Maersk Insurance A/S
Solvency and Financial Condition Report
Financial Year ended 31st December 2020

Executive Summary

Due to the harmonised EU-wide regulatory regime for Insurance Companies, known as Solvency II, all insurers need to publish a Solvency and Financial Condition Report ("SFCR") on the Company's public website. This is the SFCR report published by Maersk Insurance A/S (MIAS).

This report covers the Business and Performance of MIAS, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The ultimate responsibility for all of these matters is with MIAS' Board of Directors with the support of various governance and control functions that have been put in place to monitor and manage the business.

MIAS is an active retention vehicle operated as a captive for the A. P. Moller – Maersk A/S and its subsidiaries, and the focus of the Board and Management Team is the orderly management of the existing book of policies in line with their policy terms and conditions. The board can make discretionary decisions on delivering insurance cover to other parts of the Maersk family, including joint ventures. For the moment being the board has decided to deliver coverage to:

Maersk Holding and Maersk Tankers

MIAS´s strategy is to insure own assets and employees or assets and employees under management control. MIAS is required to hold sufficient capital to match its policyholder liabilities at all times and a primary responsibility of the Board is to ensure that MIAS's capital is adequate to cover the required solvency for the nature and scale of the business and the expected operational requirements of the business. A number of mechanisms are in place to evaluate those levels and the outcome of those assessments indicate that MIAS's capital is adequate at this time and for the expected requirements in the short to medium term.

The board of MIAS is involved in strategic decisions as well as significant decisions which fall outside the scope of the management

MIAS has to a large extent outsourced the operation, including Risk Management, Compliance, Actuarial, Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting, IT, etc. Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting and IT are outsourced to the parent company. The Risk Management, Actuarial and Compliance functions are outsourced to external parties.

The Risk Management function operates under the defined policies and guidelines, continuously monitoring the risk exposure and maintaining a risk register covering Strategic risks, Operational risks, Market risks, Underwriting risks and Default risks. MIAS' management is informed of any significant changes to the risk picture, on a regular basis.

The insurance risks MIAS carries, i.e. Marine, Energy, Terminals and Employee Benefit Insurance, are aligned with the limits stated in the risk appetite and strategy, as established by the Board of Directors. MIAS protects itself against cumulative risk by capping its exposure at fixed maximum liability amounts through reinsurance. Once a year, MIAS performs and reports an Own Risk Solvency Assessment (ORSA) to the Danish FSA. MIAS' assets, technical provisions and other liabilities are valuated under Solvency II.

The management of own funds is governed by the Policy for Capital Structure where the overall responsibility and tasks are defined. According to this policy, the equity of the company must be sufficient to ensure the continued operation of the company and at the same time sufficient to meet all regulatory requirements. The company is constantly focusing on matters which might influence the capital structure, e.g. the company's investment policy. The value creation of the company is meant to primarily be generated from acceptance of insurance risk rather than by acceptance of investment risk. The time horizon for business planning including development of own funds is minimum 3 years.

MIAS’ underwriting result (Technical Profit) for 2020 was a loss of USD 4.128 thousand and the solvency ratio by end 2020 was 315 %.

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A. Business and Performance

A.1 Business

Maersk Insurance A/S (MIAS) was established 28 February 2011 and started operation 1 January 2012. MIAS operates as a Captive for the A.P. Moller - Maersk Group. The board can make discretionary decisions on delivering insurance cover to other parts of the A.P. Moller – Maersk family. For the moment being the board has decided to deliver coverage to:

Maersk Holding and Maersk Tankers.

MIAS provides insurance protection for selected risks world-wide:
- The Company name is: Maersk Insurance A/S
- The Company address is: Esplanaden 50, 1098 Copenhagen K, Denmark

MIAS is incorporated as a privately owned company with limited liability (A/S: Aktieselskab) and is a 100 % owned subsidiary of A. P. Moller - Maersk A/S. MIAS has granted a loan to the parent company A.P. Moller - Maersk A/S according to permission from the Danish Financial Supervisory Authority (Finanstilsynet). The loan yields interest at arm's length basis. MIAS has entered into an agreement with A.P. Moller - Maersk A/S related to fees for risk management and other services for Captive operation.

MIAS is domiciled in Denmark and is under supervision from the Danish Financial Supervisory Authority (DFSA), Århusgade 110, 2100 Copenhagen Ø, and Maersk Insurance A/S´ main contact person at DFSA is: Birgitta Nielsen.

MIAS has license to conduct direct insurance and reinsurance business for the below listed non-life insurance classes:
- 1 (Accident)
- 2 (Illness/Health)
- 6 (Fully comprehensive insurance for ships)
- 8 (Fire and natural forces)
- 9 (Other damage to property)
- 12 (Third party liability for ships)
- 13 (General liability)
- 16 (Miscellaneous financial losses)

In addition to these classes MIAS conducts reinsurance businesses for the life insurance class:
- lc (complementary life insurance)

MIAS is audited by PriceWaterhouseCoopers (PWC), Strandvejen 44, 2900 Hellerup, and Maersk Insurance A/S´ main contact person at PWC is: Per Rolf Larssen.

