.

Membership shall be submitted to the Board of Directors and shall become effective when determined by the General Meeting.

The main benefits to Members of ELINI include:

- additional insurance capacity in view of a revision of the Paris Convention and Brussels Supplementary Convention
- alternative insurance capacity for terrorism cover and 30 years prescription period
- potential for contribution savings
- exchange of information and data on nuclear insurance matters.

Each of the ELINI Members is an important player on the international energy market and is therefore submitted at intensive surveillance by national and international authorities. Due to their size and (self)control, ELINI considers its Members as being reliable and financially sound. Still a financial assessment is performed for every candidate Member on the one hand and a yearly financial review for existing Members on the other hand.

b) Categories of Members

Insured Members

Members insured by the Association have the status of "Insured Members". However, a Member can only obtain the status of "Insured Member" after the acceptance of the proposed risk by decision of the Executive Committee applying article 22 of the Articles of Association. This status is retained by the "Insured Member" as long as an insurance policy issued in his name is in force.

Insured Members are divided in two categories:

- Insured Members who are required to have and maintain insurance or other financial security, in the strict context referred to by Article 3 § 1 of the Articles of Association, amounting to a maximum of 700.000.000 € belong to category A.

- Insured Members who are required to have and maintain insurance or other financial security, in the strict context referred to by Article 3 § 1 of the Articles of Association, amounting to an amount between 700.000.000 € and a maximum of 1.200.000.000 € belong to category B.

Non-Insured Members

Members having not fulfilled the obligation to take out at least one insurance policy but are likely to do so have the status of Non-Insured Member.

- Pre-Capitalized Non-Insured Members or Supportive Members

These Members take part in the constitution of the starting fund or of the guarantee fund with an amount fixed by the Board of Directors on the terms lay down by the General Meeting.

- Non-capitalized Non-Insured Members

These Members have not taken part in the constitution of the starting fund or of the guarantee fund.

c) Members Meeting

ELINI encourages its Members to participate at the Members Meetings. To facilitate this, agendas and all other relevant information are sent in advance of the Members Meetings. During the meeting, the Board of Directors presents a management report and financial overview of the latest financial figures.

Yearly two Members Meetings can be organised, one usually held in June and another one in the second half of the year. According to Article 11 § 1 of the Articles of Association, the Annual General Meeting must meet on the last Thursday of April. The Members Meetings are often organized in June and October.

3. Fit & Proper, external functions and transactions with Governing Bodies

3.1. Fit & Proper

a) Policy

Annually, ELINI updates and discloses a fit & proper policy to the NBB. Two standards of evaluation are at the centre of the fit and proper policy:

1) Expertise (« fitness »):

A person is considered as being expert ("fit") for a specific function when he / she combines knowledge and experience, skills and the professional behaviour required for the function in question.

2) Professional worthiness (« properness »):

The professional worthiness concerns the honesty and the integrity of a person. A person is considered as professionally honourable (" proper ") in the absence of indicating elements the opposite and when there is either no reason for questioning reasonably the good reputation of the person involved. In other words, we can leave the principle that the person will execute in an honest, ethical and integrate way the task which is confided to him (her).

All people occupying critical functions in ELINI are aimed by this policy. By critical function we understand:

- The members of the Board;
- The members of the Executive Committee;
- Four key functions defined in the Directive Solvency II: Actuarial, Compliance, Risk Management and Internal Audit Function.
- Any other function which ELINI would estimate as critical for the smooth running of the company either internal or external.

Critical functions should have the necessary professional expertise, the skills and the worthiness to be able to perform their functions. The same requirements apply to the holders of any critical outsourced function.

In order to remain fit & proper, ELINI at least yearly evaluates the critical functions. The Board and Executive Committee therefore performs an annual self-assessment. The key functions are assessed yearly by the responsible person.

b) Implementation Process

"Fit and proper" implies a thorough process of evaluation which allows to obtain, by means of various relevant elements, the most complete possible image of the capacity of a person for a determined function. The evaluations concerning, on one hand, the expertise and, on the other hand, the professional worthiness of a person, are complementary.

The available information which can support a "fit and proper" file is always used and balanced according to their relevance and to their importance compared with the responsibilities. Several weighting factors allow not granting the same importance for all the elements of the case. ELINI takes into account following weighting factors:

- The gravity of the information in the light of the objectives of the prudential control
- The seniority of the information
- The attitude and/or the motivation of the concerned person with regard to the information
- The combination of available information

A global overview of histories and available information allows to obtain a less static and precise image of the functioning of the person. The combination of the information gives an idea of the way of functioning and/or the carelessness of a person and can lead to the conclusion that the interested is not considered (any more) as being capable or has to improve its expertise on a very precise point.

The evaluation of capacity takes place as in principle before the entry in a function or during a change of function.

3.2. Loans, credits, or guarantees and insurance contracts for Governing Bodies

a) Process for monitoring transactions with Governing Bodies

There are currently no loans, credits or guarantees and insurance contracts granted to Members of the Board of Directors or Executive Committee.

4. Risk Management System, ORSA process and risk management function

4.1. Risk Management System

a) Framework for risk appetite and tolerance limits

The appetite for risk represents the underlying foundation of any effective Risk Management System. Understanding risk appetite helps Boards and managements to make better strategic and tactical decisions. It enhances understanding of Board and stakeholder expectations and enables risk-reward decision-making. It reduces the likelihood of unpleasant surprises.

The ability to take on risks is determined by more than just a capacity to absorb losses. The ability to manage risks based on skill sets and experience, systems, controls and infrastructure is also crucial. Understanding risk appetite helps in the efficient allocation of risk management resources across a risk portfolio, and may enable the pursuit of business opportunities that, without an understanding of the appetite, would otherwise be rejected.

The Risk Appetite Framework (RAF) is defined as being the overall approach, including policies, processes, controls, and systems, through which risk appetite is established, communicated, and monitored. It includes a risk appetite statement, risk limits, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF.

The RAF has been developed to articulate the level of risk that the Board is willing to accept in order to achieve the overall strategic objective.

The RAF contains the following characteristics:

- Identification of the key areas used to measure the success in achieving its overall objectives. These have been determined as free reserves, underwriting results, solvency, liquidity and reputation. These are referred to as “Dimensions” in this report;
- Quantification of the risk appetite attributed to each of the areas above, where quantifiable;
- Risk Profile (Risk Log): all of the risk faced by ELINI are identified, shortly described and categorised;
- Integration and control of the risk appetite through the Association;
- Dashboard.

We define the risk appetite as being the nature and quantity of risks that ELINI is ready to accept or to tolerate in the pursuit of its strategic objectives, taking into account the expectations of the stakeholders.

The risk tolerance defines the maximum amount of risk (bearing activities) needed to achieve all the organisational strategic objectives while simultaneously remaining compliant with the stakeholder’s expectations.

The risk target is the optimal risk level to achieve the strategic objectives with respect of the tolerance limits.

b) General risk management policy

ELINI assumes risk to generate an adequate return on capital. The success of its business model therefore depends materially on its ability to manage risk. ELINI considers the implementation of a suitable and effective Risk Management system as a strategic imperative not only to meet increasingly changing regulatory requirements but also to gain a competitive edge by improving its understanding of its own risks and overall solvency needs.

As an integral part of ELINI's business cycle, the Board shall approve the Risk Strategy and issue a Statement of Risk Appetite. "Risk" is defined as the degree of uncertainty with respect to achieving planned goals and targets and equally encompasses the probability of loss or gain. The Risk Strategy, including the Statement of Risk Appetite shall be clearly reflected in the agreed business targets, financial budgets, underwriting guidelines, and operational plans.

The Board delegates to the Risk Committee the responsibility to supervise the implementation of the risk management processes and policies by the Executive Committee. The function uses the Executive Committee member in charge of the Control operations, as a referent, to ensure risk management is correctly embedded within all operations and in all departments.
A Risk Management Policy documents ELINI's internal Risk Management guidelines that staff members are required to observe when exercising their day-to-day responsibilities. The purpose of the Risk Management Policy is to establish a Risk Management framework that enables ELINI to achieve an accurate and timely understanding of (1) the nature, materiality and sensitivity of the risks to which it is exposed, (2) its ability to mitigate and manage them, and (3) to deal with them should they fall outside the stated Risk Appetite and agreed risk tolerances and limits. ELINI's Board owns the Risk Management Policy. As such, the Board is responsible for the approval of any periodic changes and revisions introduced to this document.

ELINI's Risk Management Policy, its Risk Management System and ORSA are to be reviewed by the Board at least annually. The review will be based on input provided by the Risk Manager and Senior Management. More regular reviews may be undertaken when required or when there is a material change in the business or risk profile of ELINI or where a risk issue which raises doubts about the effectiveness of the Risk Management System has been identified.

The Executive Committee is informed at least monthly. The Risk Management function will annually disclose a risk management report as well as for the year to come a risk management plan.

