International Transport Intermediaries Club Limited (“ITIC”)

Solvency and Financial Condition Report (“SFCR”)

For the year ended 31st May 2024

Contents

Directors' Statement

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

We are satisfied that:

a. throughout the financial year in question, International Transport Intermediaries Club Limited has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and

b. it is reasonable to believe that International Transport Intermediaries Club Limited has continued so to comply subsequently and will continue so to comply in future.

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Signed ....

Mr J.D. Woyda, Director. For and on behalf of International Transport Intermediaries Club Limited

26 September 2024 | 17:23 BST

Date ....

Summary

Introduction

The PRA regulatory regime for Insurance Companies, known as Solvency II, came into force with effect from 1st January 2016. The regime required new reporting and public disclosure arrangements to be put in place by insurers and some of that is required to be published on the company's public website. This document is the 8th year of the Solvency and Financial Condition Report ("SFCR") that is required to be published by ITIC.

This report covers the business and performance of ITIC solo. Collectively, the consolidated position for ITIC and its Cypriot subsidiary International Transport Intermediaries Insurance Company (Europe) Ltd ("ITIC Europe") is referred to as "ITIC group". The report also covers the system of governance, risk profile, valuation for solvency purposes and capital management under the requirements of the Solvency II regime.

The group has received a waiver from the PRA to present a single group SFCR that incorporates the result of both the group and ITIC on a solo basis. The main part of this SFCR presents the group results, unless otherwise stated. The results of ITIC on a solo basis are detailed in this appendix.

The ultimate administrative body that has the responsibility for all of these matters is the group's board of directors, with the assistance of various governance and control functions that it has put in place to monitor and manage the business.

This document is arranged to fit into a template with standard headings across the industry.

- Section A considers basic information such as the structure of ITIC and the recent results of ITIC.
- Section B considers the governance and risk management of ITIC. It looks at the management and remuneration structure. It then takes the reader through the Own Risk and Solvency Assessment, the risk management framework, internal controls, internal audit, actuarial arrangements and outsourcing.
- Section C looks at the risk profile of ITIC considering underwriting, market, credit, liquidity and operational risks.
- Section D shows the Solvency II financial position and explains how the GAAP financial statements are converted into a Solvency II format. Sections are shown for assets and liabilities (technical provisions and other liabilities).
- Section E explains how ITIC manages its capital and shows how the eligible own funds cover the solvency capital requirement and the minimum capital requirement. Again, the difference between the financial statements retained reserves and the Solvency II eligible own funds is explained.

ITIC's financial year runs to 31st May each year and it reports its results in US dollars.

Main output and conclusions

For solvency purposes, the group uses the standard formula to calculate its Solvency Capital Requirement ("SCR") and as a mutual mono-line insurer of the professional indemnity risks of its members, The group's insurance business is classified as general liability insurance for Solvency II purposes. Members are dispersed internationally. Business is largely underwritten from the United Kingdom other than EU policies incepting:

a. between 1st November 2019 and 8th February 2024 which were underwritten from the Netherlands; and

b. From 8th February 2024 which were underwritten via ITIC Europe in Cyprus.

During the year to 31st May 2024, the group made UK GAAP surplus for the year of US$4.3m (year to 31st May 2023 – surplus US$2.1m). The surplus for the year increased the free reserves at 31st May 2024 to US$54.7m.

This is the 29th year that the group has returned premium to its renewing members by way of a continuity credit scheme and the credit expected for the coming 2024/25 year will cost about US$15.7m out of total forecast premium of US$74.9m.

For solvency purposes:

a. Minimum Capital Requirement ("MCR") coverage. ITIC's eligible own funds stood at US$62.3m (2023: US$55.4m) against an MCR of US$8.5m (2023: US$4.0m) thus showing 733% coverage (2023: 1,397% covered).

b. Solvency Capital Requirement ("SCR") coverage. ITIC's eligible own funds stood at US$62.3m (2023: US$55.4m) against an SCR of US$16.5m (2023: US$11.3m) thus showing 376% coverage (2023: 489% covered).

Material changes

ITIC has refreshed its underwriting arrangements for EEA business and has set up a subsidiary in Cyprus through which to underwrite this business. This replaces the fronting arrangement in the Netherlands where business was underwritten through UK P&I NV. Since 8th February 2024, ITIC Europe has been writing business and it is planned to undertake a portfolio transfer to move outstanding claims and unexpired policies from IK P&I NV during the course of the year ending 31st May 2025.

There are not considered to have been any other material changes over the reporting period.

Submission of group return

On 3rd June 2024, the PRA informed ITIC that it had approved ITIC's application for a modification of Group Supervision rule 18.1(2) and the direction would take effect on 3rd June 2024 and end on 3rd June 2029.

The PRA direction states that the rules listed below apply to the firm with the modifications shown.

Rule	**Modification**
Group Supervision 18.1	18.1 (1) … (2) ~~Where a~~ A *participating Solvency II undertaking* that is a *firm* or the *relevant insurance group undertakings* (as appropriate) ~~so decide, and subject to the agreement of the *group supervisor*, they may~~ must provide a single *SFCR* which must comprise the following: a) the information at the level of the *group* which must be disclosed in accordance with (1); and b) the information for any of the subsidiaries within the *group* which must be individually identifiable and disclosed in accordance with Reporting 3 to 6.

Audit of SFCR

The ITIC board decided that the SFCR for the year ended 31st May 2024 should be audited as this would be the first year that the group was in existence.

A. Business and performance

A.1. Business

A.1.1 Name and legal form: International Transport Intermediaries Club Limited ("ITIC") is incorporated in England and Wales under the Companies Act 2006 as a company limited by guarantee and not having a share capital. On 11th September 2023, ITIC set up a subsidiary in Cyprus called International Transport Intermediaries Insurance Company (Europe) Ltd ("ITIC Europe")

A.1.2 Supervisory authority: The authority responsible for the financial supervision and review of the SFCR of the group is the Prudential Regulation Authority ("PRA") which is located at 20 Moorgate, London, EC2R 6DA.

The authority responsible for protecting consumers, enhancing market integrity and promoting competition is the Financial Conduct Authority ("FCA") whose address is 12 Endeavour Square, London E20 1JN.

A.1.3 External auditor: The auditors of the ITIC financial statements for the year ended 31st May 2024 were PKF Littlejohn LLP of 15 Westferry Circus, London E14 4HD. This is their first year as auditors of ITIC

A.1.4 Owners of the undertaking: ITIC is incorporated in England as a company limited by guarantee and not having share capital. Every person or company insured by ITIC shall be recorded as a member of ITIC. Every director of ITIC shall be a member, unless at the time of appointment the directors, in their sole discretion, decide otherwise. For example, ITIC's two non-member non-executive directors are not members.

ITIC is the 100% owner of ITIC Europe.

In the event of ITIC's liquidation, the net assets of ITIC are to be distributed among the current members in proportion to the amounts of premium payable by them during the preceding three years.

A.1.5 ITIC's quota share reinsurer: Both ITIC and ITIC Europe have 90% quota share reinsurance contracts with Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). TIMIA is a parallel mutual insurer and not a member of the group. However, the managers of the business will often consider the pre-quota share financial position of the group plus TIMIA when considering strategy or financial performance.

A.1.6 ITIC's business: The principal activity of the group during the year was the insurance of professional indemnity and public liability risks of professionals in the transport industry. For Solvency II purposes, ITIC solo's business is classified general liability insurance.

As at 31st May 2024, the membership comprised:

- 837 members' main activity was ship agency (port and liner agency);
- 837 ship and bunker brokers;
- 473 ship, crew, commercial and yacht managers;
- 1,220 marine surveyors (including Lloyd's Agents, hydrographic surveyors and P&I Club Correspondents) and naval architects; and
- 273 representing other professionals in the transport and aviation industry.

Some members carry on more than one of these activities and many members are insured jointly with their subsidiary or related companies.

The membership is drawn from 128 countries with a substantial number of members from UK, EU states, North America, Australasia, the Far East and the Middle East.

A.1.7 Business planning: For management purposes, and consistent with the the group's business planning, strategy and ORSA, ITIC considers its forecasts and results pre-quota share. Its quota share reinsurer is TIMIA. Whilst most tables / financial amounts will relate to the group, if the amounts have been presented in as pre-quota share (ITIC, ITIC Europe and TIMIA combined) then this will be stated as such.

A.1.8 Trends and factors: The following summary of the year to 31st May 2024 has been extracted from the Chair's statement which is posted on the ITIC website. It should be noted that this statement refers to the pre-quota share position (i.e. the combined ITIC, ITIC Europe and TIMIA). Comments on the underwriting and investment result of ITIC as a solo entity are shown in sections A.2 and A.3.

"I am delighted to report that, in its 32nd financial year, ITIC has again produced a strong surplus.

ITIC and ITIC Europe (together "ITIC"), combined with its mutual reinsurer Transport intermediaries Mutual Insurance Association Limited ("TIMIA"), returned a US$30m surplus for the year to 31st May 2024 ("2023/24") after paying US$15.6m in continuity credit. This follows the US$14.5m credit paid in the previous year.

The continuity credit paid to renewing members, now to be distributed for the 30th consecutive year, effectively reduces the cost of your insurance. Your board, at its meeting in March 2024, reviewed the level of ITIC's free reserves which are strong and in excess of the amount needed for ITIC's solvency requirements, and determined that they would pay an enhanced continuity credit for all renewals in the 2024/25 year.

- For one year policies, a credit of 20% of the premium.
- For two year policies, a credit of 30% for year one and at least 20% for year two.
- Those in the second year of a policy, begun in 2022/23, will receive a credit of 30%, which was substantially more than the original 15% promised by the board at its meeting in March 2023.

Your board considers the payment of continuity credits to be an extremely important benefit of being covered by a mutual insurer. Since the continuity credit payments began, I am pleased to report that more than US$206m has been returned to you, the members.

The risk for all claims up to US$1.0m continues to be retained by ITIC, as well as an additional two retentions in excess of the primary US$1.0m level and one retention excess of US$2.0m. We are also comfortable that the reinsurance in place reduces the risks of large claims to an acceptable level at a reasonable cost.

ITIC's gross earned premium increased in 2023/24 by 5% and we continue to retain approximately 97% of members at renewal each year; an indication of how highly our members view the quality of service and cover given.

I am pleased to advise that the combined free reserves of ITIC and TIMIA, before payment of this continuity credit, are US$260m as at 31st May 2024.

Owing to the significant strength of our reserves, and in common with past years, the board has again also closed the preceding policy year; meaning that all years to the end of 2022/2023 are now closed. ITIC has NEVER requested additional premium for any policy year.

The insurance, claims, contractual advice and practical help that we provide to members, advisers, brokers and introducers around the world, through our expert and highly experienced team, continues to set us apart.

In February 2024, the board were excited to open a new wholly owned subsidiary of ITIC in Cyprus, ITIC Europe, through which we now directly service our EEA members. Members and brokers will continue to enjoy the same high level of service to which they have become accustomed via the enhanced team based in our Limassol office. The boards of ITIC, ITIC Europe and TIMIA (the parallel mutual reinsurer of both ITIC and ITIC Europe) meet regularly each year, and are particularly looking forward to our next board meeting in September 2024, which will be in Cyprus and this gathering will allow all boards to meet with local members and brokers at a reception to celebrate the establishment of ITIC Europe.

I am also pleased to see ITIC's continued growth in the aviation professional indemnity sector. ITIC provides cover for companies whose services include aircraft lease and operational management, continuous airworthiness management, charter broking, design and surveying / inspection services and regulatory authorities.

The publication of the new BIMCO SHIPMAN agreement has been welcomed by the ship management industry and ITIC was privileged to be involved with its drafting. Subsequently, we have hosted a number of related thought leadership events around the world and a webinar with other members of the BIMCO drafting committee.

ITIC prides itself on its thought leadership events, which in the last year have covered subject areas including the EU Emissions Trading Scheme, naval architecture and various other risk management focussed presentations around the world. Many of these events are also available as webinars on the ITIC website.

ITIC reports fully to Solvency II standards and is regulated by the Prudential Regulation Authority and the Financial Conduct Authority. Details of ITIC's solvency position can be found in the Solvency and Financial Condition Report, which is available on the ITIC website: www.itic-insure.com/about-itic/solvency-ii-reporting/

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance cover) with valuable, high quality loss prevention advice to businesses servicing the marine, aviation, and general transportation industry through a mutual insurance company supported by at least "A-" rated security from its external reinsurers. Our focus will firmly continue to be on maintaining strong reserves and the provision of high quality service and risk management advice by our highly competent team.

As we look forward to 2025, we approach a key milestone in ITIC's history. ITIC traces its origins back to the Chartered Shipbrokers Protection Association, first formed as an unincorporated association in December 1925. While the ITIC of today is different in many ways, its underlying purpose remains unchanged and it is noteworthy that some of its founding members remain members of ITIC 100 years later. To mark this occasion, the board and its managers will be hosting a celebration, in London, on 25th September 2025 – so, please make a note in your diaries and further details will follow in the near future.

Finally, I would like to thank the boards of ITIC, ITIC Europe and TIMIA, our managers Thomas Miller, our amazing and truly dedicated team who have again worked so hard to deliver an outstanding service, the brokers who we work with for their support and you our members who place trust in us as your dedicated specialist insurer for professional indemnity insurance.

The accounts and financial highlights for the 2023/24 year are available on the website (www.itic-insure.com)."

A.1.9 Business Objectives: The group's objectives are as follows:

The group is committed to consistently providing competitively priced professional indemnity insurance (and related insurance covers) with valuable, high quality loss prevention advice to businesses servicing the marine and transport industry through a mutual insurance company supported by at least "A-" rated security from its external reinsurers. Strong reserves will be maintained and quality service and sound risk management provided by its highly competent staff.

A.2. Underwriting Performance

A.2.1 Underwriting performance: The following has been summarised from the group's financial statements:

- Premium increased by 5.3% coming from a net increase in members and strong renewals.
- Acquisition costs and excess of loss reinsurance costs remained steady.
- Net claims costs increased following the low preceding year. The prior year benefited from significant releases in provisions from earlier years.
- Management fees increased to reflect higher incentive fees this year.
- Other expenses remained high covering the set up costs of an Cyprus registered subsidiary, ITIC Europe, which started underwriting in February 2024.
- Noting the ongoing strong performance, the board decided to increase the level of continuity credit for 2024/25 to 20% - 30%, up from 15% - 25% in 2023/24.
- The combined loss ratio before continuity credit and quota share reinsurance for the financial year was 77.4% compared with the prior year's 67.6%.

It should be noted that the figures relate to the ITIC group on its own.

The group writes only one class of business. Premium is written in one or two year policies and the renewal of these policies is uneven. A break clause is in place for the midpoint of two year policies. More premium is written in years ending in an even number. The business review clearly summarises the premium on an earned basis and this shows a more even split between consecutive years. On 8th February 2024, as part of its Brexit solution, the group commenced underwriting of EEA business through ITIC Europe in Cyprus.

	2024 US$ 000s	2024 % of gross earned premium	2023 US$ 000s	2023 % of gross earned premium
Gross earned premium	71,907	100.0%	68,545	100.0%
Less acquisition costs including management fee element	(12,315)	17.1%	(11,512)	16.8%
Less excess of loss reinsurance costs	(5,230)	7.3%	(5,303)	7.7%
Net retained premium	54,362	75.6%	51,730	75.5%
Claims incurred net of excess of loss recoveries including management fee element	(29,026)	40.4%	(21,161)	30.9%
Management Fee (excluding acquisition and claims elements)	(6,935)	9.6%	(6,103)	8.9%
Other expenses	(2,317)	3.2%	(2,240)	3.3%
Total claims and other expenses	(38,278)	53.2%	(29,504)	43.0%
Total costs (excluding continuity credit)	*(55,823)*	*77.6%*	*(46,319)*	*67.6%*
Operating surplus before continuity credit and quota share reinsurance	16,084	22.4%	22,226	32.4%
Less continuity credit	(15,659)	21.8%	(14,586)	21.3%
Net cost of quota share reinsurance	1,502	-2.1%	(5,013)	7.3%
Surplus / (deficit) on technical account before investment result	1,927	2.7%	2,627	3.8%
Investment return	2,742		(15)	
Exchange result	272		(521)	
Surplus before tax	4,941		2,091	

Further geographical analysis is presented in appendix S.05.02 which forms part of the group's annual Quantitative Reporting Template ("QRT") requirement.

A.2.2 Mitigation techniques: The group's reinsurance programme is designed to manage risk to an acceptable level to optimise the group's capital position. The programme comprises excess of loss reinsurance cover to protect against individual large losses, and a 90% quota share arrangement with TIMIA.

A.3. Investments performance

A.3.1 Performance of investments: The table in A.2.1 above shows the group's investment result for the years to 31st May 2023 and 2024. All of the group's investments are in fixed income securities and UCITS, however its investment result is adjusted to reflect 10% of the combined pre-quota share return of the group and its quota share reinsurer TIMIA.

A.3.2 Other information on investments: Information on investment expenditure is not shown separately. There are no gains or losses recognised directly in equity. There are no investments in tradable securities or other financial instruments based on repackaged loans.

A.4. Performance of other activities

The group does not carry on any other activities.

A.5. Any other information

EEA business. ITIC underwrites approximately 27% of its business in the European Economic Area excluding the United Kingdom. Since 8th February 2024, ITIC underwrites this business through ITIC Europe. Before 31st May 2025, it is expected that the unexpired policies and claims for the previous fronting arrangement for EEA business will be transferred into ITIC Europe.

Other. ITIC considers no other information relevant to the disclosure relating to its business and performance.

B. System of governance

B.1. General information on the system of governance

B.1.1 Structure of the undertaking's administrative, management or supervisory bodies: The Articles of Association ("the Articles") give the board of directors extensive powers to manage the affairs of ITIC, and the Articles set out how these powers are to be exercised. The board delegate the day to day running of ITIC to the managers, International Transport Intermediaries Management Company Ltd ("ITIM") and of ITIC Europe to the Cyprus branch of Thomas Miller BV.

Board meetings are held at least three times a year. The Chair has the power to call a board meeting at any time, and the Secretary of ITIC may call a board meeting at the request of any director.

The governance structure of the group is explained in the Risk Management Policy. In summary, this covers the following administrative, management and supervisory bodies.

a. Board. The board bear ultimate responsibility for the management of risk and for maintaining a sound system of internal control that supports the achievement of the business plan, policies, aims and objectives of the group.
b. Audit Investment & Risk ("AIR") committee. The AIR committee supports the board, particularly in overseeing matters concerning audit, investment and risk.
c. Risk owners. The risk owners include the chief executive officer, underwriting director, claims director, commercial director, chief financial officer, chief operating officer and the investment manager.
d. International Transport Intermediaries Management Company Ltd board ("ITIM board") (including the risk management function). The ITIM board carries out the role of managers of the business.
e. Compliance function. The compliance function is largely carried out by the risk and compliance officer, an individual who does not get involved in the day to day running of the business and whose line management is outside of the business.
f. Actuarial Function. The actuarial function contributes to the effective oversight of the risk management system, risk modelling and the ORSA process.
g. Internal audit function. The internal audit function operates at the direction of the AIR committee. It assesses risks, forms and internal audit programme and undertakes internal audits.
h. Statutory auditors.