As per 1st of January 2021, the MIAS´s Board of Directors consists of:
- Jan Kjærvik (Chairman)
- Palle Brødsgaard Laursen
- Martin Herrstedt
- Fatiha Benali

MIAS has an audit committee, including an external independent member with accounting and audit qualifications:
- Fatiha Benali (Chairman - external)
- Jan Kjærvik (internal)

MIAS´s management consists of three part-time employees:

- Lars Henneberg (MD), who holds both the Actuarial (Non-Life), Risk Management and the Compliance key functions
- Steen Ragn, Key function for Actuarial (Life) and the appointed actuary
- Peter Hansen, who holds the Internal Audit key function

MIAS has to a large extent outsourced the operation, including Risk Management, Compliance, Actuarial, Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting, IT, etc. Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting and IT are outsourced to the parent company. The Risk Management, Actuarial and Compliance functions are outsourced to external parties.

Further, MIAS operates through fronting companies in order to reduce the operational tasks to a minimum and to benefit from the operational efficiencies of large global insurance carriers. The fronting activities consist predominately of policy administration and to some extent underwriting and claims handling. Separate claims handing agreements with third parties have also been entered into.

MIAS underwrites risks within the business areas of Marine, Logistics and Terminals. MIAS underwrites non-life business such as Property and Casualty classes. As from 1st of January 2020, MIAS also underwrites Life, Disability, Medical and Accident.

More specifically, MIAS underwrites coverages for Property Damage, Operator's Extra Expense, Loss of Production Income, Third Party Liability, Hull and Machinery, incl. Collision Liability, Owner Total Loss Interest, War coverage, Natural Catastrophe, Business Interruption, Construction All Risk, Umbrella Liability, Employment Practices Liability, Pension Trustee Liability, and Specialty Risk, Terminal Operators Loss, Freight Services Liability , Cyber and Employee Benefits.

MIAS underwrites risk both as reinsurance and as direct insurance in non-life and reinsurance in life.

MIAS mitigates and protects the capital by procurement of reinsurance and retrocession. In accordance with MIAS´s reinsurance policy, all reinsurers must have a minimum A- rating by Standard & Poor's or similar. The reinsurance enables MIAS to operate as both a net line and a gross line captive in order to reduce volatility and create diversification as a response to a changing insurance market. Further, the use of reinsurance creates a platform for MIAS to respond to market dynamics, both when the market is softening through overcapacity of capital due to increased competition between insurance carriers with growth strategies, or when the market is hardening, and the capital is withdrawn from the insurance market and the competition is less efficient.

The development during the reporting period has predominately been influenced by a change of strategy initiated with the 1 June 2019 renewal of a number of large programs. Policies renewing during 2019 have been written for a period which ensures that the policies expire end of 2020, where after these policies will follow the calendar year. A number of large programs were therefore written for a 19 months period and consequently the gross written premium and written reinsurance premium in 2019 was increased while the gross written premium and written reinsurance premium in 2020 is decreased. As of 1 January 2020, a number of smaller lines were added, this includes the new Employee Benefit Insurance which is classified as reinsurance of medical, accident, disability and life insurance for MIAS´ own accounts. The medical, accident and disability insurance under the Employee Benefit program classifies as non-life insurance.

A.2 Insurance Results

MIAS underwrites risks within the business areas of which MIAS holds a license – see A.1.

MIAS´s gross written premium in 2020 was USD 35.068 thousand with a return on equity of 0 %. MIAS's Underwriting profit (Technical Profit) for 2020 amounts to a loss of USD 4.128 thousand (2019: profit of USD 20.083 thousand).

Year	Total gross written premium	Total net earned premium	Total gross claims incurred	Total net claims incurred	Operating Expenses	Profit before tax	Combined ratio
2012	69.531	45.112	-30.768	-30.768	-2.736	12.121	74%
2013	49.919	50.797	-33.960	-33.960	-2.567	14.599	73%
2014	82.075	59.579	-28.360	-28.360	-1.557	30.365	59%
2015	76.445	54.239	-45.633	-40.458	-258	14.580	82%
2016	50.200	23.129	-3.360	-429	1.628	26.380	60%
2017	52.060	4.531	-23.043	-1.451	2.864	8.935	89%
2018	60.292	12.217	-99.099	-3.299	3.282	16.766	79%
2019	135.001	34.432	-19.997	-15.248	437	24.841	74%
2020	**35.068**	**63.871**	**-85.795**	**-66.152**	**-1.872**	**-413**	**104%**

All values monetary values are in USD thousands

The 2020 Underwriting results split per industry segment:

Segment	Gross premium written	Gross premium income	Gross claims incurred	Gross operating expenses*	Result of ceded business	Technical Result	Profit before tax
Marine	8.160	51.822	-58.700	-1.061	-7.657	-15.585	
Fire	-1.156	23.408	974	-79	-10.723	13.586	
General Liability	7.282	17.298	-9.782	20	-5.300	2.240	
Miscellanous Financial Loss	454	5.702	289	379	-8.910	-2.540	
Income Protection	6.286	6.203	-6.350	-349	-	-494	
Medical Expense Insurance	13.115	11.160	-11.333	-731	-277	-1.179	
Life Reinsurance	927	787	-892	-51	-	-156	
Total	**35.068**	**116.380**	**-85.795**	**-1.872**	**-32.866**	**-4.128**	**-413**

*including reinsurance commission

All values are in USD thousands

For 2021, MIAS expects profitable growth and further centralisation of the insurance procurement and deployment of MIAS accordingly. The continuing consolidation of Group risks to a centralised operation from local procurement, supports MIAS's strategy to underwrite additional risks and deploy the capital most efficiently. Budgets and projections have been made on the existing business model to further develop the captive to the benefit of the Group. The company expects a modest positive result for 2021 in line with the New Operating Model where the benefits of deploying a captive is primarily passed on to the business via lower than market premiums.