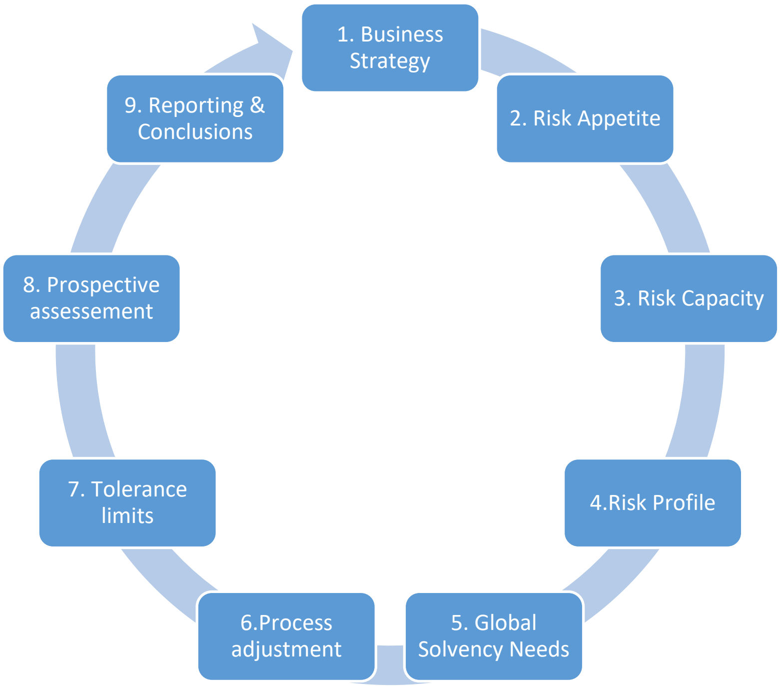
The Executive Committee will report to the Board at least yearly on its assessment of material risks and on any significant changes to the overall risk profile of the company including actions being taken to mitigate or control key risk exposures. It reports also on the failures in relation to the risk appetite and precises if that is an asset or a liability breach.

4.2. ORSA process

a) ORSA policy

The ORSA process seeks to draw together considerations of risk, capital and returns within the context of the overall business strategy, both in the present and forward looking, providing a holistic view of the capital, risk and return over the forecast period.

The process is iterative, as outlined below:



The ORSA process is used to:

- Ensure there is sufficient capital available to meet the current business requirements (Solvency II compliance);
- Determine the supplementary capital required to meet the growth and diversification plans and other strategic decisions;
- Ensure that any risks that exceed the risk appetite are identified, assessed and if required the remedial action plan in place;
- Provide assurance to the Board, financial regulators and other stake holders that risk management and capital planning processes are embedded within the business.

The adjustments are the result of exchanges between management and the Board, while operational limits are developed jointly by the risk taker and risk management function.

We must therefore expand and review some future scenarios (defined in terms of the most significant risks), to change the risk parameters and compare the different risk margins and the respective capital requirements and then take recapitalization measures or risk mitigation if necessary. We are then able to conclude whether the tolerance limits are exceeded and whether measures should be taken.

It is important that the ORSA process is a continuous reiterative process which is embedded within the business decision making and strategy setting process.

ELINI performs an ORSA at least annually or when the risk and solvency profile change significantly. The risk profile is continuously monitored against the risk appetite and periodically reported by Risk Manager.

b) Implementation process

The overall purpose for the ORSA assessment is to ensure that we can continuously meet our current and planned future regulatory targets and internally set capital target, in the face of planned changes to the risk profile and business plans as well as expected development in the external environment.

As a management tool, it is designed to embed risk awareness within the business culture and decision making. It is an integral to the successful delivery of the overall strategic plan as it provides the management with a good understanding of the risk it is assuming and the capital required to cover those risks. It must be treated as a management process rather than a compliance exercise.

The targeted Solvency ratio under Solvency II for the next 3 years is minimum 149 % including eligible tier 1 and eligible tier 2 ancillary own funds.

TIME HORIZON
The time horizon of the ORSA is fixed to 5 years, same horizon as used in the strategic business plan. The strategic business plan is the Base scenario of the forecasted P&L and Balance Sheet. For the solvency projections in ORSA use will be made of best estimates, market value balance sheet and SCR from Pillar I calculations as starting point.

SCENARIO - STRESS TESTS
The Strategic Business Plan (SBP) figures will be used for projection of the technical provisions and cash flows in and out. The calculation of the projected SCR can then be done. The final result is the “Base Case” and gives the expected capital needs/surpluses.

Besides the base scenario, we analyse also the effects of adverse developments on its solvency position. This is done with the help of scenario analysis and stress testing: we define scenario analysis as assessing the impact of a combination of factors. Stress testing is an extreme scenario that crosses the boundaries of the SCR-MCR. By applying scenarios, we want to:

- Address the main risk factors we may be exposed to;
- Address specific vulnerabilities (regional, sectorial characteristics, specific products or business, …);
- Contain a narrative scenario which includes various trigger events;

A range of scenarios are considered encompassing different events and degrees of severity:

- normal business scenarios
- more pessimistic scenarios
- stress scenarios
- reverse scenarios

Concerning stress testing, we have our own guidance:
- We regularly review the stress testing program and assesses its effectiveness;
- The stress testing program is used as a risk management tool supporting business decisions and actions;
- We perform sensitivity analysis for specific risks, if necessary;
- Reverse stress testing, of issues that threaten the viability of the company, are also analysed.

USE OF THE ORSA RESULTS

A part of the ORSA is the determination of the capital needed to manage the business. The results of ORSA are used for:
- Yearly evaluation of the risk appetite framework in relation to the capital position and the strategy;
- Start the strategic business plan with the most recent capital assessment;
- Monitoring capital position from regulatory, rating agencies and internal angle;
- The assessment of the target and realized solvency ratios;
- An analysis of the evolution of the capital position and the forecast of eventual funding requirements on the horizon period.

MANAGEMENT ACTIONS

We use also the results of the ORSA to take management actions:
- Hold the risks
- Mitigate the risks
- Transfer the risks
- Terminate the risk generating activity

FREQUENCY OF THE ORSA AND TRIGGERS

We perform an ORSA at least annually and an update when the risk and solvency profile change significantly. The risk profile is continuously monitored against the risk appetite and periodically reported.

The first step in the ORSA is to determine if the information used in the last ORSA is still up to date:
- Any material changes in the business strategy?
- Any changes in the risk appetite?
- Has the risk profile changed?
- Analyse the capital position and the quality of capital (classification in tiers);
- Analyse the appropriateness of the model (standard model) for representing the risk profile.

Examples of trigger for updating the ORSA:
- An event that significantly changes risk profile
- A significant change in the financial markets that has a big impact on the value of the asset portfolio
- A significant change in regulation

The decision of performing an update of the ORSA is taken by the Executive Committee.

REPORTING

An annual ORSA Internal Report will be produced by the Risk Management Function. This report will contain at least information on:

1. Risk Profile
2. Key Observations
3. Risk Assessment
4. Regulatory Capital Requirements
5. ORSA Capital Requirements

This report will be discussed at different levels:

- First level: the report will be pre-discussed in the Risk Committee
- Second level: the resulting ORSA report will be approved by the Executive Committee
- Third level: finally, the report will be discussed and the sign off will be given by the Board of Directors.

QUALITY REVIEW

The quality review is conducted by the Internal Audit. The quality review will treat at least the following aspects:

- The ORSA policy
- The ORSA process
- The methods used
- The outcome of the ORSA and the follow-up of management actions

The following criteria will be judged to assess the quality:

- Training and experience of staff involved
- The cooperation between key functions: actuarial function, risk management, compliance, internal audit
- The involvement of management.

4.3. Risk Management Function

The Risk Management Function, is responsible to maintain an enterprise-wide aggregated view on ELINI's risk profile and operate its Risk Management System, monitors and reports to the Risk committee on actual risk exposures in comparison to Risk Appetite, Risk Tolerance and solvency requirements as set by the Board.

The Risk Management Function, objectively and free from the influence of other parties, is responsible for:

- implementing appropriate methodologies and procedures to assess ELINI's risks and solvency position ensuring their assessment is consistent with prevailing professional standards and regulatory requirements.
- implementing appropriate methodologies and procedures for risk assessment including Risk Policy and Risk Strategy.
- Reporting details of material risk exposures and advising the Board, Executive Committee and senior management with regard to risk management matters including the Risk Appetite, risk tolerances and risk limits.
- Monitoring risk aggregations (and diversifications) across lines of business, geographies, risk types and categories, etc.

The Board retains the ultimate responsibility for defining the ELINI’s Risk Strategy and Risk Appetite by setting the overall levels of business risk that are acceptable and approving its Risk Strategy having regard to generally accepted principles of prudence as well as prevailing legal and regulatory requirements.

A Risk Committee is established by and among the Board of Directors to properly align with Management as it embarks a risk management program. The primary responsibility of the Risk Committee is to oversee and recommend the Mutual-wide risk management practices and appraise the effectiveness of the risk management function.

The Risk Management function works closely with the other control functions including the internal auditor to make sure that the full scope of control is covered but not twice.

More information on the working of risk management can be found in the Risk Management Policy and internal Control Policy.

5. Organizational structure, internal control, compliance function, integrity, and IT infrastructure

5.1. internal Control System

a) Identification and assessment of the risks

The permanent control system has to lean on an analysis and a measure of the risks, regularly updated, by every person in charge of business units (which are risk owners).

Every stakeholder within ELINI has an internal control responsibility. The Board of Directors is responsible for promoting a high level of integrity and for establishing a culture within the Association that emphasis and demonstrates to all levels of personnel the importance of internal control. Management is responsible for the implementation of the internal control principles. It is therefore essential that everyone included all personnel, understand the importance of internal control and engage actively in the process according to their responsibilities and specific duties.