B.1.2 Material changes in the system of governance: There have been no material changes in the system of governance that have taken place over the reporting period.

B.1.3 Remuneration: There are no direct employees of ITIC. The non-executive directors of ITIC are remunerated by a fixed fee proposed by the managers and approved by the board which is not linked to the performance of ITIC. Directors' are not entitled to any pension or early retirement schemes. The directors are paid an annual fee and a fee for each meeting attended as authorised under the bye-laws. The current fees are:

	2024	2024	2023	2023
	Annual fee	Attendance fee	Annual fee	Attendance fee
	£	£	£	£
Chair of main ITIC board and Audit Investment & Risk Committee	19,700	5,500	18,750	5,200
Chair of Nominations Committee	10,500	5,500	10,000	5,200
Directors	5,500	5,500	5,200	5,200

The fees for the non-member non-executive directors are individually negotiated. There are no fees paid to the executive directors who receive their remuneration via the management company.

B.1.4 Variable remuneration components and shares: As detailed above, there are no direct employees and therefore no variable remuneration components other than that mentioned above.

B.1.5 Transactions with related parties: ITIC has no share capital and is controlled by the members who are also the insured. Subsequently, all insurance transactions are deemed to be between related parties. These are the only transactions between ITIC and its members.

ITIC's two non-member non-executive directors are not members of ITIC and ITIC's two executive directors are not members either. The remaining directors are current representatives of member companies and, other than the member interests of their companies, the directors have no financial interests in ITIC. No loans have been made to the directors and none are contemplated.

ITIC reinsures with Transport Intermediaries Mutual Insurance Association Limited of Bermuda on a 90% quota share basis both its liabilities from 1st September 1992 and its liabilities assumed under the agreement to run-off Transport Intermediaries Mutual Insurance Association Limited and the Chartered and International Shipbrokers P&I Club Limited (CISBA).

International Transport Intermediaries Management ("ITIM") provides key management personnel for ITIC. ITIM is a subsidiary of Thomas Miller Holdings Limited.

B.1.6 Assessment of the adequacy of ITIC's system of governance: The following has been extracted from the financial statements for the year to 31st May 2024:

The group has risk management procedures in place which address the five risk areas laid out in the Prudential Regulation Authority's Handbook. These are credit risk, market risk, liquidity risk, operational risk and insurance risk. The group has developed a business risk assessment which defines the risks and sets out the procedures that are in place to mitigate those risks. The business risk assessment is reviewed regularly by the board.

The group has taken steps, where appropriate and possible, to mitigate the risks with internal controls and procedures and management oversight. Where appropriate, the group monitors its risks through regular reporting of monetary and non-monetary risks via a series of key risk indicators. These are presented to the board and / or AIR committee four times per year. The group's principal risks and uncertainties are to insurance (including loss of financial strength and loss of business to competition); market (including loss or impairment of investments), currency, credit, liquidity and cashflow risks are further explained in note 4 of these financial statements. The group accepts levels of risk in different areas as set out in its Risk Appetite Statement.

The group addresses other risks namely political (including change to UK tax agreement) and climate change risk. The group considers how these could impact the financial risks and insurance risk exposures via its emerging risks log as well as via the climate change policy and plan. The group also considers fraud risks (including misappropriation of investment funds) and this is managed through the fraud risks register.

The group currently has a climate change policy and plan to address the relevant environmental, social and governance requirements and this is being refined during 2024. The group has put in place a policy to assist in managing the financial risks associated with the effects of climate change and to ensure that the group has adequate oversight and control of this area and understands how climate change relates to other risk groups. The financial risks emanating from climate change can impact other risk groups, specifically the strategy, insurance, credit and market risk areas. Financial risks from climate change arise through two primary channels, being physical and transition factors. In addition, liability can arise from third parties who have suffered loss or damage from physical or transition risk factors associated with climate change.

The objective of the climate change policy is to:

a. embed the consideration of the financial risks from climate change in the group's governance arrangements;
b. incorporate the financial risks from climate change into existing financial risk management practice;
c. use (long term) scenario analysis to inform strategy setting and risk assessment and identification; and
d. develop an approach to disclosure on the financial risks from climate change.

The board is responsible for setting the climate change policy and ensuring that there are adequate processes in place to monitor and manage the financial risks from climate change within the parameters defined by the risk appetite. The risk function is responsible for assessing and monitoring the risk profile from climate change against the risk appetite and its tolerances. Stress and scenario testing relating to financial risks from climate change is being developed by the risk function and will be monitored regularly. There is a review at the board and Audit Investment and Risk committee of key risks, including risks associated with climate change. The ORSA considers the impact of climate change on the organisation. Risk identification and management is in progress at 31 May 2024.

The group is comfortable that it has identified and taken into consideration its risk environment, as summarised above, and that it holds sufficient capital and reserves to cover its potential impact. The ITIC board approved its Own Risk and Solvency Assessment at the board meeting in March 2024 and this was submitted to the Prudential Regulation Authority shortly afterwards.

B.1.7 Delegation of responsibilities, reporting lines and allocation of functions:
ITIC has no direct employees as ITIC’s management is wholly outsourced to International Transport Intermediaries Management Co Ltd (“ITIM”) or other companies within the Thomas Miller Holdings Ltd group of companies (the “managers”) in accordance with the management agreements. The management agreements also cover the management fees between ITIC and ITIM.

B.2. Fit & Proper requirements

B.2.1 Process: ITIC (and ITIC Europe) maintains a Fit & Proper policy which sets out its approach to the Fitness & Propriety of persons who effectively run ITIC, including the board, executive senior management and key function holders. It describes key aspects of the Fit & Proper processes and identifies the main internal reporting and review procedures.

B.2.2 Requirements: The objectives of the policy are to ensure that:

a. All persons who are within the scope of the policy meet the definitions of fit & proper as set out above;

b. Collectively and at any given time, the directors of ITIC possess sufficient knowledge, competence and experience to provide sound and prudent decision making in all areas relevant to business;

c. Collectively, the executive senior management, including individuals subject to the Certification Regime and key function holders ("management") possess sufficient knowledge, competence and experience to manage and operate ITIC effectively on a day-to-day basis. This will cover at least the following areas:

   i. Insurance and financial markets;
   ii. Business strategy and the business model;
   iii. System of governance;
   iv. Financial and actuarial analysis; and
   v. Regulatory framework and requirements;

d. Adequate and timely notifications and submissions are made to the relevant regulatory authorities.

In addition to the above it is appropriate that all those within scope of this policy understand the conduct standards and rules set out by the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA").

B.2.3 List of responsible persons: The following is a list of those persons that are responsible for the key functions.

Board tenure

	Controlled functions if any	Length of time on board	Length of time as chair	Potential years remaining to 70 years
ITIC board - non exec				
RM Bishop	SMF13 Chair of the Noms Committee	12.4	5.5	2.8
JD Woyda	SMF9 Chair of the Governing Body	9.4	1.2	7.7
C Devantier	-	5.2		12.2
C Schou	-	5.2		3.5
F Bognin	SMF10 Chair Risk Committee & SMF11 Chair Audit Committee	3.2	1.4	27.9
J Palin	-	1.7		19.6
A Leach	-	1.7		9.2
B Maclehose	-	1.7		26.6
Resigned in last 12 months				
S Portunato				
ITIC board - non-member non-exec				
TG Durkin (non-member)		3.5		
AJ Groom (non-member)		3.5		
ITIC board - exec				
TJ Irving	SMF1 Chief Executive & SMF3 Executive Director	2.7		
TM Evans	SMF2 Chief Finance & SMF3 Executive Director	7.6		
ITIC Europe board - non-exec				
C Devantier (see also above)				
E Toumpouris				
A. Andreou				
CJ Kirk (see also above)				
TJ Irving (see also above)				
TIMIA board - non-exec				
T Neijmeijer		3.2		12.8
M Seymour Smith (chair)		1.9	1.1	19.4
M Shakesheff		1.1		21.1
D Casling		0.1		23.3
TIMIA - Resigned in last 12 months				
AK Mactavish				
	Amber if	>12 years	>5 years	<3 years

ITIC managers			ITIM director (years)
CJ Kirk	-	CF1 Director app. rep.	26.4
AK Mactavish	SMF23 CUO & SMF24 COO	CF1 Director app. rep.	17.9
TM Evans	See above	CF1 Director app. rep.	15.2
IG Rosenthal	SMF4 Chief Risk & 16 Compliance	CF1 Director app. rep.	11.9
TJA Irving	See above	CF1 Director app. rep.	5.7
ML Brattman	SMF18 Other Overall Responsibility	CF1 Director app. rep.	3.3
RG Hodge	-	CF1 Director app. rep.	3.3
RD Sniffen	-	CF1 Director app. rep.	1.4
YS Lau	SMF20 Chief Actuary		n/a
AM Holder-Holdsworth	SMF5 Head of Internal Audit		n/a
M Carroll	SMF17 Money Laundering Reporting Officer (MLRO)		n/a
SA Rakha	SMF17 Money Laundering Reporting Officer		n/a
JL Hiskett	SMF24 Chief Operations Officer (IT)		n/a

B.3. Risk management system

The following information considers the process that ITIC has adopted to fulfil its obligation to conduct an ORSA. The following is an edited extract from the introduction to the ORSA overview report which was approved by the Board of Directors on 21st March 2024 and subsequently filed with the PRA. ITIC Europe was referred to in the ORSA but it was effectively prepared on a solo basis.

B.3.1 The Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") forms part of ITIC's requirements under Solvency II to conduct an ORSA. The ORSA is an annual process and is used by ITIC to manage its financial and solvency position over the period of its medium-term rolling Business Plan. In particular, it is necessary to ensure that the decisions underlying that plan are consistent with ITIC's risk appetite and business strategy. As such, the ORSA forms an important part of ITIC's business planning process.

ITIC has a 90:10 quota share reinsurance arrangement with its parallel reinsurer Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). ITIC and TIMIA are not a corporate group and ITIC Europe had only just been set up. As a result, ITIC has to satisfy its regulatory solvency requirements as a solo entity. ITIC was managed on a solo basis but for certain decisions, The oard find it useful to consider the its solvency position on a pre-quota share basis with TIMIA.

The ORSA process for 2023/24 was conducted in line with ITIC's ORSA policy and has culminated in this report which, together with the regular Key Risk Indicators of board agendas, provides a high-level overview to help directors understand the risks around ITIC's business strategy and in particular its medium-term business plan. The following table provides a summary guide to this report:

Sections	Title	Description
2	Executive summary	
3	Strategy	A recap of ITIC's strategy and high-level risk appetites.
4	Summary of recent performance	A summary of recent experience to provide some background.
5	Risk profile	An overview of ITIC's risk profile broken down by Solvency II risk categories.
6	Business planning	Forecasts (and underlying assumptions) of ITIC's financial position and capital adequacy over the medium term. Scenario tests in respect of possible variances.
7	Entities	A summary of the capital requirements and risk profile for ITIC on a solo entity basis.
8	Appendix A: Key judgements, validation and limitations	A summary of the key judgements, assumptions, sensitivities and limitations around the capital model. Some model validation via scenario testing is also included.
9	Appendix B: Appropriateness of the standard formula SCR	A comparison of ITIC's risk profile to that assumed by the Solvency II standard formula. This is a key regulatory requirement of the ORSA.
10	Appendix C: Risk appetite graphs for continuity credit options	The risk appetite graphs for each of the continuity credit options proposed for the forthcoming renewal.
11	Appendix D: Risk appetite graphs for investment mandate options	The risk appetite graphs for each of the investment mandate options proposed by the investment manager.
12	Appendix E: Glossary	

This report was high-level in nature and references were made to supporting documents throughout.

B.3.2 Description of risk management framework: The risk management framework is explained in the Risk Management Policy. It explains the ITIC's underlying approach to risk management:

a. It describes key aspects of the risk management process;
b. Identifies the main reporting procedures; and
c. Forms part of the ITIC's internal control and governance arrangements.

The document also describes the process that the board use to evaluate the effectiveness of ITIC's risk management and internal control.

ITIC has identified its meaningful risks and considers that its risk universe comprises the list below. These exposures could threaten ITIC's viability, materially impact asset values or result in material underperformance.

a. Strategic risks: exposures arising from inadequate or ineffective strategy formulation as well as the risk of ineffective execution;
b. Underwriting and reserving risks;

c. Concentration risks: exposures from being a mono-line insurer in a specialist area;
d. Reputational risks;
e. Financial risks: encompassing liquidity, credit, reinsurance, investment and asset liability management risks;
f. Operational risks: exposures arising in day-to-day business activities and include organisational risks which take in the potential of having ineffective or insufficient leadership as well as the quality of talent and effectiveness of human resource systems such as development, compensation and performance management;
g. Compliance risks; and
h. External risks: exposures the enterprise cannot control.

Each risk identified in ITIC's business risk assessments is linked to one of the above.

The risk universe helps shape the ITIC board agenda and tasks management to undertake initiatives to reduce exposures and improve performance. This is summarised in this policy and works alongside the ITIC rolling business plan.

The objectives of the ITIC risk management policy are to identify, manage and report risk in a consistent and timely fashion on the basis of the ITIC's risk appetite as agreed by the ITIC board and documented in the business plan.

The risk management policy seeks both to ensure that all activities of the business are appropriately aligned to the furtherance of business plan and to provide the necessary independent challenge to those activities. It also helps to both support and relay the business plan throughout the organisation.

The following key principles outline the ITIC's approach to risk management:

a. to recognise and disclose the financial and non-financial implications of risks;
b. to be compliant with all laws and regulations;
c. to maintain processes that address all risks associated with the business;
d. to be proportionate to the nature, scale and complexity of the risks inherent in the business;
e. to be integrated into planning, decision-making and operational processes, and responsive to changing circumstances; and
f. to deliver continuous improvement in the control environment.

ITIC's internal control and risk management systems apply the 'three lines of defence' model:

a. First line of defence: the risk owners – these are the business units such as underwriting, claims, actuarial and finance responsible for matters such as the identification and effective management and mitigation of risks;
b. Second line of defence: risk management and compliance functions, providing challenge to activities and decisions that materially affect ITIC's risk profile; and
c. Third line of defence: internal and external audit providing independent assurance.

B.3.3 Information on strategies processes and risks: The following has been disclosed in the notes to the financial statements.

ITIC is governed by the board of directors which drives decision making within ITIC from board level through to operational decision making within the managers. The board considers the type and scale of risk that ITIC is prepared to accept in its ordinary course of activity and this is used to develop strategy, risk appetite and decision making.

ITIC is focused on the identification and management of potential risks. This covers all aspects of risk management including that to which ITIC is exposed through its core activity as a provider of insurance services plus the broader range of risks. ITIC's considers its key risks as the following:

- Insurance risk - incorporating underwriting and reserving risk;
- Market risk - incorporating investment risk, and interest rate risk;
- Currency risk - the risk of adverse currency exchange movements;
- Credit risk - the risk that a counterparty is unable to pay amounts in full when due; and
- Liquidity and cash flow risk - the risk that cash may not be available to pay obligations as they fall due.

B.3.4 Financial risk management objective: ITIC is exposed to financial risk through its financial investments, reinsurance assets and liabilities to policy holders. In particular, the key financial risk is that the proceeds from financial investments are not sufficient to fund the obligations arising from policies as they fall due. The most important components of this financial risk are market risk or investment risk (comprised of interest rate risk, equity price risk and currency risk) together with credit risk and liquidity risk.

ITIC manages these risks using a risk governance structure incorporating the managers' risk committee and the Audit Investment & Risk Committee.

The board is responsible, advised by ITIC's Chair working with the Audit Investment & Risk Committee, for setting investment policy and the appropriate level of market or investment risk. This is set with reference to the overall risks faced by ITIC which are analysed as part of the ORSA process.

The processes used to manage risks within ITIC are unchanged from the previous period.

Underwriting process: ITIC has an underwriting policy which is approved by the board annually which manages the underwriting risk. The policy sets out the processes by which the risk is managed. ITIC operates a risk rating system which provides underwriting parameters for assessing the premium to be charged. All policies are signed off by the underwriting director or an individual delegated by the underwriting director.

Reinsurance: ITIC's reinsurance programme is designed to manage risk to an acceptable level to optimise ITIC's capital position. The programme comprises excess of loss reinsurance cover to protect against individual large losses, and a 90% quota share arrangement with TIMIA.

Reserving process: ITIC establishes provisions for unpaid reported claims and relating expenses to cover its expected liability. These provisions are established through the application of actuarial techniques and assumptions as set out in the financial statements as directed and reviewed by the Audit Investment & Risk Committee. In order to minimise the risk of understating these provisions, the assumptions made and actuarial techniques employed are reviewed in detail by senior members of the managers and ITIC's Audit Investment & Risk Committee. ITIC considers that the liability for insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected result.

B.3.5 Capital management: ITIC maintains capital, comprising of policyholders' funds (surplus and reserves), consistent with ITIC's risk profile and the regulatory requirements of the business. At the 31st May 2024, the total retained GAAP reserves available amounted to US$54.8m (2023: US$50.5m).

ITIC's strategy is to maintain sufficient capital to exceed the Standard Formula Solvency II Capital Requirements such that there is less than a 1 in 200 chance of breaching this requirement over the subsequent year.

B.3.6 Information on material risks not fully included in the calculation of the Solvency Capital Requirement ("SCR"): No material risks have been omitted from the calculation of the SCR. However, the Own Solvency Needs Assessment, which evaluates the ITIC's own view, as opposed to the regulatory view, of solvency needs, portrays a capital requirement with a more complete view of the various risk elements.

B.4. Internal control system

B.4.1 Description of internal control system: The main objectives of ITIC's internal control policy are to help secure:

a. the effectiveness and efficiency of operations in view of ITIC's business strategy and objectives, and the protection of its resources; and
b. the availability and reliability of appropriate, accurate and complete financial and non-financial information for internal and external reporting.

It is acknowledged that because of its inherent limitations, internal control can provide only reasonable assurance that ITIC's objectives and goals will be achieved.

ITIC's internal control and risk management systems apply the 'three lines of defence' model:

a. First line of defence: the risk owners – these are the business units such as Underwriting, Claims, Actuarial and Finance responsible for matters such as the identification and effective management and mitigation of risks;
b. Second line of defence: risk management and compliance functions, providing challenge to activities and decisions that materially affect ITIC's risk profile; and
c. Third line of defence: internal audit providing independent assurance.

The board bears ultimate responsibility for maintaining an internal control policy that supports the achievement of the business strategy and objectives of ITIC. Its responsibilities include:

a. Setting the tone and influencing a strong culture of internal control within ITIC, including the standards and expectations for staff with respect to conduct and probity;
b. Providing governance, guidance and oversight;

c. Reviewing and challenging the key performance indicators ("KPI"), key risk indicators ("KRI") and key control indicators ("KCI") at each board meeting; and
d. Reviewing at least annually ITIC's overall approach to internal control and assessing the effectiveness of this policy in managing the mitigating controls associated with business risks, challenging findings and recommendations for change or to maintain the status quo as necessary and approving changes or improvements to this policy as appropriate.