A.3 Investment Results

MIAS´s investments have a low risk profile. MIAS is required to maintain assets to match the policyholder´s liabilities at all times. MIAS invests in accordance with the investment policy approved by the Board of Directors.

The asset management is outsourced to the parent company. MIAS´s investment policy reflects MIAS´s risk appetite. Investments are predominately made in short-term deposits, and in a loan to the parent company.

The investment income is benchmarked up against an adequate index and is reported on a monthly basis to the management and to the board at all board meetings.

MIAS´s investment portfolio and the result from Investment activities:

Instrument	2020	2019	2018	2017	2016	2015
Interest on Danish mortgage bonds				75	75	75
Interest on Government bonds				498	985	1.189
Interest loan APMM	2.844	3.680	3.120	1.225	973	391
Interest deposits	-190	331	-99	31	-115	6
Value adjustments	1.102	1.237	1.545	1.162	188	-315
Total	**3.756**	**5.248**	**4.566**	**2.991**	**2.106**	**1.346**

All values are in USD thousands

The result of the investment activities was satisfactory.

A.4 Results of other Activities

MIAS does not perform other activities generating other income or results.

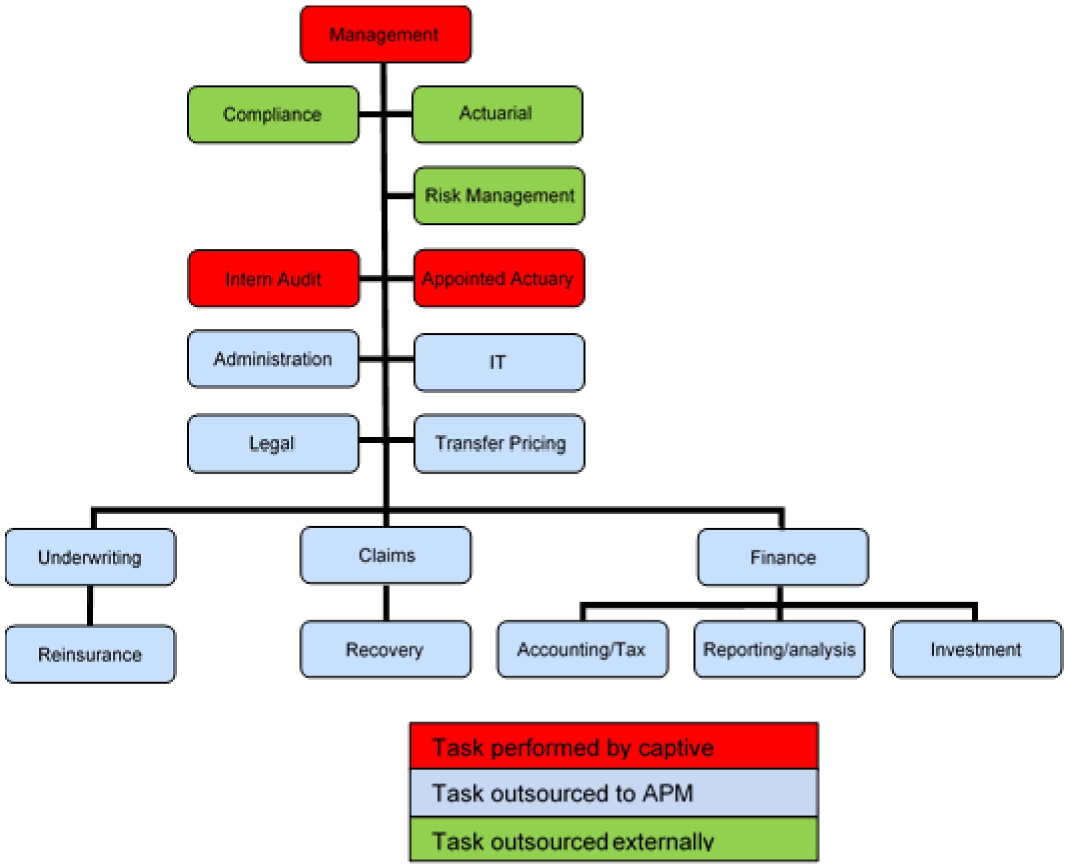
A.5 Any other information

All relevant information for MIAS' business and performance is given in the above sections.

B. Management System

B.1 General Remarks

MIAS has to a large extent outsourced the operation, including Risk Management, Compliance, Actuarial, Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting, IT, etc.
Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting and IT are outsourced to the parent company.
Support functions for the Risk Management, Actuarial and Compliance key functions are outsourced to external parties.



MIAS´s management consists of three part-time employees:

- Lars Henneberg (MD), who holds both the Actuarial (Non-Life), Risk Management and the Compliance key functions
- Steen Ragn, Key function for Actuarial (Life) and the appointed actuary
- Peter Hansen, who holds the Internal Audit key function

Lars Henneberg is also Managing Director, and Lars Henneberg, Steen Ragn and Peter Hansen are the only employees of MIAS as all the other functions are outsourced.

Under Lars' guidance and leadership, EY is hired to perform the duties of the compliance, risk management and actuarial function.

B.2 Fitness and Propriety (Fit and Proper)

Legal requirement

FIL § 64 defines the requirements which individual members of the board and the management of financial companies must meet with regard to fit and proper requirements.