In establishing and maintaining an effective system of internal control, ELINI assess both the internal and external risks that it faces as well at the level of the Brussel's headquarter, as at the level of the branch in Switzerland. Assessment includes the identification and analysis of all significant risks that the mutual is exposed to. Once the Association has identified and analysed its risks, an annually evaluation of the effectiveness of our control system is performed. If required, further actions will be undertaken to mitigate the risk. A signed and dated self- assessment declaration by the risk owner or manager in question provides a detailed report on risk exposures and advise on risk-management matters.

For the identification and description of risks, ELINI has focused on key risks and on management related controls that mitigate those risks. ELINI's key risks definitions are based on existing information such as different control reports and regularly self-assessments. To lead to an efficient identification of those controls, interviews were conducted with every member of the Management. All this information has come together in a working document referred to as ELINI's risk log.

The risk log identifies ELINI's key risks. The management crosschecks the type of risk with existing control measures to see how they are currently mitigated. This exercise is performed at the end of each year and in preparation for the year to come.

In the risk log, ELINI additionally estimates the potential loss given default of each risk category in case the risk should occur. In order to quantify each individual risk, ELINI therefore combines two parameters which are the probability of occurrence and the (financial) loss impact. Furthermore, an evaluation is made on the effectiveness of the current controls so that the Association can target threats and plan actions were needed.

Each person in charge receives yearly a personal self-assessment form enumerating all risks falling under his authority. This form allows him to analyse and evaluate his control measures on risk and, if needed, plan action. Further, the person in charge declares that his self-assessment has been completed to his best ability before dating and signing off the document.

Finally, ELINI emphasises that risk awareness is a priority of every member of staff.

Policies and procedures

Policies and procedures are instruments of organization and control that contribute to the realization of the fixed objectives. They have to be in adequacy with the various identified, easily accessible risks and be the object of a communication and adequate trainings. They must be updated also regularly. The risk owners are responsible for the maintenance of processes and procedures.

Control plans

By "control" of course it is a question of supplying the assurance of the conformity of the operations and the processes with one or several standards or rules, as well as the good implementation of the procedures. In a general term, it indicates any measure taken by the management, the internal or external auditors or the other parties to manage the risks and increase the probability that the purposes and the fixed objectives will be reached. The risks so identified that we want to master give rise to the implementation of controls, automated or not, among which the intensity and the rhythm are proportioned at the level of incurred risk.

Control processes occur throughout the entire organisation, at all levels and in all functions, since everyone in ELINI bears responsibility in internal control. Focus will be on "at the top" perspectives, but adequate controls must exist and understood in all departments and by all employees with access to control mechanisms. ELINI uses the four eyes principle to protect itself against mistakes and dishonesty in day-to-day management and outgoing payments and communication.

The Executive Committee takes all necessary internal control measures to ensure that all the divisions of the Association have job descriptions with clear responsibilities. The Executive Committee is responsible for implementing the risk management strategy and designing the structure so it is integrated into the organisational structure.

Management is charged with the maintaining of the internal control systems. Every manager establishes in his department policies and procedures in order to secure that the internal control directives are carried out and that there are sufficient tools for monitoring. Those procedures are gathered in a global Internal Procedure Manual. A manager will regularly monitor whether his procedures are working by periodic checks and balances such as testing of the system, supervision of day-to-day operations, auditor reviews, staff meetings etc. This gathering of information helps him in evaluating if procedures are sufficient and understood by all applicable personnel. Evaluating his staff, a manager determines as to what their jobs are, what their limitations are and where personnel lacks formation.

Reporting and recommendations

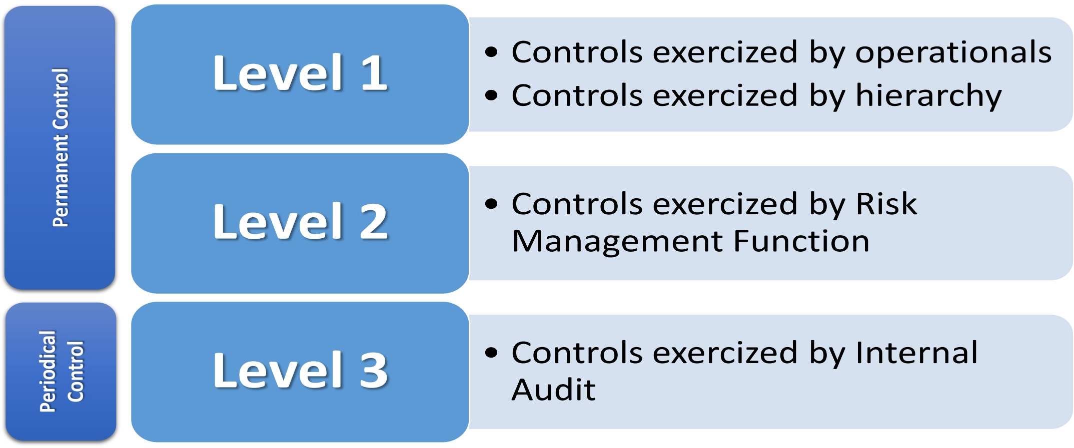
The reporting is the responsibility of the Risk management function.

Further to a report on a situation of failure or inefficiency or an evolution of the permanent control, various participants can emit a recommendation (the Supervisor, the Statutory Auditor, the Internal Auditor) or introduce an action of correction / prevention. The impulse of actions of correction or prevention and their follow-up are the current responsibilities of the management. The level of formalization in the action plan possibly implemented and its follow-up must be proportioned at the incurred risk, at the difficulty of implementation, at the desire at the risk of the Mutual.

Piloting, action, arbitration

Every person in charge examines regularly the business unit he is responsible for in order to enhance the control system, in particular the procedures, the controls or the monitoring systems of the risks. These decisions also include the organization and the affectation of means in resources (human or computing).

The piloting by the person in charge also has to take into account the contributions of the periodic control and those of the external audit and the Supervisor, of which in particular all the recommendations and the proposals concerning the permanent control system.



5.2. Compliance Function

The Compliance function is in ELINI executed by the Compliance officer. The Compliance officer makes proposals as regards the integrity policy to be followed by the Association and submits them for approval to the Board of Directors. He acts as an adviser to the Executive Committee on the measures to be taken within the context of integrity policy and applicable law, to ensure the development of the entity's integrity code.

The responsibility of the Compliance function is to proactively:

1. identify, assess and monitor the compliance risks faced by ELINI: in particular the most important mission of the Compliance officer is to master the legislative and statutory environment and to watch his respect by ELINI
2. assist, support and advise management in fulfilling its compliance responsibilities
3. advise any employee with respect to their (personal) compliance obligations thereby helping ELINI to carry on business successfully and in conformity with external and internal standards.

The task of the Compliance officer is not limited to analysing the situation, identifying a solution and giving advice to management. The Compliance officer must continue to pursue the matter until a satisfactory solution has been fully implemented. If necessary, the actions taken should include escalating the issue to a higher level.

The Compliance function activities include:

- Identification and prioritization of potential compliance risks leading to damage to ELINI's reputation, legal or regulatory sanctions, or financial loss to safeguard the Mutual's reputation, the members of its legal organs of administration, the management, the employees, and in particular the rules of integrity and ethics. The function also includes assessing the possible impact of any changes in the legal environment on the operations of the insurance undertaking, and the identification and evaluation of risk of non-compliance
- Development and implementation of risk mitigating measures, including clear standards, procedures and guidelines (Business Standards – see point 2) to prevent, mitigate or minimise (important) compliance risks and to detect, report and respond to compliance violations.
- Risk monitoring
- Incidents management: reporting in the ad-hoc tool, initiate and drive appropriate action
- Training and education of personnel where needed
- Implementation of the Compliance policy and minimum standards
- Leading the relationship with the supervisor in compliance related matters.

Material compliance incidents are periodically reported.

The incidents can fall in one of the following categories:

1. Internal Crime and Fraud (e.g. internal fraud by employee)
2. External Crime and Fraud
3. Business Product Malpractice (e.g. misspelling/misleading a Member)
4. Employment Malpractice (e.g. harassment by ELINI's employee)
5. Unauthorised activities (e.g. activities adverse to ELINI's Business Standards)
6. Control failure (e.g. incorrect or late filing of regulatory report)

Independence

The Compliance function is a key function and must be fit and proper. Therefore, the Compliance function is independent of operational functions within ELINI and has the prerogatives and resources necessary for the proper performance of its duties. The remuneration of the Compliance function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

To avoid potential conflicts of interests, the Compliance function will report directly to the the Board of Directors. The function uses the Executive Committee member in charge of the control operations, as a referent, in order for him to implement the actions within ELINI that allow the Compliance Function to operate properly.

The compliance officer has the widest access right to the information. He benefits from the largest right of initiative. The compliance officer can rely on a Charter in which is explained the responsibilities and duties of the Compliance function.

Reporting & planning

A yearly compliance report and plan is provided to the Board and Executive Committee in which key risks, major developments and issues and compliance incidents are brought to attention, including recommendations for follow-up. The report is also disclosed to the Members on the Members meeting and to the Supervisor. The plan will contain focus points for the year to come.

If needed, the Executive Committee or Board gives new or complementary missions to the Compliance function.