The AIR committee supports the board by:

a. Considering the effectiveness of this policy, management information and internal control processes;
b. Reviewing and challenging the KPI, KRI and KCI at each committee meeting;
c. Considering the incidence of any material control failings or weaknesses identified at any point within the year and the impact that they have had or could have on financial results and regulatory requirements;
d. Reviewing this policy on an annual basis and approving recommendations by the ITIM board for changes or for the maintenance of the status quo. Then recommending this policy for approval by the board on an annual basis; and
e. Reporting and making recommendations as appropriate, to the board on the activities, reviews and evaluations set out above and as required.

Whereas the board bears ultimate responsibility for Internal Control, the Managers are responsible for establishing, maintaining and promoting efficient business practices and effective internal control processes. The ITIM board is responsible for:

a. Carrying the tone set by the board through to the managers and promoting a strong culture of internal control;
b. Maintaining an overview of the adequacy of control activities to mitigate risk exposures, identify material control failings and weaknesses, reviewing Electronic Quality Management System ("EQMS") management reviews, internal and statutory audit reports (on internal control), considering loss / near miss events, control failures, and identifying and assessing improvement needs and opportunities, monitoring their implementation as required;
c. Monitoring the relevant KPI, KRI and KCI at each meeting;
d. Monitoring the implementation of agreed improvements to internal control processes arising from the findings of EQMS management reviews, internal and statutory audit reports;
e. Reviewing this policy for its effectiveness, and considering suggestions for change or the maintenance of the status quo at least annually, challenging as appropriate; and
f. Ensuring the application of this policy and the design, development, implementation, embedding, documentation and maintenance of effective internal control processes in each ITIM board member's area of operation.

The risk management function's responsibilities in respect of internal control include:

a. challenging the effectiveness of internal control processes to mitigate risk; and
b. identifying and reviewing notifications by others of loss / near miss events in the Operational Risk Database.

The Regulatory Compliance function's responsibilities include monitoring compliance with policies and procedures in respect of Internal Control as set out in the Regulatory Compliance Framework.

The Actuarial function's responsibilities include contributing to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements; and the ORSA process.

All staff are responsible for:

a. Accurate input of data and production of information;
b. Accurate performance of internal control activities;
c. Reporting of operational problems, non-compliance or other policy violations or illegal actions; and
d. Suggesting improvements which may increase the effectiveness and efficiency of processes including EQMS processes and procedures as appropriate.

The internal audit function's responsibilities in respect of internal control include:

a. Monitoring that this policy and the internal control processes throughout ITIC are properly designed and implemented in furtherance of the internal control objectives and that they are operating in an effective and efficient manner; and
b. Reporting to the AIR committee and board on the adequacy and effectiveness of this policy and internal control processes, compliance therewith, and making recommendations for improvement as appropriate.

Statutory auditors provide the boards, members and managers with assurance by:

a. Giving an opinion on whether the financial statements give a true and fair view of the state of ITIC's affairs at the year-end and of its result for the year just ended; and
b. Informing the AIR committee on the operation of the internal financial controls reviewed as part of the annual audit.

The managers are responsible for promoting the strong culture of internal control and for establishing and maintaining an effective control environment, linked to and in support of risk management and the risk appetite set by the boards, throughout the organisation.

The policy is underpinned by a series of policies, processes, procedures and plans, designed to define and support effective, efficient and appropriate activities at every level of the business. Amongst other things, these ensure that all staff have a sound understanding of ITIC, its objectives and the risks it faces, and are fully aware of the policy and understand their role within it.

B.4.2 Key procedures: Control activities designed to prevent, detect or mitigate are in place to address business risks, protect assets and ensure that all material control failures and issues are identified and managed.

The nature of the controls implemented and the level of control exercised are based on the assessment of frequency and impact of the risk, ITIC's risk appetite and the cost of implementing controls relative to the significance of the risk.

Management monitoring activities include analyses and reconciliations, and the monitoring of the following indicators:

a. Key Performance Indicators ("KPI") covering financial performance for the period;
b. Key Risk Indicators ("KRI") covering the areas of risk in relation to the risk appetite represented in the form of ratios, tolerances & limits; and
c. Key Control Indicators ("KCI") summarise assurance results for the period.

Reviews, including reports on loss / near miss events, existing and emerging risks, and all Internal and statutory audit findings are all evaluated by the ITIM board in order to implement appropriate improvement to internal control processes.

B.4.3 Review of internal control policy: Reviews are undertaken as set out throughout this policy. Unless otherwise stated, all reviews are carried out at least annually. The purpose of these reviews is to provide assurance throughout the business and to the board in relation to the effectiveness of the managers' ongoing processes for designing, operating and monitoring the system of internal control.

B.5. Internal audit function

B.5.1 How the internal audit function is implemented: Internal audit is defined as the examination and evaluation of the design effectiveness and operation of the systems of internal control and all other elements of the system of governance.

Internal audit is the "third line of defence" in a company's internal control framework, established to provide independent assurance that the risk mitigation processes established by management ("first line") and the monitoring and oversight provided by the risk management and compliance functions ("second line") are working effectively.

The objectives of the internal audit function are to provide assurance that business risks are recognised and are being well managed and controlled by effective systems and controls through:

a. Evaluating the functioning of the systems of internal control and all other elements of the system of governance in place for ITIC which includes:
    - policies, procedures and controls;
    - risk management;
    - management and financial information;
    - methods of safeguarding, verifying and accounting for assets; and
    - efficient use of resources.
b. Examining and evaluating the compliance of activities compared with strategies, policies and reporting procedures;
c. Providing the AIR committee and the board with information and recommendations which will assist them to have in place an adequate and effective system of internal control;
d. Sharing recommendations of internal audit findings between other Thomas Miller managed clubs, whilst maintaining appropriate confidentiality, where they may be relevant and appropriate;

The following key principles outline the approach to internal audit and the internal audit function:

a. to provide impartial analysis and appraisal that is independent of the operations of the business;
b. to make recommendations for cost effective continuous improvement of internal control;
c. to be proportionate to the nature, scale and complexity of the risks inherent in the business;
d. to ensure compliance with applicable laws and regulations.

B.5.2 Independence: The Thomas Miller Holdings Ltd ("TMH") internal audit function is independent from the organisational activities audited and free to exercise its assignments without impairment and on its own initiative in all areas. It is not authorised to carry out any operational work on behalf of any area of any business.

The internal audit function shall:

a. have full authority to access any of ITIC's records, files or data, including management information and the minutes of decision-making bodies whenever relevant for the performance of its tasks;

b. have full authority to speak without hindrance to any member of staff in connection with the discharge of its responsibilities;

c. be free to express its opinions and to disclose its findings and appraisals to the AIR committee;

d. be impartial and perform its assignments with complete objectivity; and

e. have direct and independent access to the Chairman of the AIR committee or a nominated alternate.

B.5.3 Internal Audit reports: Audits are carried out regularly and contribute to checking of controls and improvements in processes.

B.5.4 Internal Audit policy: This document is maintained by the ITIC board and is reviewed at least annually. It explains the approach to internal audit. It describes the scope and status of the internal audit function, the roles and responsibilities of the different parties involved in the high-level processes and the reporting procedures. It forms part of the governance arrangements for both ITIC and the managers. This document also describes the way in which the board and AIR committee evaluate the effectiveness of the internal audit function and the internal control policy.

B.6. Actuarial function

ITIC's board of directors are ultimately responsible for ensuring an effective actuarial function. The actuarial function is a designated function under section 6 of conditions governing business of the PRA rulebook for Solvency II firms.

ITIC's actuarial function is performed by Thomas Miller's actuarial team, led by its Chief Actuary. For line management purposes, the actuarial function reports to Thomas Miller's Group Actuary and up to a Thomas Miller Holdings Ltd board member and is independent of the ITIC's management team. However, for operational purposes, the actuarial function is integrated into the ITIC's internal control system, often through its role on a selection of its committees.

The ITIM board and, ultimately, the board of ITIC are responsible for ensuring an effective actuarial function, in particular that:

a. The actuarial function is free from influences that may compromise its ability to undertake its duties in an objective, fair and independent manner; and
b. The actuarial function shall be able to communicate at its own initiative with the Board or any staff member and shall have the necessary authority, resources and expertise and ensure that it has unrestricted access to all relevant information necessary to carry out its responsibilities.

The actuarial function shall, as a minimum:

a. coordinate and oversee the calculation of technical provisions;
b. ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
c. assess the sufficiency and quality of the data used in the calculation of technical provisions;
d. inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
e. express an opinion on the overall underwriting policy;
f. express an opinion on the adequacy of reinsurance arrangements; and
g. contribute to the effective implementation of the risk-management system, in particular with respect to:
   i. the risk modelling underlying the calculation of the capital requirements; and
   ii. the ORSA process.

In performing its duties, the actuarial function shall:

a. carry out actuarial activities in accordance with prevailing actuarial professional guidance / technical standards;
b. achieve the necessary level of compliance with all relevant laws and regulations;
c. be proportionate to the nature, scale and complexity of the strategies, structure and activities of the business and their inherent risks;
d. maintain practical control processes that require and encourage all staff to carry out their duties and responsibilities in a manner that achieves the above objectives; and
e. ensure that the techniques and assumptions employed are appropriate, taking into account current information, progress in actuarial science and generally accepted market practice.

The ITIC's actuarial function compiles an actuarial function report for the board of directors on an annual basis.

The actuarial function has undertaken its key responsibilities under Solvency II. In particular it has produced the Data Opinion, the technical provisions opinion, underwriting opinion and reinsurance opinion.

B.7. Outsourcing

Outsourcing is an arrangement of any form whereby a service provider performs a service or activity whether directly or subcontracted, which would otherwise be performed by ITIC. The outsourcing policy is directed at services which are particularly important to ITIC's business. These are known as material business activities.

B.7.1. Material business activities

Material business activities include the key functions of ITIC's system of governance, i.e. risk management, compliance, actuarial and internal audit as applicable, and all functions or activities that are fundamental to enable it to carry out its core business, including underwriting, claims handling, accounting and investments. A material business activity is one that has the potential, if disrupted, to have a significant impact on ITIC's business operations or its ability to manage risks effectively, having regard to such factors as:

a. the financial and operational impact and impact on reputation;
b. the degree of difficulty in finding an alternative service provider or bringing the business activity in-house;
c. the ability of ITIC to meet its regulatory requirements;

d. potential losses to ITIC's members and other affected parties; and
e. the relationship between ITIC and the service provider.

ITIC's management is wholly outsourced under a management agreement to its managers, the Thomas Miller Holdings Limited group of companies ("Thomas Miller"), of which its subsidiary, International Transport Intermediaries Management Company Limited ("ITIM") is ITIC's appointed representative. The role of the appointed representative is undertaken by the CEO of ITIM acting as an executive director of ITIC, and the CFO of ITIM is also a director of ITIC. The managers' duties under the management agreement may be delegated by them, in particular but not exclusively, to other companies within Thomas Miller while retaining full responsibility under the management agreement.

In addition to this main function, investment management and internal audit are also subject to outsourcing arrangements.

With respect to the three keys areas of outsourcing identified:

a. Management outsourcing. The management outsourcing has been structured in compliance with UK regulatory requirements. In order to comply with its regulatory obligations, the board has developed monitoring and reporting procedures and the AIR committee monitors, among other things, internal controls and risk. The risk control and reporting procedures to be followed by the managers form part of their obligations under the management agreement.

b. Investment management outsourcing. Management of ITIC's investments is outsourced to Thomas Miller Investment Limited, part of Thomas Miller, under an investment management agreement. The performance of the investment managers is monitored and supervised by the board and the AIR committee of the board.

c. Internal audit outsourcing. ITIC's internal audit function is outsourced to Thomas Miller Internal Audit, under a services agreement. Internal audit is supervised by the AIR committee and the board.

B.8. Any other information

ITIC considers no other information material to be disclosed.

C. Risk profile

ITIC has identified its meaningful risks and considers that its risk universe comprises the list below. These exposures could threaten ITIC's viability, materially impact asset values or result in material underperformance.

a. Strategic risks: exposures arising from inadequate or ineffective strategy formulation as well as the risk of ineffective execution;
b. Underwriting and reserving risks;
c. Concentration risks: exposures from being a mono-line insurer in a specialist area;
d. Reputational risks;
e. Financial risks: encompassing liquidity, credit, reinsurance, investment and asset liability management risks;
f. Operational risks: exposures arising in day-to-day business activities and include organisational risks which take in the potential of having ineffective or insufficient leadership as well as the quality of talent and effectiveness of human resource systems such as development, compensation and performance management;
g. Compliance risks; and
h. External risks: exposures the enterprise cannot control.

Each risk identified in ITIC's business risk assessments is linked to one of the above.

The risk universe helps shape the ITIC board agenda tasks management to undertake initiatives to reduce exposures and improve performance. This is summarised in ITIC's risk management policy and works alongside the ITIC rolling business plan.

The following considerations of each type of risk are largely summarised from the financial statements for the year ended 31st May 2024.

C.1. Underwriting risk

Underwriting risk is the risk that ITIC's net insurance obligations (i.e. claims less premiums) are different to expectations. ITIC considers the risk of existing obligations (Reserve Risk) separately to the risk of future obligations (Premium Risk).

Reserve risk is managed by ITIC's reserving policy. ITIC establishes provisions for unpaid claims and related expenses to cover its expected ultimate liability. These provisions are established through the application of actuarial techniques and assumptions. In order to minimise the risk of understating these provisions the assumptions made and actuarial techniques employed are reviewed in detail by management.

Premium risk is managed by the underwriting policy which establishes robust underwriting practices in order to meet business needs and satisfy regulatory control. These are supplemented with a robust forecasting approach undertaken as part of ITIC's ORSA process.

ITIC's exposure to insurance risk is initiated by the underwriting process and incorporates the possibility that an insured event occurs, leading to a claim on ITIC from a member. The risk is managed by the underwriting process, acquisition of the reinsurance cover, and the management of claims costs.

ITIC's main insurance risks can arise from:

a. Inappropriate underwriting of risks;
b. Failure of one or more reinsurers;
c. Prohibitive cost / unavailability of reinsurance;
d. Inappropriate or inconsistent reserving methodologies;
e. Failure to react to major increase in claims;
f. Impact of new legislation on risks written; and
g. Over reliance on significant premium payers.

The objective of ITIC's insurance risk management process is to establish effective underwriting, reinsurance and reserving strategies which are agreed and monitored by ITIC's board in accordance with its risk appetite statement.

ITIC establishes provisions for unpaid claims and related expenses to cover its expected liability. These provisions are established through the application of actuarial techniques and assumptions. In order to minimise the risk of understating these provisions, the assumptions made and actuarial techniques employed are reviewed in detail by management.

ITIC considers that the liability for insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome and this is monitored in ITIC's Key Risk Indicators which are reported to the board and Audit Investment & Risk Committee at their meetings.

The results of sensitivity testing are set out below, showing the impact on the surplus before tax, gross and net of reinsurance. The impact of the change in a single factor is shown, with the assumption unchanged. The sensitivity was chosen because the loss ratio is a key performance indicator of the business. The analysis assumes that a change in loss ratio is driven by the change in claims incurred.

	2024 US$	2023 US$
Increase in loss ratio (see definition below) by 5 percentage points from 48% to 53% (2023 - 37% to 42%)	000s	000s
Based on gross premium net of continuity credit and acquisition costs	(2,980)	(2,852)
Based on gross premium net of continuity credit, acquisition costs and reinsurances	(272)	(259)
A 5 per cent decrease in loss ratios would have an equal and opposite effect.		

C.2. Market risk

Market risk arises through fluctuations in interest rates, corporate bond spreads and foreign currency exchange rates. Such movements will affect not only the ITIC’s investments, but also the value of other assets and liabilities such as premium income, claims payments and reinsurance recoveries.

Interest rate risk arises primarily from investments in fixed interest securities. In addition, to the extent that claims inflation is correlated to interest rate, liabilities to policyholders are exposed to interest rate risk.

ITIC's investment policy is set to ensure that the duration of the investment portfolio is appropriately matched to the duration of the policyholders' liabilities. Interest rate risk is monitored by comparing the mean duration of the investment portfolio and that of the policyholders' liabilities. The mean duration is an indicator of the sensitivity of the assets and liabilities to changes in the current interest rates.

The sensitivity analysis for interest rate risk illustrates how the fair value of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. ITIC's fixed income portfolio currently has a modified duration of about 4.2 years. This means that in the event of a parallel shift of the yield curve up by 100 basis points, the portfolio's value will decline, resulting in approximately 4.2% loss on the fixed income portfolio. For ITIC, this would result in a loss for the period and a decrease in investment values of approximately US$1,756,000 (2023: US$1,726,000) if all other assumptions remain unchanged. A decrease of 100 basis points in bond yields would result in the opposite effect (i.e. increase in investment values of approximately equal magnitude) assuming all other assumptions remain unchanged.

A list of assets and derivatives may be found in S.06.02 and S.08.02 as reported to the PRA under ITIC’s annual regulatory reporting requirement. This list is not included within the SFCR. With the exception of operational cash funds, these assets are subject to ITIC’s investment policy and mandate and as a result the prudent person principle.

C.2.1 The prudent person principle

ITIC’s investment policy states that the AIR committee should monitor and advise whether the investment managers have adhered to the "prudent person principle" with regards to its management of the investments. This is stated in the Investment policy.

C.3. Credit risk

Credit risk is the risk a counterparty will be unable to pay the amounts in full when due. The main areas where ITIC is exposed to credit risk are:

a. Reinsurers' share of insurance liabilities;
b. Amounts due from reinsurers in respect of claims already paid;
c. Amounts due from policyholders;
d. Amounts due from insurance intermediaries;
e. Amounts due from bond issuers;
f. Cash at banks and deposits with credit institutions; and
g. Counterparty risk with respect to derivative transactions.

Reinsurance is used to manage insurance risk. This does not, however, discharge ITIC's liability as primary insurer. If a reinsurer fails to pay a claim, ITIC remains liable for the payment to the policyholder.

Credit risk on reinsurance balances is mitigated by assessing the creditworthiness of the reinsurer before it is used and strict criteria are applied (including rating the financial strength of the reinsurer) before a reinsurer is approved. All excess of loss reinsurance contracts are subject to an A- or above rating. The quota share reinsurance is placed with TIMIA. TIMIA is unrated but ITIC holds a fixed charge of US$42.4m (as at 31st May 2024) on a specific TIMIA investments portfolio. This provides satisfactory mitigation comfort over the credit risk.

Debtors arising out of direct insurance operations comprise premium owed by the members of the club. Credit risk relating to this risk is managed through take on procedures for the assured. Furthermore, if the assured does not pay, then cover may be cancelled back to inception.