Individual requirements for suitability - Fit and Proper assessment

The requirements for Fit & Proper imply that members of the Board and the management must:

- have sufficient knowledge, skills, and experience to carry out the duties in the company
- have a good reputation
- not become subject to criminal liability
- not be in bankruptcy
- not have caused the company a loss or risk of loss

The above requirements must be fulfilled from the time of appointment of the key persons throughout the period of duties.

The managing director and the board of directors are fit and proper.

B.3 Risk management and ORSA

MIAS's Managing Director must keep the Chairman of the Board informed of all issues of significant relevance to MIAS. The following issues must be presented to the Board for approval:

- loan agreements, guarantees, or security which are not part of the usual business
- significant changes in existing agreements with bank connections
- purchase, sale, or mortgaging of the most significant assets of MIAS, including properties or facilities
- making of significant changes in MIAS's structure, including the capital structure or type of business
- significant changes to the operating budgets
- start of significant new activities, including activities within new classes of insurance
- significant changes to the organisation of MIAS, including significant reductions and increases in the number of employees
- entering into settlements in larger trial cases or arbitrations
- entering into or changes to reinsurance agreements
- activities or matters that fall outside the description of MIAS's description of procedures and operational plan
- activities which fall outside the guidelines and policies

The Board follows the "Rules of procedure for the Board" and "Board meeting plan (årshjul)".

Risk Management Function

MIAS requires that the risk management function must:

- assist the Board and other functions in the effective operation of the risk management system
- monitor the risk management system and the general risk profile of MIAS as a whole
- provide detailed reporting on risk exposures and advising the Board on risk management matters, including strategic affairs such as corporate strategy, mergers and acquisitions, major projects, and investments
- report to the Board at least on an annual basis
- identify and assess emerging risks
- ensure the effectiveness of the risk management system according to MIAS's risk appetite and overall risk tolerance limits, as well as manage the main risk management strategies and policies
- establish, implement and maintain a risk management system to be undertaken in the upcoming years when taking into account all activities and the complete system of governance of MIAS
- take a risk-based approach in deciding its priorities

- verify compliance with the decisions taken by the Board of the undertaking on the basis of the recommendations
- co-operate closely with the actuarial function
- provide self-assessment of the function and the processes and implement or monitor needed improvements

A part of the risk management functions duties is to manage MIAS risk register. All risks are governed by a risk owner who is asked to update the assessment of the risk on a frequent basis. The risk owners are also asked to identify new risks.

ORSA

The Risk management function must conduct MIAS's own risk and solvency assessment, ORSA. The ORSA is an integrated part of the business strategy and is taken into account in the strategic decisions of MIAS on an ongoing basis.

B.4 Internal Control system

Internal controls are carried out by staff responsible for performing operational tasks in MIAS (1^{st} line of defence). Controls are designed to monitor significant risks to MIAS and ensure appropriate assurance that such risks are adequately managed.

Controls are documented and signed off by the person who has performed the control. An independent review of controls is performed by separate staff (4 eyes principle). The Compliance function with support from the Risk management function (2^{nd} line of defence) perform spot checks on selected controls on a quarterly basis to ensure that controls have been carried out as intended and have been documented.

The monthly control overview is discussed with the Managing Director who signs off on the status of control activities. Internal Audit receives a copy of the overview signed by the MD. At every meeting in the Audit Committee, control sheets are reviewed.

The overall assessment of the adequacy and effectiveness of the internal control system is performed by Internal Audit (3^{rd} line of defence).

It is ensured, that 2^{nd} and 3^{rd} line of defence is independent of daily operations.

The Compliance function

MIAS requires that the compliance function must:

- establish, implement and maintain appropriate activities to identify, assess, report on key legal and regulatory obligations
- ensure MIAS monitors and has appropriate policies and controls in respect of key areas of legal and regulatory obligation
- hold regular training on key legal and regulatory obligations
- address compliance shortcomings and violations
- report the compliance plan to the Board of MIAS, including ensuring that adequate disciplinary actions are taken and any necessary reporting to the supervisor or other authorities is made
- issue a compliance report to the MIAS Board based on the results of work carried out including findings and recommendations to the Board
- submit the compliance report to the Board at least on an annual basis
- verify compliance with the decisions taken by the Board on the basis of the recommendations
- conduct regular self-assessments of the compliance function and the compliance processes and implement or monitor needed improvements

B.5 Internal Audit Function

MIAS's Internal Audit function must:

- review the adequacy and effectiveness of the main governance process installed by other governance functions on a regular basis
- ensure a fair exchange of information with other governance functions
- discuss with other governance functions risk categorisation, opinion parameters, reporting tools, materiality metrics, etc. and thus enable all governance functions to speak to the Board using the same language
- use the output from other governance functions to build independent risk-oriented audit plans. Internal Audit must proactively work to enhance effective collaboration, clear responsibilities, and peer acceptance with other governance functions in addition to obtain Board approval of the above-mentioned topics

MIAS requires that the Internal Audit function must:

- establish, implement, and maintain an audit plan disclosing the audit work to be undertaken in the upcoming years when taking all activities and the complete system of governance into account
- take a risk-based approach in deciding its priorities
- report the audit plan to MIAS's Board of Directors of the undertaking
- issue an internal audit report to the Board of Directors based on the result of work carried out in accordance with point (a) including findings, recommendations, the appointed period of time to remedy the shortcomings as well as the persons responsible, and information on the achievement of audit recommendations
- submit the internal audit report to the Board of Directors of the undertaking at least on an annual basis
- verify compliance with the decisions taken by the Board of Directors of the undertaking on the basis of the recommendations
- provide self-assessment