Key function

The compliance officer works in parallel with the internal auditor, risk manager and the actuarial function who communicate him his notices on the contractual, statutory and regulatory measures.

Escalation procedure

In case of blocking, the compliance officer has the obligation to inform immediately the Chairman of the Board, and the internal and external auditors.

Capabilities

In case of replacement of the Compliance function, ELINI will inform the supervisor, motivate her decision and wait for confirmation before appointing his successor.

6. Internal Audit Function

Object

The Internal Audit function constitutes a function of independent evaluation within ELINI charged to examine and to estimate the efficiency and the management of its activities. The objectives of the Internal Audit function are to assist the Management of the Association and the Board in the effective fulfilment of their responsibilities by supplying analyses, evaluations, recommendations, advices and information about the examined activities and by promoting an effective control to a reasonable cost.

The Internal Audit function is controlled by the Board and its responsibilities are defined by the Audit Committee of the Board, as being part of the control function.

Professional standards

The staff of the Internal Audit, either the internal staff, or the staff of an outside consultant, will conform to the "Code of ethics" of the Institute of the Internal Audit. The "Standards for the Professional practice of the Internal Audit" and the "Definition of the Responsibilities" will constitute the procedures of functioning of the department.

Furthermore, the Internal Audit will conform to guidelines and to procedures of ELINI as well as to the "Internal Audit charter".

The Internal Audit function is considered to be a key function and has to be fit and proper. Therefore, the Internal Audit function is independent of operational functions within ELINI and has the prerogatives and resources necessary for the proper performance of their duties. The remuneration of the Internal Audit function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

Powers

Powers are granted to the Internal Audit function to guarantee a total, free and unlimited access to files, to material properties and to staff concerned by any examined function. All the employees are asked to give assistance to the Internal Audit function in the execution of its function. The Internal Audit function will also have a free and unlimited access to the Chairman of the Board and to the Audit Committee. Documents and information given to the Internal Audit function during a periodic examination are treated in the same careful way that by the employees who are normally responsible for it.

Organisation

Within ELINI, the function of Internal Auditor has been outsourced. However, there is sufficient experience within the Board to challenge the findings of the Internal Auditor. The Internal Auditor is nominated by the Board for a period of 1 year, with possibility to extend to 3 years as a whole. of 3 years. To insure his/her independence, the Internal Auditor reports functionally and administratively to the Executive Committee and to the Audit Committee as representative of the Board.

As it is an outsourced function, the function uses the Executive Committee member in charge of the Control operations, as a Person of Contact, in order for him to implement the actions within ELINI that allow the Compliance Function to operate properly.

Periodical monitoring by the management is implemented in order to verify if the Internal Audit and internal control processes are still functioning correctly.

Independence

No element within ELINI can influence the activities of Internal Audit, included the business within the framework of the audit, the procedures, the frequency, the timing or the contents of the reporting to guarantee an independent attitude and free objective reports.

The Internal Auditor will not assume either operational responsibilities or powers in connection with the activities which they examine. Besides, they are not authorised to develop or to promote systems or procedures, to prepare files or to make a commitment in any activity normally subject to an audit.

ELINI enables the person responsible for the Internal Audit to exercise his function in an objective and independent manner and this at every level of the Mutual. Periodical monitoring by the management is implemented in order to verify if the internal audit and internal control is still functioning correctly.

Audit field

The scope of work of the Internal Auditor is to determine whether ELINI's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and sufficient. The responsibilities of the Internal Auditor are further explained in the Internal Audit Charter.

The key role of the Internal Auditor is to assist the Board and the Audit Committee in discharging its governance responsibilities by delivering:

- An objective evaluation of the existing risk and internal control framework
- Systematic analysis of business processes and controls
- A source of information on irregularities and unacceptable levels of risk
- Reviews of the compliance framework and specific compliance issues.
- Evaluations of operational and financial performance
- Recommendations for more effective and efficient use of resources
- Feedback on the values and ethics of the association

Audit planning

The Internal Auditor starts at the end of year -1 by informing the Audit Committee of the issues and objectives he will focus on for the coming year.

Internal audits take place at the various divisions of the Mutual at regular times but at least twice a year.

Reporting

The audits are executed by an external person who will write down his observations in a report for the Audit Committee. This report, if necessary with comments from the Audit Committee, is finally presented to the Board. Yearly the Executive Committee reports to the Board on Internal Audit. The report is also disclosed to the Supervisor.

The person in charge of the Internal Audit can include in the audit report the reactions and the taken corrective actions or to take taking into account the conclusions and the recommendations. The remarks of the Management should include a schedule of completion of the actions to be taken and an explanation for any retained recommendation.

In case the internal audit report contains any remark, the management of the audited department will react, in writing, prior to next session of the Internal Auditor. The Internal Auditor will be responsible for the appropriate follow-up of the conclusions and the recommendations inherent to the Audit.

7. Actuarial function

The Actuarial function is in charge of the control on the calculations made by the ELINI and to give a level of comfort to the Board of Directors on actuarial processes.

In accordance with Article 48 (2) of the Solvency II Framework Directive, the Actuarial function is carried out by a person who has knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business and who is able to demonstrate their relevant experience with applicable professional and other standards.

The Actuarial function is a key function and must be fit and proper. Therefore, the Actuarial function is independent of operational functions within ELINI and has the prerogatives and resources necessary for the proper performance of its duties. The remuneration of the Actuarial function is set according to the objectives linked to this function, independent of the performance areas of controlled activities.

Due to the size and the activity (mono-line) of the ELINI, the actuarial function is outsourced and therefore needs to comply with guidelines of the outsourcing policy.

According to article 48 of the Directive Solvency II and based on the work of the Actuarial function has the following responsibilities:

Coordination of the technical provisions calculation

Control of the methodologies and hypotheses used for the calculation of the Best Estimates.

The Actuarial function must reveal any incoherence compared with the requirements defined to articles 76 - 85 of the Solvency II directive for the calculation of the technical reserves and proposes, if necessary, corrections.

Control and explanation of the evolution of the Best Estimates

According to the article 48 of the Solvency II directive, the Actuarial function has to explain, between two calculation dates, any importing effects on the technical amount of reserves due to the change of data, methodologies or hypotheses, if these technical reserves are already calculated on basis of the Solvency II directive.

Control the data quality

The Actuarial function estimates the coherence of the internal and external data used in the calculation of the technical reserves compared with the quality standards of the data defined in the Solvency II directive. If necessary, the Actuarial function should supply recommendations as for the internal procedures to improve the quality of the data to guarantee that the Mutual is capable of meeting the requirement of the directive.

Advice on the underwriting and reinsurance policies

The Actuarial function has to express her opinion on the Underwriting policy and on the Reinsurance policy of the Mutual.

When the Actuarial function expresses an opinion on these policies, it should consider the links between these and the technical reserves.

The Actuarial function shall analyse the calculations of BE, express an opinion and make recommendations to the Board of Directors and Executive Committee in the actuarial report.

Particular responsibilities

The Actuarial function shall guarantee the compliance of the management process with the outsourcing policy.

The Actuarial function shall contribute to a fluent relationship with Statutory Auditor and Supervisor.

8. Outsourcing

a) Policy

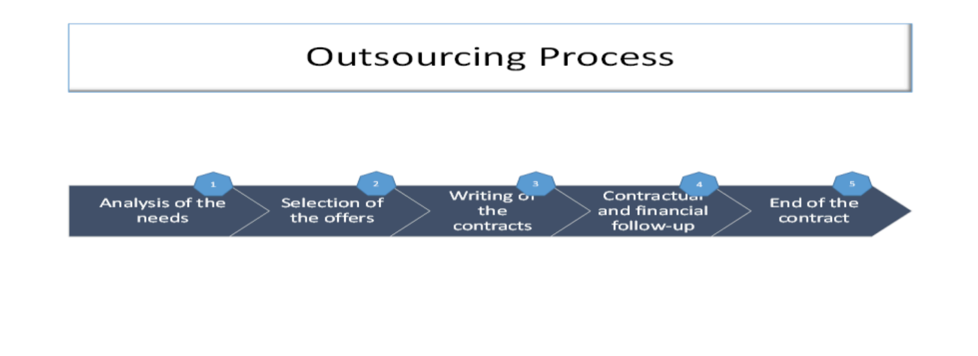
ELINI updates and discloses yearly an outsourcing policy to the NBB. The respect for this policy is compulsory every time a subcontracted activity can have a significant influence on the functioning of ELINI. The activity, the service or the process are assessed by:

- Strategic impact: The concerned activity is inherent to the status of ELINI;
- Significant impact on the control of the risks: the realisation of the tasks linked to the concerned activity implies significant risks and/or affects directly the control of the risks;
- Significant impact on the budget or the financial results: the realisation of the tasks linked to the concerned activity represents a significant cost and/or products a significant financial result.

b) Staffing of supervision

The subcontracting reduces in no way the responsibility of the Executive Committee and the Board of ELINI whether regarding the Members, Supervisory Authorities or other shareholders ELINI has to keep ultimate responsibility of its activity.

For any subcontracted essential activity, the Executive Committee of ELINI will appoint in house a person in charge of the subcontracted function to whom it will delegate the correct application of the present policy. This person will be in charge in particular of defining the contents of the subcontracting, the necessary internal resources, the interfaces between the parties, the controlling of the subcontracting, the establishment of the assessment of the subcontracted function (economic profits vs risks) and the reporting to the Executive Committee. The subcontracted organization of the outsourced function will have to allow a permanent control of the provider. The subcontracted organization will have in particular the obligation to raise any operational incident having an impact on the subcontracted activities, as well as in emergency situation. The process of subcontracting is resumed in the plan below. Each of the stages of the process is explained in the outsourcing policy.