Counterparty limits based on the credit ratings are also in place in relation to the amounts due from bond issuers and cash and bank deposits.

The following table provides information regarding aggregated credit risk exposure for financial assets with external credit ratings as at 31st May 2024. The credit rating bands are provided by independent ratings agencies:

2024	AAA US$ 000s	AA US$ 000s	A US$ 000s	BBB+ or less or not rated US$ 000s	Total US$ 000s
Fixed interest - Government	-	41,101	-	-	41,101
Fixed interest - Corporate	-	9,338	-	-	9,338
Forward Contracts	-	2	-	-	2
UCITS	10,166	-	-	-	10,166
Claims recoveries excess of loss reinsurance	-	-	5,742	-	5,742
Claims recoveries quota share reinsurance	-	-	-	69,026	69,026
Cash	-	-	-	9,231	9,231
Arising from insurance and reinsurance operations	-	-	-	36,429	36,429
Total	10,166	50,442	5,742	114,686	181,035

2023	AAA US$ 000s	AA US$ 000s	A US$ 000s	BBB+ or less or not rated US$ 000s	Total US$ 000s
Fixed interest - Government	-	51,028	-	-	51,028
Fixed interest - Corporate	-	-	-	-	-
Forward Contracts	-	-	-	-	-
UCITS	2,578	-	-	-	2,578
Claims recoveries excess of loss reinsurance	-	-	6,130	-	6,130
Claims recoveries quota share reinsurance	-	-	-	61,973	61,973
Cash	-	-	-	3,647	3,647
Arising from insurance and reinsurance operations	-	-	-	25,628	25,628
Total	2,578	51,028	6,130	91,248	150,984

After assessing all other financial assets at the end of the year, no objective evidence was found to suggest that any were impaired (2023: no impairments).

C.4. Liquidity risk

Liquidity and cash flow risk is the risk that cash may not be available at a reasonable cost to pay obligations as they fall due. ITIC maintains holdings in short term deposits to ensure there are sufficient funds available to cover anticipated liabilities and unexpected levels of demand. As at 31st May 2024 ITIC's short term deposits amounted to US$9.2m (2022: US$3.6m). The tables below provide a maturity analysis of ITIC's financial instruments. The assets in the below tables are not impaired due to the fact that their full value are deemed to be recoverable.

2024	Less than 6 months or on demand US$ 000s	6 months - 1 year US$ 000s	1 - 2 years US$ 000s	2-5 years US$ 000s	> 5 years US$ 000s	Carrying value in the balance sheet US$ 000s
Debt securities	19,190	-	3,258	19,577	18,580	60,605
Forward Contracts	2	-	-	-	-	2
Reinsurers share of technical provisions - claims outstanding	14,583	13,170	15,079	22,164	9,771	74,767
Debtors arising out of direct insurance operations	28,914	6,314	799	-	-	36,027
Debtors arising out of reinsurance operations	355	-	-	-	-	355
Other debtors	283	-	-	-	-	283
Cash and cash equivalents	9,231	-	-	-	-	9,231
Technical provisions - claims outstanding	(15,938)	(14,394)	(16,480)	(24,224)	(10,679)	(81,715)
Creditors	(2,487)	-	-	-	-	(2,487)
Creditors arising from reinsurance operations	(929)	(11,707)	-	-	(23,672)	(36,308)
Total	53,204	(6,617)	2,656	17,517	(6,000)	60,760

2023	Less than 6 months or on demand US$ 000s	6 months - 1 year US$ 000s	1 - 2 years US$ 000s	2-5 years US$ 000s	> 5 years US$ 000s	Carrying value in the balance sheet US$ 000s
Debt securities	2,578	10,764	3,217	27,082	9,966	53,607
Forward Contracts	(22)	-	-	-	-	(22)
Reinsurers share of technical provisions - claims outstanding	15,744	10,201	13,279	8,967	19,912	68,103
Debtors arising out of direct insurance operations	10,148	6,270	8,019	-	-	24,437
Debtors arising out of reinsurance operations	1,191	-	-	-	-	1,191
Other debtors	213	-	-	-	-	213
Cash and cash equivalents	3,647	-	-	-	-	3,647
Technical provisions - claims outstanding	(17,181)	(11,133)	(14,492)	(9,786)	(21,731)	(74,323)
Creditors	(1,554)	-	-	-	-	(1,554)
Creditors arising from reinsurance operations	(1,138)	5,002	-	-	(23,672)	(19,808)
Total	13,626	21,104	10,023	26,263	(15,525)	55,491

The assets in the above tables are not impaired due to the fact that their full value is deemed to be recoverable.

C.4.1 Reliance on expected future profit: As ITIC is a mutual insurer, it does not aim to make “profit” from its activities. However, surpluses or deficits may arise in the course of its operations due to actual experience being different to expectations. Given the holding in liquid assets, ITIC does not rely on expected future surpluses to ensure its liquidity.

ITIC’s Solvency II balance sheet as at 31st May 2024 recognises expected future premium from members in its technical provisions in respect of outstanding premium income for business already bound at the balance sheet date.

C.5. Operational risk

Operational risks are the risks of monetary or other losses arising from failed or inadequate processes, people, systems or external events. ITIC creates a framework of policies, procedures and controls to minimise the potential for these events.

ITIC creates a framework of policies, procedures and controls to minimise losses from these mistakes. Procedure manuals are maintained on the EQMS.

ITIC accepts that on occasion, operational loss events can occur, but there should be control mechanisms in place to reduce the likelihood and ensure that the same mistake is not made twice.

All events that lead to a loss greater than US$10,000 are recorded in the Operational Risk Database. Near misses with the potential to lose more than the same amount are also recorded. Summaries are provided in the KCIs and lessons should be learned from them.

This is detailed further in the risk management policy.

C.6. Other material risks

The group has not identified any other material risks that it considers should be disclosed.

C.7. Stress and scenario testing

ITIC carries out stress and scenario testing as part of its risk management and ORSA process. For management purposes stress and scenario testing are carried out on a pre-quota share basis by combining the group with its parallel quota reinsurer TIMIA.

The base case business plan forecast for the next three years is used as the starting point for scenario testing. The impacts of adverse scenarios are then evaluated.

A key part of validating the internal model is to test the reasonableness of the outputs. To provide an independent test, the managers consider scenarios for each risk and attribute a likelihood of occurrence to the scenario. These scenarios are then compared to the internal model outputs to determine whether the internal model captures the range of scenarios adequately.

Given that market risk makes up over half of ITIC's OSNA, scenarios have been considered specifically for this risk. These are compared with the internal model outputs. The managers have not considered it necessary at this stage to consider specific, additional scenarios for validation of the other risks beyond those noted earlier in the medium term forecasting and also in the reverse stress testing. Further scenarios may be considered for these risks in the future if the Managers feel it is appropriate to do so.

The following scenarios are included in ITIC's latest ORSA and assessed against ITIC's risk corridor:

a. A very soft market and net lost business;
b. Soft market (competition & capacity), higher claims inflation and deterioration in back years; and
c. High inflation scenario.

The management team also considered:

a. Loss of key members of the management team (say four at once);
b. Loss of operational performance following known imminent changes in the non-executive board of directors.
c. Lack of reinsurance available in the market place;
d. A major insurance broker decides to not place business with ITIC;
e. Change in insurance environment;
f. Mergers;
g. Decision to give excessive amounts of funds back to members via continuity credit;
h. Climate change:
i. Stressed departure by ITIC from managers; and
j. Conduct risk.

The investment managers' quantitative risk consultants, Redington, also considered a series of market risk scenarios. Given that market risk makes up over half ITIC's Own Solvency Needs Assessment ("OSNA"), scenarios have been considered specifically for this risk. These are compared with the model outputs. The managers have not considered it necessary at this stage to consider specific, additional scenarios for validation of the other risks beyond those were consider in the medium term forecasting and also in the reverse stress testing. Further scenarios may be considered for these risks in the future if felt appropriate.

Furthermore, ITIC undertook reverse stress testing considering:

a. Severe Economic Collapse;
b. Gap in reinsurance cover;
c. Shipping Market Collapse; and
d. "Super" reverse stress test

The results of the various tests were incorporated into the ORSA and referred to in its executive summary. ITIC is expected to continue to meet its overall capital risk appetite over the medium term on its base case assumptions. None of the alternative adverse planning scenarios indicate that there is a chance that the risk appetite could be breached under extreme scenarios. The "super" reverse stress test showed that ITIC's eligible own funds could drop to close to the SCR. However, the SCR, itself a form of stress test, shows that ITIC can maintain its solvency over a one year period with 99.5% certainty.

ITIC addresses other risks namely political (including change to UK tax agreement) and climate change risk. ITIC considers how these could impact the financial risks and insurance risk exposures via its emerging risks log as well as via the climate change policy and plan. ITIC also considers fraud risks (including misappropriation of investment funds) and this is managed through the fraud risks register. ITIC currently has a climate change policy and plan to address the relevant environmental, social and governance requirements and this continues to be refined. ITIC has put in place a policy to assist in managing the financial risks associated with the effects of climate change and to ensure that ITIC has adequate oversight and control of this area and understands how climate change relates to other risk groups. The financial risks emanating from climate change can impact other risk groups, specifically the strategy, insurance, credit and market risk areas. Financial risks from climate change arise through two primary channels, being physical and transition factors. In addition, liability can arise from third parties who have suffered loss or damage from physical or transition risk factors associated with climate change.

C.8. Any other information

ITIC has not identified any other material information that it considers should be disclosed.

D. Valuation for solvency purposes

A basic principle of Solvency II is that assets and liabilities are valued on the basis of their economic value. This is the price which an independent party would pay or receive for acquiring the assets or liabilities. The value of the assets less the value of the liabilities is then taken as the starting point for determining the available own funds.

Materially all of the valuation differences between the Solvency II balance sheet and the current accounting balance sheet relate to the valuation of insurance liabilities ("technical provisions") which is further discussed in D.2 – Technical Provisions. ITIC prepares its financial statements under UK GAAP including FRS 102 and 103.

The Solvency II balance sheet is presented in appendix S.02.01.02.

D.1. Assets

	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s	Solvency II 31/05/2023 US$000s	UKGAAP 31/05/2023 US$000s
Deferred Acquisition costs	-	711	-	583
Financial investments and derivatives	61,030	61,030	53,823	53,823
Reinsurers' share of technical provisions	74,197	124,676	67,541	104,091
Insurance and intermediaries receivables	2,615	34,413	4,066	21,460
Reinsurance receivables	355	355	1,191	1,191
Receivables, trade not insurance	16	16	213	213
Cash and cash equivalents	9,231	9,231	3,647	3,647
Any other assets, not elsewhere shown	1,880	1,880	2,977	2,977
Total	**149,324**	**232,312**	**133,458**	**187,986**

The above table shows amounts at Solvency II and UK GAAP valuation bases respectively. For classification purposes, the Solvency II classification of amounts has been used. UK GAAP assets shown above US$232.3m, less UK GAAP liabilities detailed in D.3 of US$177.6m, equal US$54.7m of retained income and expenditure reserves at 31st May 2024 as per the amount shown in the statutory accounts. The breakdown between assets above and liabilities is different to the financial statements, largely because 'Deferred Acquisition Costs' being presented net for the purposes of Solvency II in addition to differing valuation bases used for Technical Provisions under GAAP and Solvency II bases.

ITIC's assets are valued using the following principles. These principles highlight where there are adjustments between GAAP accounting and Solvency II accounting.

D.1.1 Financial Investments: Investments are carried at market value. Market value is calculated at the close of business on the balance sheet date. The market value of foreign currency investments is translated at the rate of exchange ruling at the balance sheet date.

Fair values of investments traded in active markets are measured at bid price. Where there is no active market, fair value is measured by reference to other factors such as independent valuation reports.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.1.2 Derivatives – forward currency contracts: Further detail on ITIC's valuation policy for derivatives may be found in D.3.1.

D.1.3 Reinsurer's share of technical provisions: Reinsurer's share of technical provisions is treated consistently to gross technical provisions. Technical provisions are further discussed in D.2.

D.1.4 Reinsurance receivables: This balance includes amounts recoverable from excess of loss reinsurance contracts in respect of claims payments made and covered by these contracts. Due to the short-term nature of these items, the carrying amount is considered to be a suitable proxy for its fair value.

D.1.5 Receivables, trade not insurance: This balance includes sundry, short term receivable balances the value and settlement of which contains little to no uncertainty. Due to the short-term nature of these items, the carrying amount is considered to be a suitable proxy for its fair value.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.1.6 Insurance and intermediaries' receivables: These represent balances that are due for existing insurance contracts. Due to the short term nature of these balances, the carrying amount is considered to be a suitable proxy for its fair value. These amounts are reviewed annually for impairment.

When these amounts are not yet due, they are included as a future cash flow in the calculation of technical provisions for Solvency II purposes as further detailed in D.2. This is materially different to statutory account requirements which require these balances to be presented separately on the face of the balance sheet whether they are due or not yet due.

D.1.7 Cash and cash equivalents: Cash and cash equivalents include cash at bank or in hand, deposits held at call with banks and other short term highly liquid investments. The carrying value of these balances is considered to be a suitable proxy for fair value.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.1.8 Any other assets, not elsewhere shown: This balance represents sundry receivables. Due to its short term nature the carrying amount equals its fair value.

D.2.Technical provisions

Net technical provisions as at 31st May 2024 are shown below.

	31/05/2024 US$000s	31/05/2023 US$000s
Gross best estimate	74,490	69,645
Risk Margin	879	924
	75,369	70,569
Reinsurance best estimate	(74,197)	(67,541)
Net technical provisions	**1,172**	**3,028**

Refer to Appendices S.17.01.02 and S.19.01.21 for further details on technical provisions.

ITIC's technical provisions are valued using the following principles. These principles highlight where there are adjustments between GAAP accounting and Solvency II accounting.

D.2.1 Bases, methods and main assumptions

The technical provisions are valued using the methodology prescribed by the Solvency II Directive and associated regulations. They consist of a "best estimate" of future cash flows (claims, premiums and expenses), which are discounted in line with risk-free interest rates to give the "present value" of those cash flows. Finally, a (market value) "risk margin" is added to take the total to a notional market value (i.e. equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations).

D.2.2 Claims: As ITIC only covers general liabilities, all claims are analysed together in one risk group. Standard actuarial techniques are used to project these cash flows including chain ladder and Bornhuetter-Ferguson methods. The key assumptions related to the initial expected claims cost for each policy year and the projected notified claims development pattern. These methods are considered appropriate given the longevity and stability of ITIC and its claims handling processes.

Allowance is made for claims on contracts bound, but for which coverage has not yet incepted (corresponding to the premium provision). These are valued using an inflation assumption applied to the previous year ultimate.

The future claims cash flows are the most uncertain element of the technical provisions. The uncertainty involved was further discussed in Section C1 on Underwriting Risk.

D.2.3 Premiums: The premium cash flows in the technical provisions cover:

i. the outstanding instalments of premium on expired business that are payable but not yet due on the valuation date (corresponding to the provision for claims outstanding); and
ii. the premium payable but not yet due on bound but not incepted business (corresponding to the premium provision).

D.2.4 Expenses: The technical provisions include expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. The provision is calculated directly in respect of the provision for claims outstanding (for expired business) and a corresponding amount is derived in respect of the premium provision (for bound but not incepted and unexpired business).

D.2.5 Risk margin: The risk margin is calculated based on the requirement to hold capital to meet the SCR until all claims liabilities are settled and a prescribed cost-of-capital rate of 4% per annum. This calculation is based on the assumption that a "reference undertaking" takes on the insurance obligations (and associated reinsurance arrangements). The SCR in this context is made up of underwriting risk, counterparty default risk and operational risk only; assets are assumed to be invested in such a way that market risk will be zero and the referencing undertaking does not take on any new insurance obligations. The SCRs in future time periods have been assumed to be directly proportional to the best estimate claims liabilities net of reinsurance recoverables at those points in time.

D.2.6 Reinsurance recoverables: This relates to ITIC's expected reinsurance recoverables from its reinsurance arrangements at the valuation date. It is made up of two elements: reinsurance payments and reinsurance premiums. These are valued on a consistent basis with the corresponding claims and premiums elements of the technical provisions. In addition, an adjustment is made to take account of expected losses due to default of the reinsurance counterparties. See also the note on ITIC's fixed charge on TIMIA investments (section C.3); these assets were valued at US$42.4m at 31st May 2024.

D.2.7 Sources of uncertainty: The estimation of the ultimate liability arising from claims made under insurance contracts is ITIC's most critical estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that ITIC will ultimately pay for such claims. Estimates are made for the expected ultimate cost of reported claims at the end of the reporting period. The estimate of incurred but not enough reserved ("IBNER") is generally subject to a greater degree of uncertainty. In calculating the estimated liability, ITIC uses a variety of estimation techniques based upon statistical analyses of historical experience which assumes past trends can be used to project future developments.

In particular the following represents the main sources of uncertainty that may impact the outcome of ITIC's technical provisions:

- Certain claims may turn out to be significantly longer, or shorter tailed than the whole book leading to an over / underestimation of claims reserves. There is also an uncertainty around numbers and average cost of these claims.
- There is potential for IBNER to deteriorate to a greater extent than allowed for in the projections.
- New and unexpected claims types could impact the reserving methodology. This is partly allowed for in ITIC's provision for Events not in Data.
- Uncertainty surrounding the development and cash flow patterns may impact the outcome of ITIC's technical provisions.
- Currency and exchange rates are inherently uncertain and may impact the outcome of the final technical provisions amount.

D.2.8 Differences between GAAP and Solvency II technical provisions

A reconciliation of UK GAAP technical provisions to Solvency II technical provisions is shown in the table below:

	Notes	31/05/2024 Gross US$000s	31/05/2024 Reinsurance US$000s	31/05/2024 Net US$000s	31/05/2023 Gross US$000s	31/05/2023 Reinsurance US$000s	31/05/2023 Net US$000s
UK GAAP technical provisions		**137,169**	**124,676**	**12,493**	**114,310**	**104,091**	**10,219**
Eliminate UPR reserve	*1*	(55,455)	(49,909)	(5,546)	(39,988)	(35,988)	(4,000)
Eliminate margin	*2*	(10,229)	(9,207)	(1,022)	(10,203)	(9,183)	(1,020)
Reallocate premiums not yet due		-	(929)	929	(1,303)	(1,878)	575
Adjustment to expense reserve	*3*	1,760	1,760	-	1,000	1,000	-
Unexpired and BBNI contract cash flows	*4*	9,688	15,778	(6,090)	12,446	15,694	(3,248)
Reinsurance counterparty default adjustment	*5*	-	(7)	7	-	(10)	10
Effects of discounting	*6*	(10,068)	(9,516)	(552)	(8,070)	(7,573)	(497)
ENID adjustment	*7*	1,625	1,551	74	1,453	1,388	65
Solvency II risk margin	*2*	879	-	879	924	-	924
Total Solvency II technical provisions		**75,369**	**74,197**	**1,172**	**70,569**	**67,541**	**3,028**

Notes

1. Unearned premium. The Solvency II balance sheet contains no concept of deferral of premium, and as such any such balances are eliminated upon transition to the Solvency II balance sheet. These balances are replaced by a provision for future cash flows expected on unexpired business.