B.6 Actuarial Function

The actuarial function contributes to the effective implementation of the risk management system, particularly with regard to the models that serve as a basis for the calculation of the solvency capital requirement and the minimum capital requirement, cf. Sections 126(c) and 126(d) of FIL, and the company's assessment of own risk and solvency. The actuarial function co-operates with the risk management function and contributes to solving that function's tasks whenever it is relevant. The actuarial function handles all the required technical tasks which fall on the function in accordance with the legislation in force from time to time. For completeness, the activities of the Actuarial Function are outlined in Article 48 of the Solvency II regulation as described below:

1. Insurance and reinsurance undertakings shall provide for an effective actuarial function to:
    a) coordinate 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) asses the sufficiency and quality of the data used in the calculation of technical provisions;
    d) compare best estimates against experience;
    e) inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
    f) oversee the calculation of technical provisions in the cases set out in Article 82;
    g) express an opinion on the overall underwriting policy;
    h) express an opinion on the adequacy of reinsurance arrangements; and
2. contribute to the effective implementation of the risk-management system referred to in Article 44, in particular with respect to the risk modelling underlying the calculation of the capital requirements set out in Chapter VI, Sections 4 and 5, and to the assessment referred to in Article 45.The actuarial function shall be carried out by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business of the insurance or reinsurance undertaking, and who are able to demonstrate their relevant experience with applicable professional and other standards.

B.7 Outsourcing

Outsourcing important areas of activity are decided by the Board of Directors.

There are regular reports to the Board of Directors to ensure compliance. The Board of Directors assess regularly whether activities are being carried out satisfactorily.

On establishment of the contract, MIAS assess whether the service provider possesses the ability and capacity to carry out the outsourced activities satisfactorily and, in this respect, has the licenses required by the relevant legislation for the specific outsourcing area.

MIAS regularly check that the service provider meets the obligations in the contract. The outsourcing undertaking must monitor whether, in carrying out the outsourced activities, the service provider is complying with the relevant regulations for the area.

If the service provider fails to meet the requirements of the contract and the relevant provisions for the specific outsourcing area, MIAS will take appropriate measures to ensure that the service provider meets these and, if necessary, MIAS itself or through contracting with a new service provider ensures that the requirements of the contract and the relevant provisions for the specific outsourcing area are met within an appropriate time limit given the circumstances.

MIAS ensures adequate insight to ensure that the service provider and the service meet the requirements of the contract and the relevant provisions for the specific outsourcing area.

MIAS has to a large extent outsourced the operation, including Risk Management, Compliance, Actuarial, Underwriting, Reinsurance, Claims handling, Legal, Tax, Accounting, Investment, Reporting, IT, etc.
Underwriting, Reinsurance, Legal, Tax, Accounting, Investment, Reporting and IT are outsourced to the parent company. The Risk Management, Actuarial, Claims handling and Compliance functions are outsourced to external parties.

B.8 Any other information

Remuneration/Salary
The Chairman of the Board of MIAS submits the remuneration policy for the general assembly at the annual general meeting with regard to management's wages.

The Board carries out ongoing monitoring and verification of the wage policy and performs review of the policy at least once yearly.

MIAS has fixed salary and no pension scheme.

C. Risk Profile

MIAS's Board of Directors has identified and evaluated a register of risks. As an addition to the risks described below the top 10 risks and the corresponding mitigation actions are described in Appendix 1.

C.1 Insurance Risks

The risks MIAS insures are analysed and approved by the Board in accordance with the company's concession, strategy, risk appetite, and procedure manual. MIAS estimates the desired and acceptable level of risk, overall and for each sub-category. This assessment is made with respect to the company's capital, and MIAS may choose to take part in the risk under the lead of an external insurance company. MIAS engages in net risk retention throughout and retains up to USD 600 million (gross). Risk appetite and other metrics for maximum exposure are expressed in net terms.

MIAS writes property and casualty risks mainly within the areas Marine and Terminals. As from 2020 the company also writes medical, disability accident and life risks. The company participates in insurance programmes that are in line with the company's risk appetite, subject to approval by the Board of Directors. The risks the parent company wishes to insure through the captive are assessed in terms of the expected premium to the expected damage so only financially feasible risks are insured.

Geographically, the company can take risks worldwide, wherever there is no requirement for local insurance and where the A.P. Moller - Maersk Group's insurable interests are represented. MIAS uses an external insurance company for most risks and local fronting companies where local subscription is required.

Risk appetite

MIAS´s risk appetite is constituted by the maximum possible net exposures undertaken (net of reinsurance cover) and is defined by the Board of Directors as listed below:

Description	**Risk Appetite 2020**
Marine H&M, War, Charterers war, P&I	USD 25 million per occurrence
1st Party Property damage, Business interruption, Extra expenses	USD 30 million per occurrence
3rd Party Liability: Operators, Freight, Umbrella, Environment, General & products	USD 25 million per occurrence
Financial Lines Crime, D&O, Pension Trustee, Professional liability, Employment practices	USD 25 million per occurrence
Cyber	USD 25 million per occurrence
3rd party liability/Property damage (blended) Cargo handling facility, Container handling equipment	USD 25 million per occurrence
Employee Benefit Insurance	USD 25 million per occurrence

Net risk retention

MIAS´s current exposure is comprised of the difference between gross retention and the reinsurance or retrocession protection procured and equals the net retention. Thus, the gross retention is mitigated by the use of reinsurance or retrocession. The current exposure is expected to be equal to, or less than, the risk appetite. MIAS´s net retention (net of reinsurance cover) is for the policy period 2020 and 2021.