The outsourcing cannot harm the laws and the regulations to which ELINI is submitted. Compliance has to verify that the respect for these laws and regulations which come within his/her skills are the object of a preliminary examination, a sufficient guarantee on behalf of the service provider and an appropriate follow-up.

9. Other relevant governance domains: Swiss Branch

ELINI opened a Swiss branch as required by Swiss Supervisor FINMA and obtained its license for TPL in November 2019.

The day to day management of the Swiss branch falls under the responsibility of the Branch's General Manager and Deputy Branch Manager who report to the Executive Committee of the Head office. Both persons are not only member of the Management Committee but ensure also their awareness by being member of Advisory Committees being the Insurance Advisory Committee and the Legal Advisory Committee of ELINI. The Branch Manager has direct access to the Board of Directors.

The Swiss Branch is fully integrated and covered by ELINI´s policies and procedures, risk control, compliance, internal audit etc. which are expanded or adjusted to incorporate specific FINMA requirements as applicable.

For the Swiss Branch, the Swiss technology regulations are followed up by the Swiss Branch Manager and by Corporate & Legal, the Compliance Officer as well as the IT Manager of ELINI. ELINI is fully compliant with European /Belgian regulation in respect of IT systems.

ELINI is following carefully the European Data Protection Regulation and is compliant with it. Also the Swiss Data Protection Regulations are monitored and implemented as applicable. The Branch Manager and Deputy receive information on compliance and breaches. ELINI has a data protection officer to do the follow up of GDPR.

Although the Swiss Branch does not have to comply with the Swiss Solvency Test, ELINI itself is fully compliant with the Solvency II regulation including a full Own Risk & Solvency Assessment, which is equivalent to the SST. The Branch Manager is informed quarterly.

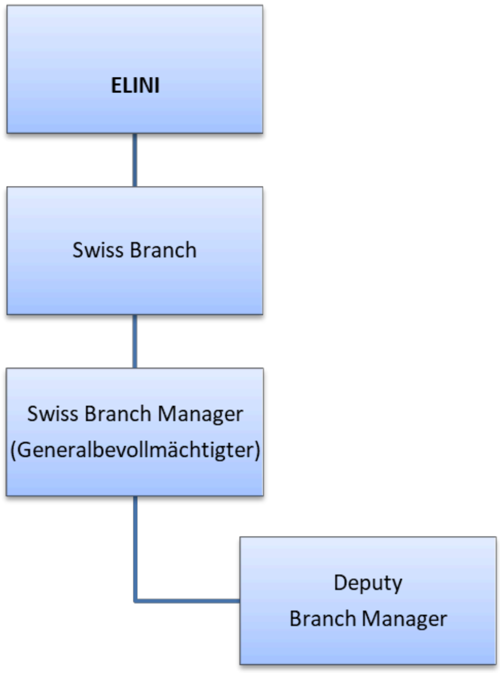
Financial and non-financial reporting is mostly prepared by ELINI in Brussels but is always checked by Swiss Branch Manager and/or the Deputy Branch Manager; and audited by the Swiss Statutory Auditor. The actuarial report including the Market Value Margin is drafted by the Swiss Actuary. Subsequently management needs to check if there are enough Tied Assets and informs the Branch.

The Financial statements of the Swiss branch are reported to FINMA (Swiss regulator) via their EHP platform.

The Swiss Risk log is a document that monitors all the risks within the organisation specifically for the Branch. This is the assessment tool as referred to under Rz 41 FINMA-RS 2017/2. The Deputy Branch Manager actively participates in the Risk Log.

For internal control purposes ELINI has drafted a Swiss Branch procedure manual, IT documentation and a report of the Executive Committee on internal control for the Swiss Branch.

All four key control functions being actuary, risk management, internal audit and compliance are in place. All control functions have unrestricted access to all information sources they need in order to meet their responsibilities and in line with Rz 40 FINMA-RS 2017/2. Risk management & compliance report to the Deputy Branch Manager. All control functions are independent but relevant information is shared with the Branch.



10. Risk profile

ELINI's Risk Management system, based on a top-down as well as bottom-up approach, covers all existing as well as evolving risks that have the potential to materially impact the adequacy of its financial resources, the volatility of its results or its ability to meet its commercial, legal and regulatory obligations. These risks include, but are not limited to, the following:

Insurance Risks (including reinsurance and claims)
Insurance risks refer to the risk of loss, or adverse change in the value of insurance liabilities, due to inadequate pricing and reserving practices. These risks may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectations at the time of underwriting.

Market Risk
Market risk is the risk of loss or adverse change in the financial position due to fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. This risk may be caused by fluctuations in foreign exchange rates, interest rates or equity, market liquidity, property and securities values.

Credit Risk
Credit risk is the risk of loss or adverse change in the financial position due to fluctuations in the credit standing of issuers of securities, reinsurers, counterparties or any other debtors.

Operational Risk
Operational risk, including compliance risk, refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all functions rendered during conducting business, including strategy and business planning, underwriting, reinsurance purchasing, reserving, claims management, accounting, investments, treasury, information technology, legal and regulatory, and financial reporting functions.

Liquidity Risk
Liquidity risk is the risk of a loss or inability to realise investments and other assets in order to settle financial obligations when they fall due.

Strategic Risk
Strategic risk is the risk of the current or prospective impact on earnings or capital arising from adverse business decisions, improper execution of decisions made, or lack of responsiveness to industry changes. Strategic Risk includes risks relating to accessing / raising capital, capital allocation, competition and maintaining ratings.

Reputational Risk
Reputational risk is the risk of potential loss through a deterioration of ELINI's reputation or standing due to a negative perception of its image among members, counterparties, shareholders or supervisory authorities.

Emerging Risks
Emerging risks refer to risks that do not currently exist or are not currently recognised but have the potential to materially impact the adequacy of ELINI's financial and operational resources, the volatility of its results and expected financial income or its ability to meet its commercial, legal and regulatory obligations following changes in the environment.

11. Valuation for Solvency purposes

For the purpose of Solvency II, investments are reported at market value. Therefore, the unrealized capital gains or losses that are not reported in the Statutory balance sheet are added to the Basic Own Fund.

The market value of the equities is the market price at 31 December. These unrealized capital gains or losses are the main contributor to the ‘Asset adjustments’ in the economical balance sheet.

Whereas the equalization reserve is considered as a technical reserve in the Statutory accounts, it is considered as Basic Own Funds in Solvency II. It is therefore the main contributor to the ‘Liabilities adjustments’ on the economical balance sheet.

The technical provisions under the Solvency II regime include the best estimates for claims and premiums together with the Solvency II Risk Margin and differ therefore from the statutory account by reason of:

- a discounting effect with the use of the yield curve provided by EIOPA;
- the inclusion of a risk margin as required in the EIOPA guidelines;
- the shift of the equalization reserve to the eligible own funds

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

BALANCE SHEET AS OF 31 DECEMBER 2019

(Currency - Euro)

ASSETS	BE Gaap	Solvency II	Difference	
C. Investments				
III. Other financial investments				
1. Parts in investment funds	108.957.377,14	110.832.713,37	+ 1.875.336,23	
2. Bonds and other fixed interests	0,00	0,00	+ 0,00	
6. Term depositos	100.517,24	100.517,24	+ 0,00	*(5)*
	109.057.894,38	**110.933.230,61**	**+ 1.875.336,23**	*(1)*
D. bis Part of reinsurers in the technical reserves				
I. Reserve for non-earned premiums and current risks	81.403,03	0,00	- 81.403,03	
III. Reserve for claim receivable	1.859,65	0,00	- 1.859,65	
	83.262,68	**0,00**	**- 83.262,68**	*(2)*
Reinsurance recoverables (Solvency II regime)				
Premium provisions - Total recoverable from reinsurance	0,00	81.513,36	+ 81.513,36	
Claims provisions - Total recoverable from reinsurance	0,00	1.461,95	+ 1.461,95	
	0,00	**82.975,31**	**+ 82.975,31**	*(2)*
E. Receivables				
I. Receivables resulting from direct insurance	30.161,38	30.161,38	+ 0,00	
1. Insurers	19.135,35	19.135,35	+ 0,00	
2. Intermediaries	11.026,03	11.026,03	+ 0,00	
II. Receivables resulting from reinsurance	0,00	0,00	+ 0,00	
III. Other receivables	14.741,09	14.741,10	+ 0,01	
IV. Subscribed capital, not paid	2.084.156,00	2.084.156,00	+ 0,00	
	2.129.058,47	**2.129.058,48**	**+ 0,01**	*(3)*
F. Other assets				
I. Tangible assets	585.705,05	585.705,05	+ 0,00	
II. Liquidities	8.084.206,89	8.096.362,91	+ 12.156,02	*(5)*
	8.669.911,94	**8.682.067,96**	**+ 12.156,02**	*(4)*
G. Transitory accounts				
I. Interests and rent & other transitory accounts	125.258,12	113.089,03	- 12.169,09	
	125.258,12	**113.089,03**	**- 12.169,09**	*(5)*
TOTAL ASSETS	***120.065.385,59***	***121.940.421,39***	***+ 1.875.035,80***	

(1) Whereas investments are reported at their book value under Belgian GAAP,
the Solvency II regime takes into account multiple factors :
- *the initial value of the investments is the market value at the reference date (= date of the balance sheet)*
- *possible shocks on the assets related to interest rate risk, equity risk, property risk, spread risk, currency risk and concentration risk*
- *accrued interest*

(2) Provisions for reinsurance under the Solvency II regime are discounted to their net present value (NPV) at reference date and reported as "Reinsurance recoverables"

(3) No adjustments under Solvency II

(4) Tangible assets (excl. real estate) are valued at their book value both under Belgian GAAP as Solvency II.
Under Solvency II, the liquidities are valued at their nominal value including the accrued interests.