2. Contingency margin and Solvency II risk margin: Since the Solvency II technical provisions figure is a best estimate, margins for prudence are removed under the Solvency II valuation methodology. This is replaced by an explicit Solvency II risk margin which is intended to represent a notional market value adjustment as discussed above. This is calculated on a prescribed “cost of capital” approach, based on the idea of a market insurer taking over ITIC’s insurance liabilities having to raise capital to meet its own regulatory capital requirements over the run-off of the liabilities following the transfer.

3. Adjustment to expense reserve: When calculating the Solvency II best estimate, a provision is made for all expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses.

4. Provision for cash flows on unexpired contracts and contracts bound but not incepted: Solvency II valuation methodology requires an insurer to estimate the cash flows on future coverage that the insurer will provide. This includes the unexpired portion of existing contracts and contracts that have been bound, but for which coverage has not yet incepted. These contracts are to be recognised when the insurer becomes party to the contract which is usually when the contract between undertaking and policyholder is legally formalised. All of these amounts are recognised under premium provisions and include unexpired amounts not yet due previously recognised on the UK GAAP balance sheet as debtors or creditors. It should be noted that the cash flow movements determined in relation to the excess of loss reinsurance cost on bound but not incepted premium has been calculated as a percentage of premium. This approach is considered to be in line with the guidance provided by EIOPA for reinsurance cash outflows.

5. Reinsurance counterparty default adjustment: Amounts recoverable from reinsurance counterparties must be adjusted for expected losses due to counterparty default for the Solvency II balance sheet. This adjustment approximates the expected present value of the losses in the event of default, weighted by the probability of default for each counter party. Under UK GAAP accounting a provision for bad debts is only made where there is objective evidence that a counter party may default on its obligation.

6. Effects of discounting: Since Solvency II technical provisions take into account the time value of money, an adjustment is made for the discounting of all future cash flows based on risk-free interest rates. Under UK GAAP accounting, insurance liabilities and reinsurance recoveries are shown as undiscounted figures.

7. ENID adjustment: Solvency II requires that all possible outcomes are allowed for when setting the technical provisions. Therefore, an additional provision needs to be made for “events not in data”, i.e. potential adverse claims outcomes that have not been observed to date and hence are not taken into account in assessing the claims provisions.

8. Future reinsurance recoverables: Within ITIC’s financial statements, allowance is made for future reinsurance recoverables. For the purposes of the Solvency II balance sheet, this is derived from the gross claims reserves set as part of the reserve review.

9. Adjustment to expense provision: Unlike UK GAAP, Solvency II recognises all expense cash flows incurred in serving insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. As such, an adjustment is made.

10. Future management actions: There are no significant management action assumptions used in the valuation of ITIC’s assets, technical provisions and other liabilities.

11. Policyholder behaviour assumptions: There are no significant policyholder behaviour assumptions used in the valuation of ITIC’s assets, technical provisions and other liabilities.

D.3. Other liabilities

Valuation of ITIC’s other liabilities as at 31st May 2024.

	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s	Solvency II 31/05/2023 US$000s	UKGAAP 31/05/2023 US$000s
Technical provisions	75,369	137,169	70,569	114,310
Derivatives	-	-	22	22
Insurance and intermediaries payables	287	287	98	98
Reinsurance payables	7,469	36,181	4,057	19,781
Payables, trade not insurance	3,920	3,920	3,309	3,309
Total	**87,045**	**177,557**	**78,055**	**137,520**

The above table presents amounts at Solvency II and UK GAAP valuation bases respectively. For classification purposes the Solvency II classification of amounts has been used.

D.3.1 Derivatives: Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of foreign exchange forward contracts is based on current forward exchange rates.

There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.3.2 Technical provisions: Further detail on ITIC's valuation policy for technical provisions may be found in D.2.

D.3.3 Reinsurance payables: These represent balances that are due to be paid for existing reinsurance contracts. When these amounts are not yet due to be paid, they are included as a future cash flow in the calculation of reinsurance technical provisions.

Under statutory accounting requirements, these balances are presented separately on the face of the balance sheet whether they are due or not yet due.

D.3.4 Insurance & Intermediaries payables: These represent balances payable on insurance contracts. Due to the short term nature of these balances, its carrying amount is considered a suitable proxy for fair value. There is no difference between the valuation for solvency purposes and the valuation used in ITIC's financial statements.

D.3.5 Payables, trade not insurance: These balances include sundry, short term payable balances the value and settlement of which contains little to no uncertainty. Due to the short-term nature of these items, the carrying amount is considered to be a suitable proxy for its fair value. There are no material differences between the valuation used for solvency purposes and the valuation used in ITIC's financial statements.

D.4. Alternative methods of valuation

ITIC does not utilise any alternative methods of valuation.

D.5. Any other information

ITIC has not identified any other information that it considers material to be disclosed.

E. Capital Management

Basic own funds of the businesses comprise the excess of assets over liabilities. They can also comprise subordinated liabilities but ITIC does not have any of these.

Ancillary own funds consist of items other than basic own funds which could be called upon to provide additional capital. These may comprise the following:

a. Letters of credit or guarantees;
b. Unpaid share capital or initial funds that has not been called up;
c. Any other legally binding commitments received by insurance and reinsurance undertakings; and
d. Supplementary premium.

These have **NOT** been considered in assessing the solvency of ITIC within the Solvency II process.

In order, to be able to recognise ITIC's ability to recover quota share reinsurance balances from its unrated parallel mutual, TIMIA, ITIC maintains a fixed charge over a portfolio of investments held by TIMIA. The minimum value of these investments has currently been fixed at US$35.0m and were valued at US$42.4m at 31st May 2024 (2023 – US$40.5m).

Capital management encompasses the monitoring and measurement of the own-funds which maintain the solvency of the business. ITIC maintains a policy which sets out the principles used behind ITIC's approach to capital management. These principles cover: classification, monitoring, encumbrances, arrangements, contractual terms, return of capital and the impact of stress scenarios.

The policy also includes the Medium-term Capital Management plan which sets out the options which are used to maintain sufficient levels of capital in the business. These options include decisions on:

a. The terms for the underwriting for the new club year;
b. The level of continuity credit for the forthcoming club year for one and two year deals;
c. The reinsurance program to be decided on for the new club year;
d. The approach towards targeting new business and non-renewing other business;
e. Reviewing and agreeing the approach for any cases requiring consideration;
f. Agreeing the financial statements and regulatory returns including the agreement of the appropriate level for claims provisions;
g. Deciding on the appropriate investment mandate for ITIC.
h. Monitoring the investment portfolio for liquidity as well as asset maturity profile; and
i. Reviewing and approving the ORSA report and any projections contained therein.

E.1 Own funds

All amounts are as at 31st May 2024 and presented in thousands of US Dollars unless otherwise stated:

	31/05/2024 US$000s	31/05/2023 US$000s
SCR ratio	376%	489%
SCR	16,549	11,319
Eligible own funds	62,279	55,403
Excess	45,730	44,084
MCR Ratio	733%	1397%
MCR	8,495	3,966
Eligible own funds	62,279	55,403
Excess	53,784	51,437
Total Tier 1 Basic own funds	62,279	55,403

Further information on ITIC's own funds may be found in appendix S.23.01.

As a mutual insurer with no share capital ITIC's capital structure consists of an accumulated income and expenditure account reserve and reconciliation reserve, which falls under Tier 1 and counts as Basic Own Funds ("BOF"). These funds may be fully utilised to meet both the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR").

Tier 1 BOF contains no significant restrictions affecting the availability and transferability of these own funds.

E.1.1 Material differences between equity as shown in the financial statements and the excess of assets over liabilities

This table represents a reconciliation of UK GAAP capital reserves to Solvency II capital reserves.

	Notes	31/05/2024 US$000s	31/05/2023 US$000s
UK GAAP reserves		**54,755**	**50,466**
Solvency II gross technical provisions adjustment		61,800	43,741
Of which reallocation of amounts not yet due	*1*	(10,066)	(1,303)
Solvency II reinsurance technical provisions adjustment		(50,479)	(36,550)
Of which reallocation of amounts not yet due	*1*	9,152	1,243
Elimination of deferred acquisition cost - gross	*2*	(7,105)	(5,827)
Elimination of deferred acquisition costs - reinsurance	*2*	6,395	5,245
Application of Solvency II boundary (net)	*3*	(2,173)	(1,612)
Total Solvency II basic own funds		**62,279**	**55,403**

Notes

The most material adjustment to reserves is as a result of the differences in valuation of technical provisions which has been further discussed in D.2.

1. Reallocation of amounts not yet due: Under Solvency II valuation requirements, any amounts not yet due are included as a future cash flow as part of technical provisions. Under statutory accounting requirements, these amounts are included in debtors and creditors on the face of the balance sheet.

2. Elimination of deferred acquisition costs: The Solvency II balance sheet does not defer insurance cash flows. As such balances for deferred acquisition costs are eliminated upon transition to the Solvency II balance sheet.

3. Application of Solvency II boundary (net): On a GAAP basis, ITIC writes certain multi-year policies which are generally for two years. Under the contract boundary requirements of Solvency II, the exposure relating to these policies is modified to reflect the policy wording which includes a break clause after one year and as a result is adjusted for on a Solvency II basis.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The below table summarises the capital requirements for the current period comparable to the previous period. Further details can be found in appendices S.25.01.

	31/05/2024 US$000s	31/05/2023 US$000s
SCR	**16,549**	**11,319**
Made up of		
Market risk	6,761	5,226
Underwriting & reserving risk	9,798	5,075
Counterparty default risk	1,983	1,956
Diversification impact	(4,228)	(3,027)
Operational risk	2,235	2,089
MCR	**8,495**	**3,966**
MCR coverage	733%	1397%
SCR coverage	376%	489%

The SCR has been calculated using the Solvency II Standard Formula and is subject to supervisory assessment. ITIC does not use any simplifications or undertaking specific parameters to calculate the SCR.

The main risks that drive the SCR is underwriting risk which stems from the insurance risk that ITIC assumes through the course of its normal business activities and is increased by lapse risk associated with future business.

The overall SCR has increased by US$5.2m since last year, the increase is mainly in market risk and underwriting & reserving risk.

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

This sub-module is not used by ITIC.

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

ITIC uses the standard formula for the calculation of its SCR.

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

ITIC has fully complied with the SCR and MCR during the period under review.

E.6 Any other information

There is no other information to disclose.

Appendix 1 – ITIC Solo

1. ITIC solo information

The group has received a waiver from the PRA to present a single group SFCR that incorporates the result of both the group and ITIC on a solo basis. The main part of this SFCR presents the group results, unless otherwise stated. The results of ITIC on a solo basis are detailed in this appendix.

2. ITIC Solo valuation for Solvency Purposes

a. Solo Assets

	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2023 US$000s
Deferred Acquisition costs	-	637	-	583
Financial investments and derivatives	62,604	61,879	53,823	53,823
Reinsurers' share of technical provisions	73,878	117,535	67,541	104,091
Insurance and intermediaries receivables	2,465	27,791	4,066	21,460
Reinsurance receivables	355	355	1,191	1,191
Receivables, trade not insurance	16	16	213	213
Cash and cash equivalents	7,280	7,280	3,647	3,647
Any other assets, not elsewhere shown	1,857	1,857	2,977	2,977
Total	**148,454**	**217,350**	**133,458**	**187,986**

*2023 amounts are unaudited.

The above table presents the amounts on a Solvency II and FRS valuation bases respectively. For classification purposes, an aggregated Solvency II classification of amounts has been used in order to best demonstrate any valuation differences between the two bases.

Refer to ITIC quantitative reporting template (“QRT”) S.02.01.02 for a full Solvency II balance sheet.

ITIC’s assets are valued in accordance with the group’s valuation principles further detailed in D.1.

In terms of ITIC’s investment in its subsidiary, ITIC Europe, under FRS this investment is valued at cost less provision for any impairment, whereas on a Solvency II basis, the value of the investment is determined on a look-through valuation basis which considers the underlying Solvency II balance sheet of ITIC Europe.

b. ITIC Technical provisions

	31/05/2024 US$000s	31/05/2023 US$000s
Gross best estimate	74,943	69,646
Risk Margin	593	924
	75,536	70,570
Reinsurance best estimate	(73,878)	(67,541)
Net technical provisions	**1,659**	**3,029**

*2023 amounts are unaudited.

Refer to ITIC Europe QRT's S.17.01.02 and S.19.01.21 in the appendices for further details on technical provisions.

ITIC Europe's technical provisions are valued in accordance with the group valuation principles further detailed in S.2.

c. Differences between FRS and Solvency II technical provisions

A reconciliation of FRS technical provisions to Solvency II technical provisions is provided below.

	Notes	31/05/2024 Gross US$000s	31/05/2024 Reinsurance US$000s	31/05/2024 Net US$000s	31/05/2023 Gross US$000s	31/05/2023 Reinsurance US$000s	31/05/2023 Net US$000s
UK GAAP technical provisions		**129,234**	**117,535**	**11,699**	**114,310**	**104,091**	**10,218**
Eliminate UPR reserve	*1*	(47,656)	(42,890)	(4,766)	(39,987)	(35,988)	(3,999)
Eliminate margin	*2*	(10,218)	(9,196)	(1,022)	(10,203)	(9,183)	(1,020)
Reallocate premiums not yet due	*3*	-	(929)	929	(1,303)	(1,878)	(130)
Adjustment to expense reserve	*3*	1,760	1,760	-	1,000	1,000	-
Unexpired and BBNI contract cash flows	*4*	10,029	15,326	(5,298)	12,446	15,694	(3,248)
IBNER Gross up	*5*	-	-	-	-	-	-
Reinsurance counterparty default adjustment	*5*	-	(6)	6	-	(10)	10
Effects of discounting	*6*	(9,828)	(9,270)	(558)	(8,070)	(7,573)	(497)
ENID adjustment	*7*	1,622	1,548	74	1,453	1,388	65
Solvency II risk margin	*2*	593	-	593	924	-	924
Total Solvency II technical provisions		**75,536**	**73,878**	**1,659**	**70,570**	**67,541**	**3,029**

Notes

1. **Eliminate UPR Reserve.** The Solvency II balance sheet contains no concept of deferral of premium, and as such any such balances are eliminated upon transition to the Solvency II balance sheet. These balances are replaced by a provision for future cash flows expected on unexpired business.

2. **Contingency margin and Solvency II risk margin.** Since the Solvency II technical provisions figure is a best estimate, margins for prudence are removed under the Solvency II valuation methodology. The Solvency II risk margin is intended to represent a notional market value adjustment as discussed above.

3. **Reallocation of premiums not yet due.** Under Solvency II valuation methodologies, all future cash flows are included in the calculation of technical provisions. More specifically, any amount not yet due shall be included as a future cash inflow under the calculation of Solvency II technical provisions. As a result, any amounts not yet due on the UK GAAP balance sheet is reallocated from receivable premium to technical provisions on the Solvency II balance sheet.

4. **Adjustment to expense management reserve.** Unlike UK GAAP, Solvency II recognises all expense cash flows incurred in servicing insurance obligations. This includes both direct and overhead expenses, as well as investment management expenses. As such, an adjustment is necessary.

5. **Provision for contracts bound but not incepted.** Solvency II valuation methodology requires contracts to be recognised when the insurer becomes party to the insurance contract. Usually, an undertaking becomes a party of the contract when the contract between undertaking and policyholder is legally formalised. Nearly all of ITIC's policies are coterminous with its financial year. The consequence is that nearly a full year's worth of business is recognised as Bound But Not Incepted ("BBNI") business. A provision on the Solvency II balance sheet, known as the "premium provision", is thus made for future premiums, claims and expenses that relate to BBNI business.

6. **Reinsurance counterparty default adjustment.** For the Solvency II balance sheet, amounts recoverable from reinsurance counterparties must be adjusted for the expected losses due to counterparty default. This adjustment approximates the expected present value of the losses in the event of default, weighted by the probability of default for each counterparty. Under current accounting bases a provision for bad debts is only made where there is objective evidence that a counterparty may default on its obligation. There is no expected reinsurance default in respect of the amounts recoverable from the group's quota share reinsurer, TIMIA, due to debentures which ITIC has over TIMIA's assets.

7. **Effects of discounting.** Since Solvency II technical provisions take into account the time value of money, an adjustment is made for the discounting of all future cash flows, based on risk-free interest rates.

8. **Events not in data.** Solvency II requires that all possible outcomes are allowed for when setting the technical provisions. Therefore, an additional provision needs to be made for "events not in data", i.e. potential adverse claims outcomes that have not been observed to date and hence are not taken into account in assessing the claims provisions.

d. ITIC Other liabilities

	Solvency II 31/05/2024 US$000s	UKGAAP 31/05/2024 US$000s	Solvency II 31/05/2023 US$000s	UKGAAP 31/05/2023 US$000s
Technical provisions	75,536	129,234	70,570	114,310
Derivatives	-	-	22	22
Insurance and intermediaries payables	305	305	98	98
Reinsurance payables	7,312	30,198	4,057	19,782
Payables, trade not insurance	3,036	3,036	3,309	3,309
Total	**86,189**	**162,773**	**78,054**	**137,520**

*2023 amounts are unaudited.

The above table presents amounts using Solvency II and FRS valuation bases respectively. For classification purposes amounts have been aggregated using Solvency II classification methodologies.

ITIC's other liabilities are valued in accordance with the group's valuation principles further detailed in D.3.

e. ITIC Capital Management

	31/05/2024 US$000s	31/05/2023 US$000s
SCR ratio	467%	489%
SCR	13,328	11,319
Eligible own funds	62,265	55,404
Excess	48,937	44,084
MCR Ratio	1466%	1397%
MCR	4,248	3,966
Eligible own funds	62,265	55,404
Excess	58,017	51,438
Total Tier 1 Basic own funds	62,265	55,404

* 2023 amounts are unaudited.

ITIC's principles for capital management are in accordance with the group's capital management principles further detailed in section E.

f. Material differences between equity shown in the financial statements and the excess of assets over liabilities

The table below provides a reconciliation of the capital reported within the financial statements to that within the Solvency II balance sheet.

	Notes	31/05/2024 US$000s	31/05/2023 US$000s
UK GAAP reserves		**54,576**	**50,466**
Solvency II gross technical provisions adjustment		53,698	43,740
Of which reallocation of amounts not yet due	*1*	(8,120)	(1,303)
Solvency II reinsurance technical provisions adjustment		(43,657)	(36,550)
Of which reallocation of amounts not yet due	*1*	7,401	1,243
Elimination of deferred acquisition cost - gross	*2*	(6,366)	(5,827)
Elimination of deferred acquisition costs - reinsurance	*2*	5,730	5,245
Application of Solvency II boundary (net)	*3*	(1,721)	(1,609)
Other valuation adjustments - including for. exchange		725	0
Total Solvency II basic own funds		**62,265**	**55,404**

The most material adjustment to reserves is as a result of the differences in valuation of technical provisions which has been further discussed above.