Description	1 June 2019/20 exposure	2021 exposure
Marine (H&M, War)	USD 15 million per occurrence	USD 19.5 million per occurrence
Terminal (PD, BI)	USD 30.0 million per occurrence	USD 17.5 million per occurrence
Global Property (PD)	USD 10.0 million per occurrence	USD 17.5 million per occurrence
Construction All Risk	USD 10.7 million per occurrence	USD 10.7 million per occurrence
Global Casualty (TPL)	USD 5.0 million per occurrence	USD 5.0 million per occurrence
Terminal Operators Liability	USD 5.0 million per occurrence	USD 5.0 million per occurrence
Maersk Container Industry Liability	USD 0.5 million per occurrence	USD 0.5 million per occurrence
Freight Services Liability	USD 5.0 million per occurrence	USD 5.0 million per occurrence
Maersk Value Protect	USD 0.25 million per occurrence	USD 0.25 million per occurrence
Container Handling Equipment	USD 5.0 million per occurrence	USD 5.0 million per occurrence
Umbrella Liability	USD 5.0 million per occurrence	USD 5.0 million per occurrence
Employment Practices Liability	USD 10.0 million per year in the aggregate	USD 10.0 million per year in the aggregate
Pension Trustee Liability	USD 10.0 million per year in the aggregate	USD 10.0 million per year in the aggregate
Special Risk	USD 10.0 million per occurrence	USD 10.0 million per occurrence
Cyber Insurance	USD 10.0 million per occurrence	USD 10.0 million per occurrence
People lines	USD 5.0 million per occurrence	USD 5.0 million per occurrence

Running alongside these exposures is a structured umbrella reinsurance program which caps losses at USD 30 million per event and USD 150 million in annual aggregate. See page 13 for a more detailed overview of the reinsurance program.

C.2 Market Risks

MIAS is exposed to a selected range of market, counterparty, and credit risks which are summarised in the table below. All risks that MIAS is exposed to are approved by the Board of Directors.

Description	Limit	Actual exposure
Interest rate risk	5 % of total assets on a 100 bp change in the interest rate	Limits are met
Products not allowed for trading	Geared investments, options or other exotic products, premium bonds, mutual funds or other types of pooled investments	Limits are met
Currencies allowed for trading	USD, DKK, EUR, SEK, NOK, CHF, GBP, JPY, AUD and CAD If not USD, the currency risk must be hedged	Limits are met
Other investments	5 % of total assets for corporate bonds, stocks and capital shares	Limits are met

C.3 Credit Risks

MIAS is exposed to a selected range of market, counterparty, and credit risks which are listed in the table below. All risks that MIAS is exposed to are approved by the Board of Directors.

Description	Limit	Actual exposure
Counterparty rating requirements	• Government bonds and mortgage bonds minimum rating of S&P AA or equivalent. Exceptions are Danish or US government bonds • All other investments have a minimum counterparty rating requirement of S&P A- or equivalent	Limits are met in 2020, however for 2021 there are some reinsurance agreements in place with reinsurer´s having a lower rating than A-.

Description	Limit	Actual exposure
	• No rating requirement for the parent company A. P. Moller - Maersk A/S • Reinsurers must have a minimum rating S&P A- or similar	These exceptions are approved by MIAS´ board.
Asset types allowed for trading*	• Loans to parent company A. P. Moller - Maersk A/S • Cash at banks • Bonds or debt instruments issued or guaranteed by governments or regional authorities in Zone A • Bonds traded on regulated markets in countries within the European Union or in the US • Danish mortgage bonds, mortgage covered bonds and covered bonds issued by mortgage banks, financial institutions or ship financing institutions • Corporate bonds listed on a stock exchange in EU / EEA countries • Stocks and capital shares listed on a stock exchange in EU / EEA countries	Limits are met
Concentration risk** maximum per single counterparty	• 15 % of total assets in a single financial institution, except for Danske Bank with 30% of total assets. • Total exposure to a financial counterparty, which operates both banking and mortgage business is limited at 30 % of total assets, of which 15 % to the bank and 15 % to the mortgage business • No limit for Danish or US government issued bonds • Investments directly in A.P. Møller – Mærsk A/S is not included in above mentioned requirements, as long as Danish FSA approves.	Limits are met
Cumulative exposure	• Cash at banks limited to 50 % of total assets • Corporate bonds, stocks and equity accumulated limited 15 % of total assets and each asset type is limited to 10 % of total assets	Limits are met

* Exposure defined as loans, deposits, bonds and shares, and market-to-market of derivatives.

**Concentration risk for the company's risks from excessive reliance on a particular asset class, investment market or a particular investment.