(5) Under the Solvency II regime, the amounts of accrued interests on assets are included in the value of the assets themselves.

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

BALANCE SHEET AS OF 31 DECEMBER 2019
(Currency - Euro)

LIABILITIES	BE Gaap	Solvency II	Difference	
A. Equity				
I. Subscribed capital or equivalent fund, net of uncalled capital				
1. Guarantee fund securities	79.200.390,26	79.200.390,26	+ 0,00	
V. Retained earnings including	-2.926.580,36	-2.926.580,36	+ 0,00	
1. Surplus (Deficit) of the period (Belgium)	0,00	0,00	+ 0,00	
2. Surplus (Deficit) of the period (Switzerland)	-2.608.568,24	-2.608.568,24	+ 0,00	
Reconciliation reserve (Solvency II regime)				
Asset adjustments (1) + (2) + (3) + (4) + (5)	0,00	1.875.035,80	+ 1.875.035,80	
Liabilities adjustments (8) + (9) + (10)	0,00	43.135.928,78	+ 43.135.928,78	
Technical provisions adjustment (7)	0,00	-1.997.093,83	- 1.997.093,83	
	76.273.809,90	**119.287.680,65**	**+ 43.013.870,75**	*(6)*
Technical provisions - non life (Solvency II regime)				
Best Estimate		367.854,47	+ 367.854,47	
Risk Margin		1.629.239,36	+ 1.629.239,36	
		1.997.093,83	**+ 1.997.093,83**	*(7)*
C. Technical reserves				
I. Reserve for unearned premiums and for unexpired risks	316.550,45	0,00	- 316.550,45	
III. Reserve for claims payable	51.418,45	0,00	- 51.418,45	
V. Reserve for egalization and catastrophes	42.767.946,82	0,00	- 42.767.946,82	
	43.135.915,72	**0,00**	**- 43.135.915,72**	*(8)*
G. Payables				
I. Payables resulting from direct insurance business	155.071,01	155.071,01	+ 0,00	
II. Payables resulting from reinsurance business	93,00	93,00	+ 0,00	
IV. Debt versus financial institutions	13,06	0,00	- 13,06	
V. Other payables				
1. Fiscal and social payables				
a) Property tax and VAT	11.096,72	11.096,72	+ 0,00	
b) Social Payables	172.550,00	172.550,00	+ 0,00	
2. Other	212.435,08	212.435,08	+ 0,00	
	551.258,87	**551.245,81**	**- 13,06**	*(9)*
H. Transitory accounts	104.401,10	104.401,10	+ 0,00	
	104.401,10	**104.401,10**	**+ 0,00**	*(10)*
TOTAL LIABILITIES	***120.065.385,59***	***121.940.421,39***	***+ 1.875.035,80***	

(6) Under Solvency II, the own funds are calculated as the excess of assets over other liabilities.
and composed out of the capital and the reconciliation reserve
Non-eligible capital is cleared from the balance sheet (not mentioned as capital nor as reconciliation reserve)
The reconciliation reserve consists of the asset adjustments, liability adjustments and technical provision adjustments
(7) The technical provision is calculated as the sum of the Best Estimate (= discounted Premium and Claim reserves) and the Risk Margin (= additional capital buffer to be calculated using a cost of capital of 6% p.a. and discounted at the risk-free rate.)
(8) Solvency II does not recognize technical reserves. These reserves are transfered to
- technical provisions (subject to calculation of shocks and to a discount factor)
- own funds (subject to calculation of shocks and to a discount factor)
(9) There is no distinction between the origin of the payables under Solvency II.
(10) Transitory accounts are valued at their nominal value under Solvency II

12. Capital Management

ELINI must implement a capital management available over a period corresponding to the business plan; the risk capacity is defined as the means used by the company to counter the negative consequences of the occurrence of a risk:

- Basic own funds ;
- Ancillary own funds ;
- others: human resource, IT systems, ALM,…

ELINI has obtained the Regulator's approval to use the supplementary contributions as part of its eligible capital. Processing these additional contributions will be according to the Articles of Association and their interpretation as agreed upon with the Regulator.

This additional capital is considered as Ancillary Own Funds (AOF). Notwithstanding the Regulator's approval, ELINI has chosen not to use these Ancillary Own Funds for determining the total of Eligible Own Funds and Solvency ratio in its official quarterly and annual reporting. The yearly approval process is therefore conducted only as a precaution measure.
The Board has identified two capital measures that ELINI should consider in setting its Medium-Term Capital requirement:

- Regulatory: based on the capital requirement set by reference to Solvency II, a Minimum of capital is calculated to ensure that ELINI is, and will continue to, operate where the level of risk-based capital is above a 100% solvency ratio. The margin in excess of 100%, the Target amount of capital, is the level of Solvency that is required to be consistent with the capital required to meet the ELINI's rating agency objectives.
- Rating agency: the capital requirement is also judged against the alternative capital calculations from a rating agency; then the Target amount of capital is the amount of capital necessary to maintain an A- rating of AmBest.

In practice, ELINI considers the following factors to determine the minimum and target capital levels:

- A failure to meet a regulatory capital requirement is a critical event. ELINI should therefore always hold the regulatory capital to meet solvency (SCR) plus a margin to be determined depending on risk appetite.
- Rating agency models also take into account other non-financial factors within the rating process which are evaluated more subjectively.
- Limiting the volatility of the solvency coverage from year to year is also a key focus for capital management as solvency ratios are to be published under the new solvency guidelines.
- In the event that the level of the solvency ratio might fall below 125%, ELINI would implement management actions which are developed. However, for prudence reasons the Board targets more than 149% considering a buffer to reinstate reinsurance cost and for non-underwriting risks under SII.
- A breach of the MCR threshold would result in supplementary contributions to increase Basic Own Funds of the required level. We refer to the Capital Management Policy which describes the process to call additional contributions to members in case of cat event.

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

MCR & SCR RATIO - 31 December 2019

Total Basic own funds			**119.287.680,65**	*(11)*
- Own funds Tier I		*118.330.704,65*		*(11a)*
- Own funds Tier II		*956.976,00*		*(11b)*
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			**-1.127.180,00**	*(11c)*
Deductions for participations in financial and credit institutions			**0,00**	*(11d)*
Ancillary own funds			**0,00**	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0,00		**0,00**	
Eligible ancillary own funds			**0,00**	*(12)*
Total eligible own funds to meet the SCR (11a) + (11b) + (11c) + (11d) + (12)			**118.160.500,65**	*(13)*
Total eligible own funds to meet the MCR (11a) + (11b) with (11b) ≤ 20% of (16)			**118.160.500,65**	*(14)*
Solvency Capital Requirement (SCR)			**32.404.022,05**	*(15)*
Minimum Capital Requirement (MCR)			**8.101.005,51**	*(16)*
Linear MCR	1.053.303,51			
MCR floor = 25% of (15)	8.101.005,51			
Absolute floor (if both Linear MCR and MCR floor below)	3.700.000,00			
SCR ratio (13)/(15)			**364,65%**	*(17)*
MCR ratio (14)/(16)			**1.458,59%**	*(18)*

(11) See Solvency II balance sheet.

(11c) Uncalled capital or called capital that is not payable within 3 months are considered as non-eligible own funds, except for the capital that was called up prior to 2016.

(12) Supplementary members calls can be taken into account as ancillary own funds.
The amount of ancillary own funds is however limited to 50% of the SCR amount. = max 50% of (15)
and subject to approval by the regulator

(13) Total eligible own funds is the sum total basic own funds and the eligible ancillary own funds

(13) Total eligible own funds to meet the SCR is the sum total basic own funds and the eligible ancillary own funds

(14) To determine the eligible own funds to meet the MCR, only the Basic own funds are taken into account = (11).
However the Tier II capital taken into account is limited to 20% of the MCR. (Eligible Tier II capital = max 20% of (16)

(15) See seperate calculation sheet for the composition of the SCR
The SCR is the sum of market risk, default risk and non-life insurance risk, after a correlation factor is applied.

(16) The linear MCR is calculated according to the Solvency II guidelines (standard formula non-life business).
The MCR is equal to the linear MCR, however a minimum of 25% of the SCR is applied together with an absolute floor.

(17) The SCR ratio is calculated as the total eligible own funds to meet the SCR (13) devided by the SCR (15)

(18) The MCR ratio is calculated as the total eligible own funds to meet the MCR (14) devided by the MCR (16)

13. Status of the SFCR and date

For practical reasons, the SFCR is written in a masculine version where we often use words as he or his. In ELINI, where we believe in equal rights, it is not more than normal that those words can be used if appropriate in their feminine form.