In addition, a Solvency II revaluation relating ITIC's investment in its subsidiary is shown, which is further discussed in the section on valuation of investments above.

g. ITIC Solvency Capital Requirement and Minimum Capital Requirement

	31/05/2024 US$000s	31/05/2023 US$000s
SCR	**13,328**	**11,319**
Made up of		
Market risk	7,176	5,226
Underwriting & reserving risk	5,682	5,075
Counterparty default risk	1,695	1,956
Diversification impact	(3,474)	(3,027)
Operational risk	2,248	2,089
MCR	**4,248**	**3,966**
MCR coverage	1466%	1397%
SCR coverage	467%	489%

The ITIC SCR has increased by £2.0 million mainly as a result of an increase in market risk as at the year-end. In addition, underwriting and reserving risk has increased.

In terms of ITIC's MCR, it remained stable when compared to the prior year.

Net written premium has seen an increase when compared to prior year even though ITIC's subsidiary, ITIC Europe started underwriting policies from February 2024.

Appendix 2 – AUDITOR’S REPORT

Report of the external independent auditor to the Directors of International Transport Intermediaries Club Limited (the ‘Company’) and its subsidiary (the ‘Group’) pursuant to Rule 4.1 (2) of the External Audit Chapter of the PRA rulebook applicable to Solvency II Firms.

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by the Group and Company as at 31 May 2024:

- The ‘Valuation for solvency purposes’ and ‘Capital Management’ sections of the Solvency and Financial Condition Report of the Group, (‘the Narrative Disclosures subject to audit’); and
- Group and Company templates S02.01.02, S17.01.02, S23.01.01, S25.01.21, S28.01.01, S.28.02.01 (‘the Templates subject to audit’).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the Solvency and Financial Condition Report’.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- The ’Business and performance’, 'System of governance’ and ’Risk profile’ elements of the Solvency and Financial Condition Report;
- Group and Company templates S05.01.02, S05.02.01, S19.01.21;
- The written acknowledgement by management of their responsibilities, including for the preparation of the solvency and financial condition report (’the Responsibility Statement’); and
- Information which pertains to an undertaking that is not a Solvency II undertaking and has been prepared in accordance with PRA rules other than those implementing the Solvency II Directive or in accordance with an EU instrument other than the Solvency II regulations (‘the sectoral information’).

To the extent the information subject to audit in the relevant elements of the Solvency and Financial Condition Report includes amounts that are total, sub-total or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Group as at 31 May 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determination.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800 and ISA (UK) 805. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report section of our report. We are independent of International Transport Intermediaries Club Limited and its subsidiary. In accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Solvency and Financial Condition Report, we have concluded that the director's use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is appropriate.

Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included the following:

- The inspection and assessment of the Group's forecasts including an evaluation of the key inputs and assumptions to the forecasts; and
- The assessment of financial solvency under stressed conditions through inspection of the Group's Own Risk and Solvency Assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the Solvency and Financial Condition Report is authorised for issue.

Emphasis of matter – basis of accounting

We draw attention to the 'Valuation for solvency purposes' section of the Solvency and Financial Condition Report, which describes the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Other information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the

Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Solvency and Financial Condition Report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those that relate to the prudential and supervisory requirements of the Prudential Regulation Authority (”PRA”) and the Financial Conduct Authority (”FCA"), and we considered the extent to which non-compliance might have a material effect on the Solvency and Financial Condition Report.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to, making enquiries of management and those responsible for legal and compliance matters. We also reviewed the correspondence between the

Company and UK regulatory bodies and reviewed the minutes of the Board and Audit Committee to identify any indications of non-compliance. We also reviewed Internal Audit reports and compliance reports in so far as they related to non-compliance with laws and regulations and fraud.

- We also identified possible risks of material misstatement of the Solvency and Financial Condition Report due to fraud. We considered in addition to the no-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the reporting of events and transactions in the Solvency and Financial Condition Report relating to the valuation of the insurance contract provisions. To address this, we challenged the assumptions and judgements made by management when auditing this significant accounting estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Solvency and Financial Condition Report or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Solvency and Financial Condition Report, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. The same responsibilities apply to the audit of the Solvency and Financial Condition Report.

Report on other legal and regulatory requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Chapter of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the PRA rules and EU instruments relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information

In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II Company's, we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Group's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Use of our report

This report is made solely to the Directors in accordance with Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose. To the fullest permitted by law, we do not accept or assume responsibility to anyone other than the Directors, for our work, for this report, or for the opinions we have formed.

Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 1 October 2024

Appendix 3 – Quantitative Reporting Templates - Group

List of reported templates:

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.23.01.22 - Own Funds
- S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
- S.32.01.22 - Undertakings in the scope of the group

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
	Assets	C0010	C0020
R0010	Goodwill		
R0020	Deferred acquisition costs		710,531.42
R0030	Intangible assets		
R0040	Deferred tax assets		
R0050	Pension benefit surplus		
R0060	Property, plant & equipment held for own use	0.00	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	61,030,131.13	61,030,221.01
R0080	*Property (other than for own use)*	0.00	
R0090	*Holdings in related undertakings, including participations*	0.00	
R0100	*Equities*	0.00	0.00
R0110	*Equities - listed*		
R0120	*Equities - unlisted*		
R0130	*Bonds*	50,862,417.37	50,862,417.14
R0140	*Government Bonds*	41,378,473.48	41,378,473.25
R0150	*Corporate Bonds*	9,483,943.89	9,483,943.89
R0160	*Structured notes*	0.00	
R0170	*Collateralised securities*	0.00	
R0180	*Collective Investments Undertakings*	10,165,689.51	10,165,779.62
R0190	*Derivatives*	2,024.25	2,024.25
R0200	*Deposits other than cash equivalents*	0.00	
R0210	*Other investments*	0.00	
R0220	Assets held for index-linked and unit-linked contracts		
R0230	Loans and mortgages	0.00	0.00
R0240	*Loans on policies*	0.00	
R0250	*Loans and mortgages to individuals*		
R0260	*Other loans and mortgages*		
R0270	Reinsurance recoverables from:	74,197,396.04	124,676,423.12
R0280	*Non-life and health similar to non-life*	74,197,396.04	124,676,423.12
R0290	*Non-life excluding health*	74,197,396.04	124,676,423.12
R0300	*Health similar to non-life*		
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0.00	0.00
R0320	*Health similar to life*		
R0330	*Life excluding health and index-linked and unit-linked*		
R0340	*Life index-linked and unit-linked*		
R0350	Deposits to cedants	0.00	
R0360	Insurance and intermediaries receivables	2,615,173.54	34,413,173.54
R0370	Reinsurance receivables	355,143.15	355,143.15
R0380	Receivables (trade, not insurance)	15,576.86	15,576.86
R0390	Own shares (held directly)		
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0.00	
R0410	Cash and cash equivalents	9,231,336.31	9,231,336.31
R0420	Any other assets, not elsewhere shown	1,880,420.22	1,880,420.22
R0500	**Total assets**	149,325,177.25	232,312,825.63

		Solvency II value	Statutory accounts value
	Liabilities	C0010	C0020
R0510	Technical provisions - non-life	75,369,074.45	137,169,256.53
R0520	*Technical provisions - non-life (excluding health)*	75,369,074.45	137,169,256.53
R0530	*TP calculated as a whole*		
R0540	*Best Estimate*	74,490,219.41	
R0550	*Risk margin*	878,855.04	
R0560	*Technical provisions - health (similar to non-life)*	0.00	
R0570	*TP calculated as a whole*		
R0580	*Best Estimate*		
R0590	*Risk margin*		
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0.00	0.00
R0610	*Technical provisions - health (similar to life)*	0.00	
R0620	*TP calculated as a whole*		
R0630	*Best Estimate*		
R0640	*Risk margin*		
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0.00	
R0660	*TP calculated as a whole*		
R0670	*Best Estimate*		
R0680	*Risk margin*		
R0690	Technical provisions - index-linked and unit-linked	0.00	
R0700	*TP calculated as a whole*		
R0710	*Best Estimate*		
R0720	*Risk margin*		
R0730	Other technical provisions		
R0740	Contingent liabilities	0.00	
R0750	Provisions other than technical provisions		
R0760	Pension benefit obligations		

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
R0770	Deposits from reinsurers		
R0780	Deferred tax liabilities		
R0790	Derivatives	0.00	
R0800	Debts owed to credit institutions		
R0810	Financial liabilities other than debts owed to credit institutions		
R0820	Insurance & intermediaries payables	287,108.10	287,108.10
R0830	Reinsurance payables	7,469,766.71	36,180,833.30
R0840	Payables (trade, not insurance)	3,920,186.36	3,920,186.36
R0850	Subordinated liabilities	0.00	0.00
R0860	*Subordinated liabilities not in BOF*		
R0870	*Subordinated liabilities in BOF*	0.00	
R0880	Any other liabilities, not elsewhere shown		
R0900	**Total liabilities**	87,046,135.62	177,557,384.29
R1000	**Excess of assets over liabilities**	62,279,041.64	54,755,441.34

S.05.01.01

Premiums, claims and expenses by line of business

Non-life

	Line of Business for: non-life insurance and reinsurance obligations (direct business and ... General liability insurance	Total
	C0080	C0200
Premiums written		
R0110 *Gross - Direct Business*	40,363,620.95	40,363,620.95
R0120 *Gross - Proportional reinsurance accepted*	31,044,973.80	31,044,973.80
R0130 *Gross - Non-proportional reinsurance accepted*		0.00
R0140 *Reinsurers' share*	56,170,509.48	56,170,509.48
R0200 *Net*	15,238,085.27	15,238,085.27
Premiums earned		
R0210 *Gross - Direct Business*	31,793,538.83	31,793,538.83
R0220 *Gross - Proportional reinsurance accepted*	24,453,444.88	24,453,444.88
R0230 *Gross - Non-proportional reinsurance accepted*		0.00
R0240 *Reinsurers' share*	27,604,015.53	27,604,015.53
R0300 *Net*	28,642,968.18	28,642,968.18
Claims incurred		
R0310 *Gross - Direct Business*	15,595,905.08	15,595,905.08
R0320 *Gross - Proportional reinsurance accepted*	10,692,500.01	10,692,500.01
R0330 *Gross - Non-proportional reinsurance accepted*		0.00
R0340 *Reinsurers' share*	23,691,157.96	23,691,157.96
R0400 *Net*	2,597,247.13	2,597,247.13
Changes in other technical provisions		
R0410 *Gross - Direct Business*		0.00
R0420 *Gross - Proportional reinsurance accepted*		0.00
R0430 *Gross - Non-proportional reinsurance accepted*		0.00
R0440 *Reinsurers' share*		0.00
R0500 *Net*	0.00	0.00
R0550 **Expenses incurred**	24,130,393.39	24,130,393.39
Administrative expenses		
R0610 *Gross - Direct Business*	1,213,589.13	1,213,589.13
R0620 *Gross - Proportional reinsurance accepted*	933,410.87	933,410.87
R0630 *Gross - Non-proportional reinsurance accepted*		0.00
R0640 *Reinsurers' share*		0.00
R0700 *Net*	2,147,000.00	2,147,000.00
Investment management expenses		
R0710 *Gross - Direct Business*	5,186.92	5,186.92
R0720 *Gross - Proportional reinsurance accepted*	3,989.43	3,989.43
R0730 *Gross - Non-proportional reinsurance accepted*		0.00
R0740 *Reinsurers' share*		0.00
R0800 *Net*	9,176.35	9,176.35
Claims management expenses		
R0810 *Gross - Direct Business*	1,724,574.02	1,724,574.02
R0820 *Gross - Proportional reinsurance accepted*	1,326,425.98	1,326,425.98
R0830 *Gross - Non-proportional reinsurance accepted*		0.00
R0840 *Reinsurers' share*		0.00
R0900 *Net*	3,051,000.00	3,051,000.00
Acquisition expenses		
R0910 *Gross - Direct Business*	5,413,957.50	5,413,957.50
R0920 *Gross - Proportional reinsurance accepted*	4,164,050.81	4,164,050.81
R0930 *Gross - Non-proportional reinsurance accepted*		0.00
R0940 *Reinsurers' share*		0.00
R1000 *Net*	9,578,008.31	9,578,008.31
Overhead expenses		
R1010 *Gross - Direct Business*	5,282,367.82	5,282,367.82
R1020 *Gross - Proportional reinsurance accepted*	4,062,840.91	4,062,840.91
R1030 *Gross - Non-proportional reinsurance accepted*		0.00
R1040 *Reinsurers' share*		0.00
R1100 *Net*	9,345,208.73	9,345,208.73
R1200 **Other expenses**		321,469.75
R1300 **Total expenses**		24,451,863.14

S.05.02.01

Premiums, claims and expenses by country

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Non-life	**Home Country**	**Top 5 countries (by amount of gross premiums written) - non-life obligations**					**Total Top 5 and home country**
R0010			**US**	**SG**	**IT**	**AE**	**AU**	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	*Gross - Direct Business*	28,079,634.85	307,862.00	4,508,917.76	0.00	3,917,787.47	0.00	36,814,202.08
R0120	*Gross - Proportional reinsurance accepted*	-214,002.01	5,571,234.00	0.00	4,340,093.98	0.00	3,542,608.29	13,239,934.26
R0130	*Gross - Non-proportional reinsurance accepted*	0.00						0.00
R0140	*Reinsurers' share*	21,919,305.36	4,624,538.81	3,546,746.84	3,413,948.85	3,081,759.54	2,786,640.93	39,372,940.33
R0200	*Net*	5,946,327.48	1,254,557.19	962,170.92	926,145.13	836,027.93	755,967.37	10,681,196.02
	Premiums earned							
R0210	*Gross - Direct Business*	19,664,358.79	308,949.74	3,533,347.76	0.00	2,622,571.16	0.00	26,129,227.45
R0220	*Gross - Proportional reinsurance accepted*	-121,601.79	5,089,065.26	0.00	2,152,891.22	0.00	3,215,162.55	10,335,517.23
R0230	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0240	*Reinsurers' share*	9,590,888.83	2,649,153.43	1,734,041.19	1,056,562.30	1,287,064.48	1,577,887.22	17,895,597.45
R0300	*Net*	9,951,868.17	2,748,861.57	1,799,306.57	1,096,328.92	1,335,506.68	1,637,275.32	18,569,147.23
	Claims incurred							
R0310	*Gross - Direct Business*	7,809,560.76		4,027,605.82	-100,746.13	554,350.54	0.00	12,290,770.98
R0320	*Gross - Proportional reinsurance accepted*		1,247,620.30		367,818.25	0.00	12,871.13	1,628,309.68
R0330	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0340	*Reinsurers' share*	6,987,600.87	1,120,373.69	3,987,335.64	237,457.14	492,879.96	3,353.72	12,829,001.01
R0400	*Net*	821,959.89	127,246.61	40,270.18	29,614.98	61,470.58	9,517.41	1,090,079.65
	Changes in other technical provisions							
R0410	*Gross - Direct Business*							0.00
R0420	*Gross - Proportional reinsurance accepted*							0.00
R0430	*Gross - Non-proportional reinsurance accepted*							0.00
R0440	*Reinsurers' share*							0.00
R0500	*Net*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0550	**Expenses incurred**	9,416,355.06	1,986,664.21	1,523,653.56	1,466,604.62	1,323,898.80	1,197,118.25	16,914,294.49
R1200	**Other expenses**							242,635.57
R1300	**Total expenses**							17,156,930.06

S.25.01.04

Solvency Capital Requirement - for groups on Standard Formula

		Article 112	Regular reporting			
Z0010						

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
		C0030	C0040	C0050	C0090	C0120
R0010	Market risk	6,761,391	6,761,391	0.00		
R0020	Counterparty default risk	1,983,445	1,983,445	0.00		
R0030	Life underwriting risk			0.00		
R0040	Health underwriting risk			0.00		
R0050	Non-life underwriting risk	9,797,834	9,797,834	0.00		
R0060	Diversification	- 4,227,978	- 4,227,978			
R0070	Intangible asset risk	-	-			
R0100	**Basic Solvency Capital Requirement**	14,314,691	14,314,691			

	Calculation of Solvency Capital Requirement	C0100
R0120	Adjustment due to RFF/MAP nSCR aggregation	
R0130	Operational risk	2,234,707
R0140	Loss-absorbing capacity of technical provisions	-
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
R0200	**Solvency Capital Requirement excluding capital add-on**	16,549,398
R0210	Capital add-ons already set	
R0220	**Solvency capital requirement for undertakings under consolidated method**	16,549,398
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	
R0450	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	No adjustment
R0460	Net future discretionary benefits	
R0470	Minimum consolidated group solvency capital requirement	8,495,200.00
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0.00
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	
R0520	*Institutions for occupational retirement provisions*	
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	
R0540	Capital requirement for non-controlled participation requirements	
R0550	Capital requirement for residual undertakings	
	Overall SCR	
R0560	SCR for undertakings included via D&A	
R0570	**Solvency capital requirement**	16,549,397.78

S.32.01.04
Undertakings in the scope of the group

									Ranking criteria (in t			
	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
1	GB	213800BCZOAY52YN8807	LEI	International Transport Intermediaries Club Limited	2	Mutual limited by guarantee	Mutual	PRA / FCA	148,454,108.08			63,112,292.42
2	CY	2138004D2YA2PY9CLN46	LEI	International Transport Intermediaries Insurance Company (Europe) Limited	2	Provate company limited by shares	Non-mutual	Cyprus Ministry of Finance	11,660,637.25			3,435,616.00

the group currency)					Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings or insurance holding companies	Underwriting performance	Investment performance	Total performance	Accounting standard	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
	1,569,800.92	2,540,574.45	4,110,375.37	Local GAAP					Dominant		Included in the scope		Method 1: Full consolidation
	250,919.00	184,889.00	181,922.00	IFRS	100.00%	100.00%			Significant	100.00%	Included in the scope		Method 1: Full consolidation

Appendix 4 – Quantitative Reporting Templates - Solo

List of reported templates:

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.01 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
	Assets	C0010	C0020
R0010	Goodwill		
R0020	Deferred acquisition costs		636,600.44
R0030	Intangible assets		
R0040	Deferred tax assets		
R0050	Pension benefit surplus		
R0060	Property, plant & equipment held for own use	0.00	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	62,603,578.80	61,879,155.68
R0080	*Property (other than for own use)*	0.00	
R0090	*Holdings in related undertakings, including participations*	10,724,513.00	10,000,000.00
R0100	*Equities*	0.00	0.00
R0110	*Equities - listed*		
R0120	*Equities - unlisted*		
R0130	*Bonds*	41,711,352.04	41,711,351.81
R0140	*Government Bonds*	32,227,408.15	32,227,407.92
R0150	*Corporate Bonds*	9,483,943.89	9,483,943.89
R0160	*Structured notes*	0.00	
R0170	*Collateralised securities*	0.00	
R0180	*Collective Investments Undertakings*	10,165,689.51	10,165,779.62
R0190	*Derivatives*	2,024.25	2,024.25
R0200	*Deposits other than cash equivalents*	0.00	
R0210	*Other investments*	0.00	
R0220	Assets held for index-linked and unit-linked contracts		
R0230	Loans and mortgages	0.00	0.00
R0240	*Loans on policies*	0.00	
R0250	*Loans and mortgages to individuals*		
R0260	*Other loans and mortgages*		
R0270	Reinsurance recoverables from:	73,877,584.56	117,534,864.84
R0280	*Non-life and health similar to non-life*	73,877,584.56	117,534,864.84
R0290	*Non-life excluding health*	73,877,584.56	117,534,864.84
R0300	*Health similar to non-life*	0.00	
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0.00	0.00
R0320	*Health similar to life*		
R0330	*Life excluding health and index-linked and unit-linked*		
R0340	*Life index-linked and unit-linked*		
R0350	Deposits to cedants	0.00	
R0360	Insurance and intermediaries receivables	2,465,035.74	27,791,035.74
R0370	Reinsurance receivables	355,143.15	355,143.15
R0380	Receivables (trade, not insurance)	15,576.86	15,576.86
R0390	Own shares (held directly)		
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0.00	
R0410	Cash and cash equivalents	7,280,121.68	7,280,121.68
R0420	Any other assets, not elsewhere shown	1,857,067.29	1,857,067.29
R0500	**Total assets**	148,454,108.08	217,349,565.68

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		Solvency II value	Statutory accounts value
	Liabilities	C0010	C0020
R0510	Technical provisions - non-life	75,536,290.53	129,234,190.91
R0520	*Technical provisions - non-life (excluding health)*	75,536,290.53	129,234,190.91
R0530	*TP calculated as a whole*	0.00	
R0540	*Best Estimate*	74,943,148.08	
R0550	*Risk margin*	593,142.45	
R0560	*Technical provisions - health (similar to non-life)*	0.00	
R0570	*TP calculated as a whole*	0.00	
R0580	*Best Estimate*	0.00	
R0590	*Risk margin*	0.00	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0.00	0.00
R0610	*Technical provisions - health (similar to life)*	0.00	
R0620	*TP calculated as a whole*		
R0630	*Best Estimate*		
R0640	*Risk margin*		
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0.00	
R0660	*TP calculated as a whole*		
R0670	*Best Estimate*		
R0680	*Risk margin*		
R0690	Technical provisions - index-linked and unit-linked	0.00	
R0700	*TP calculated as a whole*		
R0710	*Best Estimate*		
R0720	*Risk margin*		
R0730	Other technical provisions		
R0740	Contingent liabilities	0.00	
R0750	Provisions other than technical provisions		
R0760	Pension benefit obligations		

S.02.01.01
Balance sheet

		Solvency II value	Statutory accounts value
R0770	Deposits from reinsurers		
R0780	Deferred tax liabilities		
R0790	Derivatives	0.00	
R0800	Debts owed to credit institutions		
R0810	Financial liabilities other than debts owed to credit institutions		
R0820	Insurance & intermediaries payables	304,890.44	304,890.44
R0830	Reinsurance payables	7,312,187.98	30,198,454.57
R0840	Payables (trade, not insurance)	3,035,759.69	3,035,759.69
R0850	Subordinated liabilities	0.00	0.00
R0860	*Subordinated liabilities not in BOF*		
R0870	*Subordinated liabilities in BOF*	0.00	
R0880	Any other liabilities, not elsewhere shown		
R0900	**Total liabilities**	86,189,128.64	162,773,295.61
R1000	**Excess of assets over liabilities**	62,264,979.44	54,576,270.07

S.05.01.01

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and ...	
		General liability insurance	Total
		C0080	C0200
	Premiums written		
R0110	*Gross - Direct Business*	39,388,876.34	39,388,876.34
R0120	*Gross - Proportional reinsurance accepted*	23,723,416.08	23,723,416.08
R0130	*Gross - Non-proportional reinsurance accepted*		0.00
R0140	*Reinsurers' share*	48,769,505.76	48,769,505.76
R0200	*Net*	14,342,786.66	14,342,786.66
	Premiums earned		
R0210	*Gross - Direct Business*	34,791,510.12	34,791,510.12
R0220	*Gross - Proportional reinsurance accepted*	20,954,481.25	20,954,481.25
R0230	*Gross - Non-proportional reinsurance accepted*		0.00
R0240	*Reinsurers' share*	27,497,667.27	27,497,667.27
R0300	*Net*	28,248,324.10	28,248,324.10
	Claims incurred		
R0310	*Gross - Direct Business*	15,515,106.16	15,515,106.16
R0320	*Gross - Proportional reinsurance accepted*	10,637,104.53	10,637,104.53
R0330	*Gross - Non-proportional reinsurance accepted*		0.00
R0340	*Reinsurers' share*	23,568,584.51	23,568,584.51
R0400	*Net*	2,583,626.18	2,583,626.18
	Changes in other technical provisions		
R0410	*Gross - Direct Business*		0.00
R0420	*Gross - Proportional reinsurance accepted*		0.00
R0430	*Gross - Non-proportional reinsurance accepted*		0.00
R0440	*Reinsurers' share*		0.00
R0500	*Net*	0.00	0.00
R0550	**Expenses incurred**	23,748,746.48	23,748,746.48
	Administrative expenses		
R0610	*Gross - Direct Business*	1,339,959.53	1,339,959.53
R0620	*Gross - Proportional reinsurance accepted*	807,040.47	807,040.47
R0630	*Gross - Non-proportional reinsurance accepted*		0.00
R0640	*Reinsurers' share*		0.00
R0700	*Net*	2,147,000.00	2,147,000.00
	Investment management expenses		
R0710	*Gross - Direct Business*	5,727.03	5,727.03
R0720	*Gross - Proportional reinsurance accepted*	3,449.32	3,449.32
R0730	*Gross - Non-proportional reinsurance accepted*		0.00
R0740	*Reinsurers' share*		0.00
R0800	*Net*	9,176.35	9,176.35
	Claims management expenses		
R0810	*Gross - Direct Business*	1,904,153.01	1,904,153.01
R0820	*Gross - Proportional reinsurance accepted*	1,146,846.99	1,146,846.99
R0830	*Gross - Non-proportional reinsurance accepted*		0.00
R0840	*Reinsurers' share*		0.00
R0900	*Net*	3,051,000.00	3,051,000.00
	Acquisition expenses		
R0910	*Gross - Direct Business*	5,928,973.14	5,928,973.14
R0920	*Gross - Proportional reinsurance accepted*	3,570,944.63	3,570,944.63
R0930	*Gross - Non-proportional reinsurance accepted*		0.00
R0940	*Reinsurers' share*		0.00
R1000	*Net*	9,499,917.77	9,499,917.77
	Overhead expenses		
R1010	*Gross - Direct Business*	5,642,966.10	5,642,966.10
R1020	*Gross - Proportional reinsurance accepted*	3,398,686.26	3,398,686.26
R1030	*Gross - Non-proportional reinsurance accepted*		0.00
R1040	*Reinsurers' share*		0.00
R1100	*Net*	9,041,652.36	9,041,652.36
R1200	**Other expenses**		346,150.52
R1300	**Total expenses**		24,094,897.00

S.05.02.01

Premiums, claims and expenses by country

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Non-life	**Home Country**	**Top 5 countries (by amount of gross premiums written) - non-life obligations**					**Total Top 5 and home country**
R0010			**US**	**SG**	**AE**	**AU**	**HK**	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	*Gross - Direct Business*	23,854,033.79	307,862.00	3,779,135.00	3,356,851.00	0.00	2,514,212.00	33,812,093.79
R0120	*Gross - Proportional reinsurance accepted*	-211,554.95	4,504,054.00	0.00	0.00	2,889,292.00	0.00	7,181,791.05
R0130	*Gross - Non-proportional reinsurance accepted*	0.00						0.00
R0140	*Reinsurers' share*	18,269,531.39	3,718,368.58	2,920,295.54	2,593,979.05	2,232,676.67	1,942,836.68	31,677,687.91
R0200	*Net*	5,372,947.44	1,093,547.42	858,839.46	762,871.95	656,615.33	571,375.32	9,316,196.92
	Premiums earned							
R0210	*Gross - Direct Business*	15,602,778.36	308,949.74	2,762,168.00	2,046,501.00	0.00	1,175,334.00	21,895,731.09
R0220	*Gross - Proportional reinsurance accepted*	-120,321.23	3,966,162.51	0.00	0.00	2,573,283.00	0.00	6,419,124.28
R0230	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0240	*Reinsurers' share*	7,636,987.78	2,108,772.51	1,362,486.79	1,009,471.75	1,269,316.02	579,753.67	13,966,788.51
R0300	*Net*	7,845,469.35	2,166,339.74	1,399,681.21	1,037,029.25	1,303,966.98	595,580.33	14,348,066.86
	Claims incurred							
R0310	*Gross - Direct Business*	7,769,101.16		4,006,739.68	551,478.57	0.00	2,354,458.62	14,681,778.04
R0320	*Gross - Proportional reinsurance accepted*		1,241,156.66		0.00	269,800.38		1,510,957.03
R0330	*Gross - Non-proportional reinsurance accepted*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0340	*Reinsurers' share*	6,951,451.94	1,114,577.37	3,966,680.70	490,330.37	239,884.78	2,143,539.26	14,906,464.41
R0400	*Net*	817,649.22	126,579.28	40,058.99	61,148.21	29,915.59	210,919.37	1,286,270.66
	Changes in other technical provisions							
R0410	*Gross - Direct Business*							0.00
R0420	*Gross - Proportional reinsurance accepted*							0.00
R0430	*Gross - Non-proportional reinsurance accepted*							0.00
R0440	*Reinsurers' share*							0.00
R0500	*Net*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R0550	**Expenses incurred**	8,896,511.51	1,810,692.80	1,422,064.00	1,263,161.27	1,087,221.85	946,081.68	15,425,733.10
R1200	**Other expenses**							266,573.00
R1300	**Total expenses**							15,692,306.10

S.17.01.01
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance – General liability insurance	Total Non-Life obligation
		C0090	C0180
R0010	**Technical provisions calculated as a whole**	0.00	0.00
R0020	Direct business		0.00
R0030	Accepted proportional reinsurance business		0.00
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole		0.00
	Technical provisions calculated as a sum of BE and RM		
	Best estimate		
	Premium provisions		
R0060	**Gross - Total**	8,172,831.98	8,172,831.98
R0070	Gross - direct business	5,841,548.49	5,841,548.49
R0080	Gross - accepted proportional reinsurance business	2,331,283.49	2,331,283.49
R0100	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	13,453,816.56	13,453,816.56
R0110	*Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses*	13,453,816.56	13,453,816.56
R0120	*Recoverables from SPV before adjustment for expected losses*		0.00
R0130	*Recoverables from Finite Reinsurance before adjustment for expected losses*		0.00
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	13,452,235.05	13,452,235.05
R0150	**Net Best Estimate of Premium Provisions**	-5,279,403.07	-5,279,403.07
	Claims provisions		
R0160	**Gross - Total**	66,770,316.10	66,770,316.10
R0170	Gross - direct business	51,338,888.62	51,338,888.62
R0180	Gross - accepted proportional reinsurance business	15,431,427.49	15,431,427.49
R0200	Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	60,429,990.66	60,429,990.66
R0210	*Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses*	60,429,990.66	60,429,990.66
R0220	*Recoverables from SPV before adjustment for expected losses*		0.00
R0230	*Recoverables from Finite Reinsurance before adjustment for expected losses*		0.00
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	60,425,349.52	60,425,349.52
R0250	**Net Best Estimate of Claims Provisions**	6,344,966.59	6,344,966.59
R0260	**Total best estimate - gross**	74,943,148.08	74,943,148.08
R0270	**Total best estimate - net**	1,065,563.52	1,065,563.52
R0280	**Risk margin**	593,142.45	593,142.45
	Amount of the transitional on Technical Provisions		
R0290	TP as a whole		0.00
R0300	Best estimate		0.00
R0310	Risk margin		0.00
R0320	**Technical provisions - total**	75,536,290.53	75,536,290.53
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	73,877,584.56	73,877,584.56
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total**	1,658,705.97	1,658,705.97
	Line of Business (LoB): further segmentation (Homogeneous Risk Groups)		
R0350	*Premium provisions - Total number of homogeneous risk group*		
R0360	*Claims provisions - Total number of homogeneous risk groups*		
	Cash-flows of the Best estimate of Premium Provisions (Gross)		
	Cash out-flows		
R0370	*Future benefits and claims*	15,453,836.50	15,453,836.50
R0380	*Future expenses and other cash out-flows*	2,155,858.83	2,155,858.83
	Cash in-flows		
R0390	*Future premiums*	9,436,863.35	9,436,863.35
R0400	*Other cash in-flows (incl. Recoverables from salvages and subrogations)*		0.00
	Cash-flows of the Best estimate of Claims Provisions (Gross)		
	Cash out-flows		
R0410	*Future benefits and claims*	59,254,023.23	59,254,023.23
R0420	*Future expenses and other cash out-flows*	7,516,292.87	7,516,292.87
	Cash in-flows		
R0430	*Future premiums*		0.00
R0440	*Other cash in-flows (incl. Recoverables from salvages and subrogations)*		0.00
R0450	Percentage of gross Best Estimate calculated using approximations		
R0460	Best estimate subject to transitional of the interest rate		0.00
R0470	Technical provisions without transitional on interest rate		0.00
R0480	Best estimate subject to volatility adjustment		0.00
R0490	Technical provisions without volatility adjustment and without others transitional measures		0.00

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	3,810,283.50

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0.00	
R0030	Income protection insurance and proportional reinsurance	0.00	
R0040	Workers' compensation insurance and proportional reinsurance	0.00	
R0050	Motor vehicle liability insurance and proportional reinsurance	0.00	
R0060	Other motor insurance and proportional reinsurance	0.00	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0.00	
R0080	Fire and other damage to property insurance and proportional reinsurance	0.00	
R0090	General liability insurance and proportional reinsurance	1,065,563.52	28,248,324.10
R0100	Credit and suretyship insurance and proportional reinsurance	0.00	
R0110	Legal expenses insurance and proportional reinsurance	0.00	
R0120	Assistance and proportional reinsurance	0.00	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0.00	
R0140	Non-proportional health reinsurance	0.00	
R0150	Non-proportional casualty reinsurance	0.00	
R0160	Non-proportional marine, aviation and transport reinsurance	0.00	
R0170	Non-proportional property reinsurance	0.00	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0.00

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

TS

	Overall MCR calculation	C0070
R0300	Linear MCR	3,810,283.50
R0310	SCR	13,328,165.99
R0320	MCR cap	5,997,674.70
R0330	MCR floor	3,332,041.50
R0340	Combined MCR	3,810,283.50
R0350	Absolute floor of the MCR	4,247,600.00
R0400	**Minimum Capital Requirement**	4,247,600.00

S.19.01.01
Non-Life insurance claims

Z0010	Line of business	**General liability insurance**
Z0020	Accident year / underwriting year	**Accident year**
Z0030	Currency	**Total**
Z0040	Currency conversion	**Reporting currency**

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Year								Development year									**In Current**	**Sum of years**
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	**year**	**(cumulative)**
R0100	Prior																82,121	82,121	82,121
R0110	N-14	2,440,378	15,207,409	7,041,760	4,740,156	1,817,507	1,466,644	129,615	224,852	132,144	61,430	16,855	8,503	- 2,579	8,798	31,153		31,153	33,324,624
R0120	N-13	2,490,014	10,503,536	4,422,865	5,574,360	260,123	960,816	1,119,264	824,418	286,368	293,704	10,040	400	-	3,825			3,825	26,749,734
R0130	N-12	3,639,362	4,250,780	2,180,297	1,594,226	545,866	507,199	107,816	1,126,196	663,040	7,569	2,723	20,352	6,825				6,825	14,652,251
R0140	N-11	3,641,348	3,231,363	1,837,649	1,490,027	2,159,418	1,077,771	2,781,237	433,918	1,104,647	45,572	9,007	1,788					1,788	17,813,745
R0150	N-10	3,125,160	3,695,009	5,132,880	3,786,918	1,016,267	122,146	669,905	138,931	67,393	340,771	1,244,463						1,244,463	19,339,844
R0160	N-9	2,975,933	3,484,709	562,719	594,053	558,073	4,016,495	1,087,096	1,153,055	98,168	28,096							28,096	14,558,399
R0170	N-8	3,573,730	4,059,158	2,078,047	4,053,387	99,877	180,766	382,542	68,084	17,115								17,115	14,512,706
R0180	N-7	2,450,084	3,005,257	1,278,585	532,935	204,324	188,957	40,261	24,237									24,237	7,724,640
R0190	N-6	2,883,577	5,258,365	7,941,390	2,367,615	1,249,306	2,036,882	102,291										102,291	21,839,425
R0200	N-5	5,067,653	3,106,879	2,368,364	1,683,865	537,386	529,330											529,330	13,293,477
R0210	N-4	3,611,352	16,372,389	4,089,595	4,269,117	1,864,985												1,864,985	30,207,439
R0220	N-3	4,689,341	5,632,852	2,975,864	1,597,669													1,597,669	14,895,725
R0230	N-2	4,613,301	4,787,736	1,265,908														1,265,908	10,666,945
R0240	N-1	3,846,980	8,440,414															8,440,414	12,287,394
R0250	N	3,655,961																3,655,961	3,655,961
R0260																	Tota	18,896,180	255,604,431

S.19.01.01

Non-Life insurance claims

Reinsurance Recoveries received (non-cumulative)

(absolute amount)

		C0600	C0610	C0620	C0630	C0640	C0650	C0660	C0670	C0680	C0690	C0700	C0710	C0720	C0730	C0740	C0750	C0760	C0770
	Year								**Development year**									**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0300	Prior																73,909	73,909	73,909
R0310	N-14	2,196,340	13,686,668	6,337,584	4,266,141	1,635,756	1,319,979	116,653	202,367	118,929	55,287	15,169	7,653	- 2,321	7,918	28,038		28,038	29,992,162
R0320	N-13	2,241,013	9,453,183	3,980,579	5,016,924	234,111	864,734	1,007,338	741,976	257,731	264,334	9,036	360	-	3,442			3,442	24,074,760
R0330	N-12	3,275,426	3,825,702	1,962,267	1,434,803	491,280	456,479	97,034	1,013,576	596,736	6,812	2,451	18,317	6,143				6,143	13,187,026
R0340	N-11	3,277,213	2,908,227	1,653,884	1,341,024	1,943,477	969,993	2,503,113	390,526	994,182	41,015	8,106	1,609					1,609	16,032,370
R0350	N-10	2,812,644	3,325,508	4,619,592	3,408,226	914,641	109,932	602,914	125,038	60,654	306,694	1,120,017						1,120,017	17,405,859
R0360	N-9	2,678,340	3,136,238	506,447	534,648	502,266	3,614,846	978,387	1,037,750	88,351	25,286							25,286	13,102,559
R0370	N-8	3,216,357	3,653,242	1,870,242	3,648,048	89,890	162,690	344,288	61,276	15,403								15,403	13,061,436
R0380	N-7	2,205,075	2,704,731	1,150,727	479,642	183,892	170,062	36,235	21,813									21,813	6,952,176
R0390	N-6	2,595,219	4,732,528	7,147,251	2,130,854	1,124,376	1,833,194	92,062										92,062	19,655,483
R0400	N-5	4,560,888	2,796,191	2,131,528	1,515,478	483,647	476,397											476,397	11,964,129
R0410	N-4	3,250,217	14,735,150	3,680,636	3,842,205	1,678,487												1,678,487	27,186,695
R0420	N-3	4,220,406	5,069,567	2,678,278	1,437,902													1,437,902	13,406,153
R0430	N-2	4,151,971	4,308,962	1,139,317														1,139,317	9,600,250
R0440	N-1	3,462,282	7,596,373															7,596,373	11,058,654
R0450	N	3,290,365																3,290,365	3,290,365
R0460																	Tota	17,006,562	230,043,988