MIAS' reinsurers are selected in accordance with the following criteria:

- Minimum rating S&P A- or similar
- Good level of capital surplus which also takes into account the potential gross exposures and ratings
- MIAS has a large number of high-quality reinsurers and therefore benefits from diversification

As of Q4 2020, MIAS had procured USD 1.863.727.400 in reinsurance protection from approximately 34 reinsurers:

	Sum of Risk Proportion	Max of Default Probability	Rating
Liability			
AIG EUROPE LTD	3%	0,05%	A
HAMILTON INS CO LTD	2%	0,06%	A-
LLOYD'S OF LONDON LTD	86%	0,08%	A+
XL INSURANCE CO SE	2%	0,05%	AA-
ZURICH INSURANCE PLC	7%	0,05%	AA-
Construction			
HDI GLOBAL SPECIALTY SE	19%	0,08%	A+
LLOYD'S OF LONDON LTD	58%	0,08%	A+
PARTNER RE INSURANCE IRELAND	9%	0,08%	A+

STARSTONE INSURANCE LTD	14%	0,06%	A-
Blended PDTPL			
TT CLUB MUTUAL INSURANCE LTD	100%	0,06%	A-
Financial Lines			
AIG EUROPE SA	4%	0,08%	A+
ALLIANZ GLOBAL CORPORATE & S	4%	0,00%	AA
AMERICAN INTERNATIONAL REINS	4%	0,08%	A+
ASSICURAZIONI GENERALI	5%	0,08%	A+
AXIS SPECIALTY LTD	2%	0,05%	AA-
CHUBB EUROPEAN GROUP SE	17%	0,00%	AA+
GERLING-KONZ GLOB RUCKVERSIC	8%	0,08%	A+
LLOYD'S OF LONDON LTD	53%	0,08%	A+
ROYAL & SUN ALLIANCE INS PLC	3%	0,05%	A
EBI			
LLOYD'S OF LONDON LTD	91%	0,08%	A+
MARKEL INSURANCE CO	9%	0,08%	A+
H&M			
ASSURANCEFORENINGEN SKULD GJ	14%	0,05%	A
FOERSAEKRINGSAKTIEBOLAGET LI	6%	0,06%	A-
GARD MARINE & ENERGY INSURAN	31%	0,08%	A+
GREAT AMERICAN INSURANCE CO.	10%	0,05%	AA-
IRB BRASIL RESSEGUROS SA	7%	0,05%	A
LLOYD'S OF LONDON LTD	5%	0,08%	A+
MS FIRST CAPITAL INSURANCE L	14%	0,05%	A
SCOR GLOBAL P&C SE	5%	0,05%	AA-
SIAT - SOCIETA' ITALIANA ASS	7%	0,06%	A-
Property			
ASPEN INSURANCE UK LTD	2%	0,05%	A
AVIVA INSURANCE LTD	4%	0,05%	AA-
AXIS INSURANCE CO	2%	0,05%	AA-
BERKLEY RE UK LTD	3%	0,08%	A+
GERLING-KONZ GLOB RUCKVERSIC	2%	0,08%	A+
LLOYD'S OF LONDON LTD	23%	0,08%	A+
MUENCHENER RUECKVER AG-REG	6%	0,00%	AA
STARR INTERNATIONAL CO INC	3%	0,05%	A
SWISS RE INTERNATIONAL SE	5%	0,00%	AA
TRYG FORSIKRING A/S	8%	0,05%	A
TT CLUB MUTUAL INSURANCE LTD	0%	0,06%	A-
XL INSURANCE CO SE	22%	0,05%	AA-
ZURICH INSURANCE GROUP AG	19%	0,05%	AA-
Structured			
HANNOVER RUECK SE	100%	0,00%	AA
Terror			

LLOYD'S OF LONDON LTD	100%	0,08%	A+

Reinsurance defaults: the minimum ratings (see above table) imply a low probability of default. There is a risk of systemic default in which the entire insurance market is affected. However, this is a risk that would be difficult to mitigate other than via applying minimum ratings to insurers and reviewing the panel of reinsurers on a regular basis.

C.4 Liquidity Risks

Due to the nature of the business model, the liabilities in MIAS are short termed as they are mainly consisting of claims which are one-time payments. In order to match the duration of the liabilities, the assets are short termed as well. The loan to the parent company can be withdrawn with 48 hours' notice, and all deposits are of few months' duration. This ensures a balanced liquidity in MIAS where claims can be paid on time even with short notice.

C.5 Operational Risks

The Board has assessed that the following types of events are a part of operational risks:

- losses due to administration errors to the extent they are not covered by the administrator (the supplier in the outsourcing agreement)
- costs resulting from fraud
- costs due to key staff severance
- losses due to the termination of the outsourcing agreement by the system administrator
- losses due to IT downtime, fire damage, etc.

The list is not exhaustive.

The policy for operational risk states that administrative tasks are outsourced to the parent company, which according to the outsourcing agreement is assumed to run administration and IT at a comfortable level.

Economic losses caused by reasons other than insurance events and developments in the financial market are continuously recorded based on booked loss values.

To ensure that management is aware of operational risks in MIAS, they review a quarterly written report containing the following:

- losses in excess of DKK 250.000 (must be recorded and reported)
- events that could have led to a loss of DKK 250.000 (must be recorded and reported)
- assessment of the company's current operational risks and the likelihood that a given event occurs
- description of the risk minimisation measures undertaken to avoid/minimise the recurrence of loss/risk of loss
- other relevant information

C.6 Other material risks

A recent strategic risk consideration has been the viability and future of the MIAS business model in light of the structural changes undertaken by the parent company. MIAS's existing business model rests on the size and diversity of the Group exposure and hence the restructuring initiative, may erode the original business case. As an ultimate consequence, MIAS may be reduced in relevance, potentially to a level of being entirely obsolete.

C.7 Any other information

Fronting

MIAS operates through fronting companies in order to reduce the operational tasks to a desired minimum and to benefit from the operational efficiencies of large global insurance carriers.

The fronting activities consist predominately of policy administration and to some extent underwriting and claims handling.