A Mutual is always changing. To avoid continuous and minor adaptations to the SFCR, the Executive Committee yearly evaluates and updates the SFCR where necessary. A minimal improved version is too insignificant to be presented to the Board of Directors. However, major modifications that have a structural impact on the organization will have to be approved by the Board of Directors. Their consent will be expressed by the signature of the Managing Director.

Drawing up date	30-04-2020
Latest assessment Executive Committee	12-05-2020
Brought to the Board	18-05-2020

Approved by,

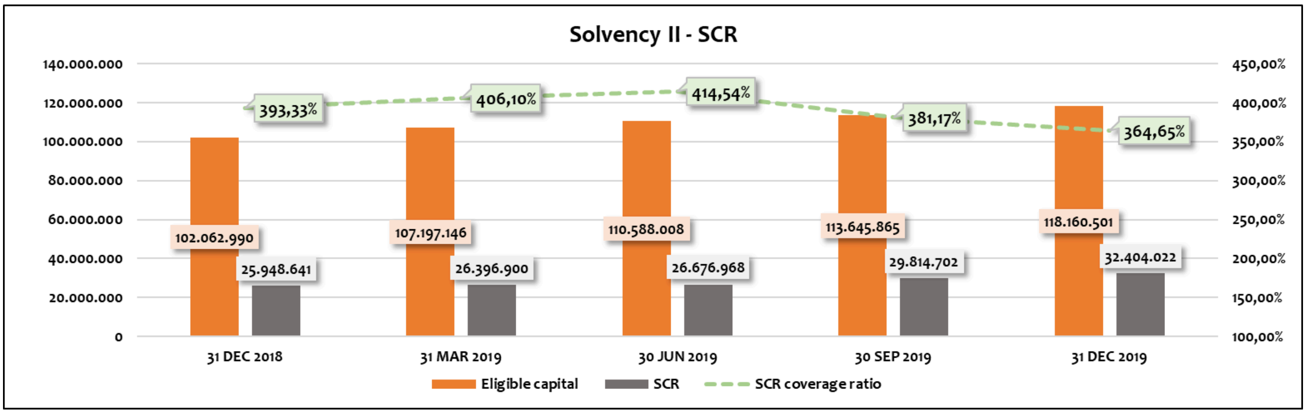
Jean-Denis Treillard
Managing Director

Jo Machtelinckx
Finance Manager

ANNEX

1. Annex 1: SCR evolution

	31 DEC 2018	31 MAR 2019	Change to 31 DEC 2018	30 JUN 2019	Change to 31 MAR 2019	30 SEP 2019	Change to 30 JUN 2019	31 DEC 2019	Change to 30 SEP 2019
SCR	25.948.641	26.396.900	+2%	26.676.968	+1%	29.814.702	+12%	32.404.022	+9%
Eligible capital	102.062.990	107.197.146	+5%	110.588.008	+3%	113.645.865	+3%	118.160.501	+4%
surplus	76.114.349	80.800.246	+6%	83.911.040	+4%	83.831.163	-0%	85.756.479	+2%
SCR coverage ratio	393,33%	406,10%	+13%	414,54%	+8%	381,17%	-33%	364,65%	-17%



2. Annex 2: template SE.02.01

					Solvency II value	Reclassification adjustments
					C0010	EC0021
Assets	Goodwill			R0010		
	Deferred acquisition costs			R0020		
	Intangible assets			R0030	-	
	Deferred tax assets			R0040	-	
	Pension benefit surplus			R0050	-	
	Property, plant & equipment held for own use			R0060	585.705,05	
	Investments (other than assets held for index-linked and unit-linked contracts)			R0070	110.933.230,61	-
		Property (other than for own use)		R0080	-	
		Holdings in related undertakings, including participations		R0090	-	
		Equities		R0100	-	-
			Equities - listed	R0110	-	
			Equities - unlisted	R0120	-	
		Bonds		R0130	-	-
			Government Bonds	R0140	-	
			Corporate Bonds	R0150	-	
			Structured notes	R0160	-	
			Collateralised securities	R0170	-	
		Collective Investments Undertakings		R0180	110.832.713,37	
		Derivatives		R0190	-	
		Deposits other than cash equivalents		R0200	100.517,24	
		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	82.975,31	
		Non-life and health similar to non-life		R0280	82.975,31	
			Non-life excluding health	R0290	82.975,31	
			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	30.161,38	
	Reinsurance receivables			R0370	-	
	Receivables (trade, not insurance)			R0380	14.741,10	
	Own shares (held directly)			R0390	-	
	Amounts due in respect of own fund items or initial fund called up but not yet paid in			R0400	2.084.156,00	
	Cash and cash equivalents			R0410	8.096.362,91	
	Any other assets, not elsewhere shown			R0420	113.089,03	
	Total assets			R0500	121.940.421,39	-

Liabilities	Technical provisions – non-life			R0510	1.997.093,83	
		Technical provisions – non-life (excluding health)		R0520	1.997.093,83	
			Technical provisions calculated as a whole	R0530	-	
			Best Estimate	R0540	367.854,47	
			Risk margin	R0550	1.629.239,36	
		Technical provisions - health (similar to non-life)		R0560	-	
			Technical provisions 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	-	
			Technical provisions calculated as a whole	R0620	-	
			Best Estimate	R0630	-	
			Risk margin	R0640	-	
		Technical provisions – life (excluding health and index-linked and unit-linked)		R0650	-	
			Technical provisions calculated as a whole	R0660	-	
			Best Estimate	R0670	-	
			Risk margin	R0680	-	
	Technical provisions – index-linked and unit-linked			R0690	-	
		Technical provisions calculated as a whole		R0700	-	
		Best Estimate		R0710	-	
		Risk margin		R0720	-	
	Other technical provisions			R0730		
	Contingent liabilities			R0740	-	
	Provisions other than technical provisions			R0750	-	
	Pension benefit obligations			R0760	-	
	Deposits from reinsurers			R0770	-	
	Deferred tax liabilities			R0780	-	
	Derivatives			R0790	-	
	Debts owed to credit institutions			R0800	-	-
		Debts owed to credit institutions resident domestically		ER0801	-	
		Debts owed to credit institutions resident in the euro area other than domestic		ER0802	-	
		Debts owed to credit institutions resident in rest of the world		ER0803	-	
	Financial liabilities other than debts owed to credit institutions			R0810	-	-
		Debts owed to non-credit institutions		ER0811	-	-
			Debts owed to non-credit institutions resident domestically	ER0812	-	
			Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	-	
			Debts owed to non-credit institutions resident in rest of the world	ER0814	-	
		Other financial liabilities (debt securities issued)		ER0815	-	
	Insurance & intermediaries payables			R0820	155.071,01	
	Reinsurance payables			R0830	93,00	
	Payables (trade, not insurance)			R0840	396.081,80	
	Subordinated liabilities			R0850	-	-
		Subordinated liabilities not in Basic Own Funds		R0860	-	
		Subordinated liabilities in Basic Own Funds		R0870	-	
	Any other liabilities, not elsewhere shown			R0880	104.401,10	
	Total liabilities			R0900	2.652.740,74	-
Excess of assets over liabilities				R1000	119.287.680,65	

3. Annex 3: template S.05.01

				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
				General liability insurance	Health	Casualty	Marine, aviation, transport	Property	
				C0080	C0130	C0140	C0150	C0160	C0200
Premiums written	Gross - Direct Business		R0110	11.150.766,19					11.150.766,19
	Gross - Proportional reinsurance accepted		R0120	-					-
	Gross - Non-proportional reinsurance accepted		R0130						-
	Reinsurers' share		R0140	3.334.270,35					3.334.270,35
	Net		R0200	7.816.495,84					7.816.495,84
Premiums earned	Gross - Direct Business		R0210	11.282.970,46					11.282.970,46
	Gross - Proportional reinsurance accepted		R0220	-					-
	Gross - Non-proportional reinsurance accepted		R0230						-
	Reinsurers' share		R0240	3.326.388,50					3.326.388,50
	Net		R0300	7.956.581,96					7.956.581,96
Claims incurred	Gross - Direct Business		R0310	- 339.921,04					- 339.921,04
	Gross - Proportional reinsurance accepted		R0320	-					-
	Gross - Non-proportional reinsurance accepted		R0330						-
	Reinsurers' share		R0340	1.704,65					1.704,65
	Net		R0400	- 341.625,69					- 341.625,69
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	2.416.068,67					2.416.068,67
	Administrative expenses	Gross - Direct Business	R0610	2.141.073,88					2.141.073,88
		Gross - Proportional reinsurance accepted	R0620						-
		Gross - Non-proportional reinsurance accepted	R0630						-
		Reinsurers' share	R0640						-
		Net	R0700	2.141.073,88					2.141.073,88
	Investment management expenses	Gross - Direct Business	R0710	34.041,29					34.041,29
		Gross - Proportional reinsurance accepted	R0720						-
		Gross - Non-proportional reinsurance accepted	R0730						-
		Reinsurers' share	R0740						-
		Net	R0800	34.041,29					34.041,29
	Claims management expenses	Gross - Direct Business	R0810						-
		Gross - Proportional reinsurance accepted	R0820						-
		Gross - Non-proportional reinsurance accepted	R0830						-
		Reinsurers' share	R0840						-
		Net	R0900	-					-
	Acquisition expenses	Gross - Direct Business	R0910	240.953,50					240.953,50
		Gross - Proportional reinsurance accepted	R0920						-
		Gross - Non-proportional reinsurance accepted	R0930						-
		Reinsurers' share	R0940						-
		Net	R1000	240.953,50					240.953,50
	Overhead expenses	Gross - Direct Business	R1010						-
		Gross - Proportional reinsurance accepted	R1020						-
		Gross - Non-proportional reinsurance accepted	R1030						-
		Reinsurers' share	R1040						-
		Net	R1100	-					-
Other expenses			R1200						-
Total expenses			R1300	2.416.068,67					2.416.068,67