S.19.01.01

Non-Life insurance claims

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

		C1200	C1210	C1220	C1230	C1240	C1250	C1260	C1270	C1280	C1290	C1300	C1310	C1320	C1330	C1340	C1350	C1360	C1370
	Year								**Development year**									**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
R0500	Prior																8,212	8,212	8,212
R0510	N-14	244,038	1,520,741	704,176	474,016	181,751	146,664	12,961	22,485	13,214	6,143	1,685	850	- 258	880	3,115		3,115	3,332,462
R0520	N-13	249,001	1,050,354	442,287	557,436	26,012	96,082	111,926	82,442	28,637	29,370	1,004	40	-	382			382	2,674,973
R0530	N-12	363,936	425,078	218,030	159,423	54,587	50,720	10,782	112,620	66,304	757	272	2,035	683				683	1,465,225
R0540	N-11	364,135	323,136	183,765	149,003	215,942	107,777	278,124	43,392	110,465	4,557	901	179					179	1,781,374
R0550	N-10	312,516	369,501	513,288	378,692	101,627	12,215	66,990	13,893	6,739	34,077	124,446						124,446	1,933,984
R0560	N-9	297,593	348,471	56,272	59,405	55,807	401,650	108,710	115,306	9,817	2,810							2,810	1,455,840
R0570	N-8	357,373	405,916	207,805	405,339	9,988	18,077	38,254	6,808	1,711								1,711	1,451,271
R0580	N-7	245,008	300,526	127,859	53,294	20,432	18,896	4,026	2,424									2,424	772,464
R0590	N-6	288,358	525,836	794,139	236,762	124,931	203,688	10,229										10,229	2,183,943
R0600	N-5	506,765	310,688	236,836	168,386	53,739	52,933											52,933	1,329,348
R0610	N-4	361,135	1,637,239	408,960	426,912	186,499												186,499	3,020,744
R0620	N-3	468,934	563,285	297,586	159,767													159,767	1,489,573
R0630	N-2	461,330	478,774	126,591														126,591	1,066,694
R0640	N-1	384,698	844,041															844,041	1,228,739
R0650	N	365,596																365,596	365,596
R0660																	Tota	1,889,618	25,560,443

S.19.01.01
Non-Life insurance claims

Inflation rates (only in the case of using methods that take into account inflation to adjust data)

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350	C0360
Year								**Development year**									**Year end (discounted data)**
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	
Prior																5,037,204	1,124,182
N-14								2,015,383	1,850,488	1,592,816	1,424,147	1,456,153	1,296,057	20,982	22,482		21,153
N-13							2,559,965	1,408,022	348,262	216,026	327,663	175,668	167,232	- 18,906			- 17,371
N-12						3,371,354	2,892,535	1,587,098	792,399	824,946	738,028	703,398	675,800				608,685
N-11					5,317,064	8,235,683	3,673,267	942,803	397,722	154,660	149,871	176,251					154,739
N-10				5,009,870	3,430,762	2,827,302	1,898,344	2,350,460	1,736,166	1,430,534	125,463						106,575
N-9			5,366,578	7,654,287	5,605,218	5,460,995	4,944,718	1,020,090	416,139	380,800							313,302
N-8		13,254,428	8,654,960	4,303,497	3,499,285	2,601,988	1,164,185	1,415,366	1,097,644								907,207
N-7	18,348,374	11,551,714	6,708,804	4,961,179	5,067,593	1,164,185	4,114,691	4,081,792									3,535,987
N-6	19,437,444	24,015,429	13,285,426	6,414,463	4,994,973	1,459,556	1,124,509										981,789
N-5	20,543,826	16,359,507	12,723,972	9,384,025	6,673,767	5,612,326											4,923,542
N-4	23,296,523	18,187,003	11,622,185	7,471,439	3,136,256												2,789,537
N-3	27,406,013	12,035,288	7,748,537	8,637,965													7,655,444
N-2	19,372,096	10,224,352	8,387,085														7,489,960
N-1	22,263,369	15,767,714															14,116,407
N	24,345,993																22,059,178
																Total	66,770,316

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable
(absolute amount)

	C0800	C0810	C0820	C0830	C0840	C0850	C0860	C0870	C0880	C0890	C0900	C0910	C0920	C0930	C0940	C0950	C0960
Year								**Development year**									**Year end (discounted data)**
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	
Prior																4,768,109	1,052,624
N-14								1,889,544	1,716,757	1,476,642	1,331,009	1,376,982	432,241	18,989	19,748		18,539
N-13							2,382,949	1,301,945	298,225	190,702	303,893	157,737	150,287	- 19,418			- 17,846
N-12						3,121,192	2,641,249	1,429,704	712,735	745,924	668,190	640,852	616,001				553,927
N-11					4,855,921	7,767,504	3,334,598	764,388	285,773	63,472	110,347	142,583					124,711
N-10				4,692,163	3,153,858	2,594,522	1,724,354	2,155,483	1,582,008	1,293,983	122,514						104,018
N-9			4,832,551	6,937,498	5,055,327	5,151,411	4,712,255	956,592	379,391	347,610							285,540
N-8		12,031,999	7,883,823	3,860,177	3,161,453	2,343,340	1,042,579	1,271,573	981,697								809,802
N-7	16,594,634	10,401,527	6,042,318	4,510,111	4,602,535	3,531,811	3,750,926	3,723,142									3,220,117
N-6	17,603,077	22,399,791	12,318,186	5,875,181	4,675,181	1,363,980	1,051,050										916,552
N-5	18,303,746	15,046,097	11,682,506	8,648,998	6,083,763	5,119,196											4,483,722
N-4	20,727,160	17,001,768	10,979,741	7,219,942	3,173,132												2,822,480
N-3	24,696,833	10,937,415	7,027,558	7,861,034													6,955,433
N-2	17,190,983	9,320,453	7,650,149														6,820,882
N-1	19,767,063	14,475,903															12,940,487
N	21,441,970																19,334,362
																Total	60,425,350

Net Undiscounted Best Estimate Claims Provisions
(absolute amount)

	C1400	C1410	C1420	C1430	C1440	C1450	C1460	C1470	C1480	C1490	C1500	C1510	C1520	C1530	C1540	C1550	C1560
Year								**Development year**									**Year end (discounted data)**
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	
Prior																269,094	71,558
N-14	-	-	-	-	-	-	-	125,839	133,731	116,174	93,138	79,172	863,816	1,993	2,734		2,615
N-13	-	-	-	-	-	-	177,016	106,077	50,038	25,324	23,769	17,931	16,945	512			475
N-12	-	-	-	-	-	250,161	251,286	157,394	79,664	79,022	69,838	62,546	59,800				54,758
N-11	-	-	-	-	461,143	468,180	338,669	178,415	111,949	91,189	39,524	33,668					30,029
N-10	-	-	-	317,707	276,904	232,779	173,990	194,976	154,158	136,550	2,949						2,557
N-9	-	-	534,027	716,789	549,891	309,584	232,463	63,498	36,748	33,189							27,762
N-8	-	1,222,429	771,137	443,320	337,832	258,648	121,607	143,793	115,947								97,404
N-7	1,753,740	1,150,187	666,486	451,068	465,058	- 2,367,625	363,765	358,649									315,870
N-6	1,834,367	1,615,638	967,240	539,282	319,792	95,576	73,459										65,237
N-5	2,240,081	1,313,410	1,041,465	735,028	590,004	493,131											439,820
N-4	2,569,364	1,185,234	642,444	251,497	- 36,876												- 32,943
N-3	2,709,180	1,097,873	720,980	776,930													700,011
N-2	2,181,113	903,898	736,937														669,078
N-1	2,496,306	1,291,811															1,175,920
N	2,904,022																2,724,816
																Total	6,344,967

Gross Reported but not Settled Claims (RBNS)
(absolute amount)

	C0400	C0410	C0420	C0430	C0440	C0450	C0460	C0470	C0480	C0490	C0500	C0510	C0520	C0530	C0540	C0550	C0560
Year	**Development year**																**Year end (discounted data)**
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	
Prior																	
N-14	8,283,397	18,544,685	15,251,905	7,368,226	4,577,498	3,428,461	2,264,708	1,736,049	1,564,669	1,434,593	1,363,909	1,338,971	1,164,255	11,590	19,692		19,616
N-13	11,916,003	6,330,549	5,130,483	5,294,215	4,350,600	3,165,446	2,238,979	1,003,684	477,270	264,585	232,781	155,665	145,665	-16,422			-16,336
N-12	7,653,677	5,365,686	3,421,455	3,158,429	3,544,248	3,028,572	2,521,815	1,472,863	793,511	773,390	692,459	598,447	590,202				585,590
N-11	8,204,822	7,455,273	6,182,678	4,422,417	4,531,621	6,614,871	3,252,284	852,664	412,410	171,504	155,408	152,300					150,404
N-10	7,945,143	7,560,536	6,274,667	2,887,527	2,097,777	1,954,322	1,780,656	1,962,075	1,557,282	1,234,550	128,877						126,914
N-9	6,839,778	5,268,996	2,976,077	5,279,914	4,031,733	4,399,943	4,230,273	754,944	362,187	339,787							333,527
N-8	8,409,277	9,535,392	6,016,699	2,717,445	1,791,218	1,231,168	317,607	460,452	171,548								168,519
N-7	9,818,406	7,351,464	3,090,594	2,250,466	2,230,681	1,540,971	1,595,041	1,576,622									1,552,234
N-6	9,882,880	16,252,484	8,518,349	3,775,058	3,140,865	722,931	574,207										566,746
N-5	10,849,901	11,171,788	9,820,495	6,252,594	4,799,601	3,451,574											3,408,445
N-4	11,994,222	11,668,519	8,636,222	5,122,442	2,412,361												2,377,784
N-3	13,472,467	9,006,947	6,062,029	7,763,632													7,645,258
N-2	8,847,180	7,276,372	6,207,045														6,108,936
N-1	12,830,280	13,848,934															13,623,649
N	12,219,153																12,020,380
																Total	48,671,667

Reinsurance RBNS Claims
(absolute amount)

	C1000	C1010	C1020	C1030	C1040	C1050	C1060	C1070	C1080	C1090	C1100	C1110	C1120	C1130	C1140	C1150	C1160
Year								**Development year**									**Year end (discounted data)**
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	
Prior																	
N-14	7,516,596	17,536,960	14,503,238	6,820,280	4,225,734	3,166,717	2,097,980	1,609,201	1,458,890	1,336,738	1,272,931	1,261,079	1,089,295	9,678	16,970		16,900
N-13	10,918,887	5,771,181	4,768,279	4,851,845	3,970,612	2,872,308	2,055,158	917,999	430,880	239,463	210,840	137,936	128,936	-16,943			-16,874
N-12	6,889,009	4,840,668	3,096,718	2,859,157	3,243,654	2,767,925	2,311,808	1,333,577	713,759	695,650	622,812	538,201	530,781				528,055
N-11	7,384,340	6,732,920	5,567,661	3,992,575	4,201,209	6,339,505	3,048,458	764,193	372,964	151,149	136,662	133,865					132,844
N-10	7,144,166	6,804,482	5,787,792	2,662,905	1,888,597	1,763,785	1,597,389	1,764,615	1,399,355	1,108,480	108,989						107,666
N-9	6,155,300	4,742,096	2,678,469	4,885,376	3,751,425	4,119,751	4,008,331	679,450	325,968	305,808							301,291
N-8	7,568,349	8,780,853	5,615,030	2,445,701	1,612,097	1,108,051	285,846	414,406	154,393								151,727
N-7	8,895,566	6,675,318	2,781,534	2,025,419	2,007,613	1,386,874	1,435,536	1,418,959									1,393,367
N-6	8,894,592	15,216,311	7,736,514	3,397,552	2,930,805	650,637	516,787										508,696
N-5	10,068,490	10,283,510	9,108,911	5,864,824	4,527,795	3,266,308											3,223,032
N-4	10,805,200	10,760,298	7,976,549	4,677,936	2,179,046												2,151,366
N-3	12,426,885	8,077,516	5,430,240	7,014,759													6,913,138
N-2	7,962,462	6,636,007	5,683,520														5,596,196
N-1	11,725,044	12,811,361															12,606,849
N	11,083,738																10,896,198
																Total	44,510,450

Net RBNS Claims
(absolute amount)

Year	C1600	C1610	C1620	C1630	C1640	C1650	C1660	C1670	C1680	C1690	C1700	C1710	C1720	C1730	C1740	C1750		C1760
	Development year																	Year end (discounted data)
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		
Prior																0.00		0.00
N-14	766,801	1,007,726	748,667	547,946	351,764	261,743	166,729	126,848	105,779	97,856	90,978	77,891	74,960	1,912	2,722			2,716
N-13	997,116	559,369	362,204	442,370	379,987	293,138	183,821	85,685	46,390	25,122	21,941	17,730	16,730	521				537
N-12	764,668	525,019	324,736	299,272	300,594	260,647	210,007	139,286	79,752	77,740	69,647	60,246	59,421					57,536
N-11	820,482	722,353	615,016	429,843	330,412	275,366	203,826	88,471	39,446	20,355	18,745	18,435						17,560
N-10	800,977	756,054	486,875	224,622	209,180	190,537	183,268	197,460	157,927	126,071	19,888							19,248
N-9	684,478	526,900	297,608	394,537	280,307	280,192	221,942	75,494	36,219	33,979								32,236
N-8	840,928	754,539	401,670	271,745	179,122	123,117	31,761	46,045	17,155									16,792
N-7	922,841	676,146	309,059	225,047	223,068	154,097	159,504	157,662										158,867
N-6	988,288	1,036,173	781,835	377,506	210,060	72,293	57,421											58,049
N-5	781,411	888,278	711,584	387,770	271,806	185,266												185,413
N-4	1,189,022	908,221	659,673	444,506	233,315													226,419
N-3	1,045,581	929,431	631,789	748,873														732,120
N-2	884,718	640,365	523,524															512,740
N-1	1,105,236	1,037,574																1,016,800
N	1,135,415																	1,124,182
																	Total	4,161,217

S.23.01.01
Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0.00	0.00		0.00	
R0030	Share premium account related to ordinary share capital	0.00	0.00		0.00	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0.00	0.00		0.00	
R0050	Subordinated mutual member accounts	0.00		0.00	0.00	0.00
R0070	Surplus funds	0.00	0.00			
R0090	Preference shares	0.00		0.00	0.00	0.00
R0110	Share premium account related to preference shares	0.00		0.00	0.00	0.00
R0130	Reconciliation reserve	62,264,979.44	62,264,979.44			
R0140	Subordinated liabilities	0.00		0.00	0.00	0.00
R0160	An amount equal to the value of net deferred tax assets	0.00				0.00
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	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					
R0220	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	0.00				
	Deductions					
R0230	Deductions for participations in financial and credit institutions	0.00				
R0290	**Total basic own funds after deductions**	62,264,979.44	62,264,979.44	0.00	0.00	0.00
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0.00				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0.00				
R0320	Unpaid and uncalled preference shares callable on demand	0.00				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0.00				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0.00				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0.00				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0.00				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0.00				
R0390	Other ancillary own funds	0.00				
R0400	**Total ancillary own funds**	0.00			0.00	0.00
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	62,264,979.44	62,264,979.44	0.00	0.00	0.00
R0510	Total available own funds to meet the MCR	62,264,979.44	62,264,979.44	0.00	0.00	
R0540	Total eligible own funds to meet the SCR	62,264,979.44	62,264,979.44	0.00	0.00	0.00
R0550	Total eligible own funds to meet the MCR	62,264,979.44	62,264,979.44	0.00	0.00	
R0580	**SCR**	13,328,165.99				
R0600	**MCR**	4,247,600.00				
R0620	**Ratio of Eligible own funds to SCR**	467.17%				
R0640	**Ratio of Eligible own funds to MCR**	1465.89%				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	62,264,979.44
R0710	Own shares (held directly and indirectly)	0.00
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	0.00
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0.00
R0760	**Reconciliation reserve**	62,264,979.44
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	2,652,214.85
R0790	**Total Expected profits included in future premiums (EPIFP)**	2,652,214.85

S.25.01.01
Solvency Capital Requirement - for undertakings on Standard Formula

Z0010	Article 112	Regular reporting

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
		C0030	C0040	C0050	C0090	C0120
R0010	Market risk	7,176,194.32	7,176,194.32	0.00		
R0020	Counterparty default risk	1,695,277.02	1,695,277.02	0.00		
R0030	Life underwriting risk			0.00		
R0040	Health underwriting risk			0.00		
R0050	Non-life underwriting risk	5,682,225.23	5,682,225.23	0.00		
R0060	Diversification	-3,473,825.03	-3,473,825.03			
R0070	Intangible asset risk	0.00	0.00			
R0100	**Basic Solvency Capital Requirement**	11,079,871.55	11,079,871.55			

	Calculation of Solvency Capital Requirement	C0100
R0120	Adjustment due to RFF/MAP nSCR aggregation	0.00
R0130	Operational risk	2,248,294.44
R0140	Loss-absorbing capacity of technical provisions	0.00
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0.00
R0200	**Solvency Capital Requirement excluding capital add-on**	13,328,165.99
R0210	Capital add-ons already set	0.00
R0220	**Solvency capital requirement**	13,328,165.99
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0.00
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0.00
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0.00
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0.00
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0.00
R0450	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	No adjustment
R0460	Net future discretionary benefits	0.00

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	

	Calculation of loss absorbing capacity of deferred taxes	Before the shock	After the shock	LAC DT
		C0110	C0120	C0130
R0600	**DTA**			
R0610	DTA carry forward	0.00	0.00	
R0620	DTA due to deductible temporary differences	0.00	0.00	
R0630	**DTL**	0.00	0.00	
R0640	**LAC DT**			
R0650	LAC DT justified by reversion of deferred tax liabilities			0.00
R0660	LAC DT justified by reference to probable future taxable economic profit			0.00
R0670	LAC DT justified by carry back, current year			0.00
R0680	LAC DT justified by carry back, future years			0.00
R0690	Maximum LAC DT			0.00