4. Annex 4: template S.05.02

			Line of Business for: non-life insurance and reinsurance obligations	Total
			General liability insurance	
			C0080	C0200
Premiums written	Gross - Direct Business	R0110	11150766,19	11150766,19
	Gross - Proportional reinsurance accepted	R0120		0
	Gross - Non-proportional reinsurance accepted	R0130		0
	Reinsurers' share	R0140	3334270,35	3334270,35
	Net	R0200	7816495,84	7816495,84
Premiums earned	Gross - Direct Business	R0210	11282970,46	11282970,46
	Gross - Proportional reinsurance accepted	R0220		0
	Gross - Non-proportional reinsurance accepted	R0230		0
	Reinsurers' share	R0240	3326388,5	3326388,5
	Net	R0300	7956581,96	7956581,96
Claims incurred	Gross - Direct Business	R0310	-339921,04	-339921,04
	Gross - Proportional reinsurance accepted	R0320	0	0
	Gross - Non-proportional reinsurance accepted	R0330		0
	Reinsurers' share	R0340	1704,65	1704,65
	Net	R0400	-341625,69	-341625,69
Changes in other technical provisions	Gross - Direct Business	R0410		0
	Gross - Proportional reinsurance accepted	R0420		0
	Gross - Non-proportional reinsurance accepted	R0430		0
	Reinsurers' share	R0440		0
	Net	R0500	0	0
Expenses incurred		R0550	2379373,89	2379373,89
Other expenses		R1200		0
Total expenses		R1300		2379373,89

5. Annex 5: template S.17.01

				Direct business and accepted proportional	Total Non-Life obligation
				General liability insurance	
				C0090	C0180
			R0010	0	0
			R0050	0	0
Best estimate	Premium provisions	Gross	R0060	316160,8448	316160,8448
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	81513,35556	81513,35556
		Net Best Estimate of Premium Provisions	R0150	234647,4893	234647,4893
	Claims provisions	Gross	R0160	51693,62396	51693,62396
		Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	1461,952315	1461,952315
		Net Best Estimate of Claims Provisions	R0250	50231,67164	50231,67164
Total Best estimate - gross			R0260	367854,4688	367854,4688
Total Best estimate - net			R0270	284879,1609	284879,1609
Risk margin			R0280	1629239,36	1629239,36
Amount of the transitional on Technical Provisions	Technical Provisions calculated as a whole		R0290	0	0
	Best estimate		R0300	0	0
	Risk margin		R0310	0	0
Technical provisions - total			R0320	1997093,828	1997093,828
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total			R0330	82975,30788	82975,30788
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total			R0340	1914118,52	1914118,52

6. Annex 6: template S.19.01

	Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)	In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	0,00	0,00
N-14	R0110	0,00	0,00
N-13	R0120	0,00	0,00
N-12	R0130	0,00	0,00
N-11	R0140	6.547,79	1.063.573,18
N-10	R0150	0,00	0,00
N-9	R0160	0,00	0,20
N-8	R0170	0,00	4.733,19
N-7	R0180	0,00	11.150,12
N-6	R0190	0,00	0,00
N-5	R0200	0,00	0,00
N-4	R0210	0,00	946,62
N-3	R0220	0,00	321,66
N-2	R0230	0,00	0,00
N-1	R0240	0,00	0,00
N	R0250	0,00	0,00
Total	R0260	6.547,79	1.080.724,97

	Gross discounted Best Estimate Claims Provisions - Current year, sum of years (cumulative)	Year end (discounted data)
		C0360
Prior	R0100	0,00
N-14	R0110	0,00
N-13	R0120	0,00
N-12	R0130	0,00
N-11	R0140	0,00
N-10	R0150	0,00
N-9	R0160	0,00
N-8	R0170	36.245,59
N-7	R0180	0,00
N-6	R0190	0,00
N-5	R0200	0,00
N-4	R0210	0,00
N-3	R0220	1.759,37
N-2	R0230	1.759,37
N-1	R0240	0,00
N	R0250	11.929,30
Total	R0260	51.693,62

7. Annex 7: template S.23.01

			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 2015/35	Ordinary share capital (gross of own shares)	R0010	0,00	0,00	0,00	0,00	0,00
	Share premium account related to ordinary share capital	R0030	0,00	0,00	0,00	0,00	0,00
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	76.273.809,90	75.316.833,90	0,00	956.976,00	0,00
	Subordinated mutual member accounts	R0050	0,00	0,00	0,00	0,00	0,00
	Surplus funds	R0070	0,00	0,00	0,00	0,00	0,00
	Preference shares	R0090	0,00	0,00	0,00	0,00	0,00
	Share premium account related to preference shares	R0110	0,00	0,00	0,00	0,00	0,00
	Reconciliation reserve	R0130	43.013.870,75	43.013.870,75	0,00	0,00	0,00
	Subordinated liabilities	R0140	0,00	0,00	0,00	0,00	0,00
	An amount equal to the value of net deferred tax assets	R0160	0,00	0,00	0,00	0,00	0,00
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0,00	0,00	0,00	0,00	0,00
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	1.127.180,00	0,00	0,00	0,00	0,00
Deductions	Deductions for participations in financial and credit institutions	R0230	0,00	0,00	0,00	0,00	0,00
Total basic own funds after deductions		R0290	118.160.500,65	117.203.524,65	0,00	956.976,00	0,00
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300	0,00	0,00	0,00	0,00	0,00
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0,00	0,00	0,00	0,00	0,00
	Unpaid and uncalled preference shares callable on demand	R0320	0,00	0,00	0,00	0,00	0,00
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0,00	0,00	0,00	0,00	0,00
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0,00	0,00	0,00	0,00	0,00
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0,00	0,00	0,00	0,00	0,00
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0,00	0,00	0,00	0,00	0,00
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0,00	0,00	0,00	0,00	0,00
	Other ancillary own funds	R0390	0,00	0,00	0,00	0,00	0,00
Total ancillary own funds		R0400	0,00	0,00	0,00	0,00	0,00
Available and eligible own funds	Total available own funds to meet the SCR	R0500	118.160.500,65	117.203.524,65	0,00	956.976,00	0,00
	Total available own funds to meet the MCR	R0510	118.160.500,65	117.203.524,65	0,00	956.976,00	0,00
	Total eligible own funds to meet the SCR	R0540	118.160.500,65	117.203.524,65	0,00	956.976,00	0,00
	Total eligible own funds to meet the MCR	R0550	118.160.500,65	117.203.524,65	0,00	956.976,00	0,00
SCR		R0580	32.404.022,05	0,00	0,00	0,00	0,00
MCR		R0600	8.101.005,51	0,00	0,00	0,00	0,00
Ratio of Eligible own funds to SCR		R0620	364,65%	0,00	0,00	0,00	0,00
Ratio of Eligible own funds to MCR		R0640	1458,59%	0,00	0,00	0,00	0,00

8. Annex 8: template S.25.01

Article 112	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	16.233.742,24	16.233.742,24	-
Counterparty default risk	R0020	1.807.524,49	1.807.524,49	-
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	-	-	-
Non-life underwriting risk	R0050	22.794.110,91	22.794.110,91	-
Diversification	R0060	- 8.784.445,65	- 8.784.445,65	
Intangible asset risk	R0070	-	-	
Basic Solvency Capital Requirement	R0100	32.050.931,99	32.050.931,99	

Article 112	No

			Value
			C0100
Adjustment due to RFF/MAP nSCR aggregation		R0120	-
Operational risk		R0130	353.090,05
Loss-absorbing capacity of technical provisions		R0140	-
Loss-absorbing capacity of deferred taxes		R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	-
Solvency Capital Requirement excluding capital add-on		R0200	32.404.022,05
Capital add-on already set		R0210	-
Solvency capital requirement		R0220	32.404.022,05
Other information on SCR	Capital requirement for duration-based equity risk sub-module	R0400	-
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
	Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	-
	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
	Net future discretionary benefits	R0460	-

Article 112	No

		Yes/No
		C0109
Approach based on average tax rate	R0590	3 - Not applicable as LAC DT is not used (in this case R0600 to R0690 are not applicable) See EIOPA Guidelines on loss-absorbing capacity of technical provisions and deferred taxes

9. Annex 9: template S.28.01

MCR - Both life and non-life insurance activity	8.101.006
Linear MCR	1.053.304
SCR	32.404.022
MCR cap	14.581.810
MCR floor	8.101.006
Combined MCR	8.101.006
Absolute floor of the MCR	3.700.000

10. Annex 10: list of critical functions that are outsourced

outsourced function	full or partial outsourcing	internal person in charge
Actuarial function	full	CFO
Internal Audit function	full	CFO