Outsourcing

MIAS has to a large extent outsourced the operation, including underwriting, reinsurance, claims handling, actuarial services, legal, tax, accounting, investment, reporting, IT, risk management functions, etc.

Underwriting, reinsurance, legal, risk management, tax, accounting, investment, reporting, IT are outsourced to the parent company.

The actuarial function, claims handling, compliance and risk function are outsourced to external parties.

D. Valuation for solvency purpose

D.1 Assets

The table below sets out MIAS's assets under IFRS and Solvency II Bases as at 31 December 2020. The total assets increase from management accounting treatment (USD 370.316 thousand) to Solvency II (USD 372.153 thousand) which reflects the balance sheet treatment under Solvency II.

The main area of difference between the two valuations is in the valuation of the Reinsurers' technical provisions, loan to APMM, deferred tax assets and receivables, as detailed in the table below.

	Management Accounting	Solvency II
Receivables	17.139	15.488
Receivable tax	288	288
Deferred tax assets	-	1.950
Liquid Funds	17.186	17.186
Short term deposits	103.000	103.023
Loan to APMM	156.500	158.128
RI Technical Provisions	54.227	54.114
Claims Provision	*54.227*	*54.114*
Premium Provision	-	-
Insurance debtors	21.976	21.976
Total assets	**370.316**	**372.153**

All values are in USD thousands

RI Technical Provisions

The Reinsurers´ technical provisions reduce from accounting treatment (USD 54.227 thousand) to Solvency II (USD 54.114 thousand) due to discounting. The discounting effect amounts to USD 113 thousand which is small due to the short-tailed nature of MIAS´ liabilities and the low interest rates.

Receivables, short term deposits and loan to APMM

The short-term deposits and the loan to APMM include accrued interest under Solvency II which is included in the Receivables under management accounting. The accrued interest on the short-term deposits amounts to USD 23 thousand and to USD 1.628 thousand on the loan to APMM.

All other assets

All other assets have been retained as accounting values given their short-term and liquid nature.

D.2 Technical provisions of insurance and reinsurance

The table below sets out the technical provisions (gross of reinsurance) by Solvency II line of business.

Solvency II Class	Marine, Aviation & Transport	Fire & Other Damage to Property	General Liability Insurance	Miscellaneous Financial Loss	Medical expence	Income protection	Life	Total
Claims provision	**95.926**	**6.206**	**15.278**	**838**	**6.808**	**2.994**	**731**	**128.781**
Outstanding claims	96.129	6.210	15.300	839	6.822	3.000	733	129.033
Discounting effect	-203	-4	-22	-1	-14	-6	-2	-252
Premium Provision	**295**	**241**	**-**	**184**	**1.951**	**82**	**140**	**2.892**
UPR	296	241	-	184	1.955	82	140	2.898
Discounting effect	-1	-0	-	-0	-4	-0	-0	-6

All values are in USD thousands

The technical provisions under Solvency II are valued at "Best estimate" meaning they are adjusted for the time value of money and run-off patterns using a discounted cash flow valuation and the interest rates provided by EIOPA. The discounting effect is small since the interest rates are low and the short-tailed nature of MIAS´ liabilities.

In line with Danish regulations the future profits are not considered in the calculation of the premium provisions under Solvency II.

Risk Margin

The risk margin is a function of the SCR and is calculated to be USD 9.332 thousand.
Whilst liabilities under SII are measured at best estimate, these are inherently uncertain, and the risk margin provides a margin to ensure liabilities are valued at fair value. It can also be described as the amount that an undertaking would require above the best estimate liabilities in order to take over and meet the obligations.

This is calculated by determining the cost of providing an amount of capital equal to the SCR necessary to support the obligations over their lifetime.

The calculation involves approximating the SCR for each future year (based on the assumed settlement of claims) and then valuing the risk margin on a discounted cash-flow basis.

A 6 % Cost of Capital rate is assumed to determine the cost of providing the funds as defined in Solvency II.

Areas of uncertainty within the Technical Provisions

Settlement period: The risks being underwritten are mainly short-tailed. Most claims except some general liability claims are settled after 5 years.
Discount rate: Current yields are very low, which means that almost no discounting is applied to the Technical Provisions given the risks underwritten by MIAS are short-tailed.

Claims provision: MIAS's classes of risk are low frequency, high severity and as such MIAS does not have a high volume of claims. MIAS's approach of applying loadings to known claim reserves to allow for adverse development is in line with industry practice. Historically, MIAS has not seen much adverse development so known case reserves are expected to be broadly reasonable. However, there is inherent uncertainty in the claim provisions.

Premium provision: As agreed with the DFSA, MIAS's Solvency II premium provision assumes a 100 % loss ratio, i.e. no advance credit is taken for expected underwriting profits. This is prudent given MIAS's historical experience.

Additional adjustments

MIAS has made no adjustments for matching adjustments, volatility adjustments, transitional measures or transitional deductions within its technical provisions.

Material changes in assumptions

MIAS has followed the same approach to the calculation of technical provisions since 2012 and as such there are no material changes to report.

D.3 Other liabilities

The table below sets out MIAS's liabilities under Management Accounting and Solvency II as at 31 December 2020.

	Management Accounting	Solvency II
Gross technical provisions	131.931	131.673
Claims Provision	*129.033*	*128.781*
Premium provision	*2.898*	*2.892*
Risk margin	-	9.332
Payables	2.392	2.392
Reinsurance payables	17.655	17.655
Total liabilities	**151.978**	**161.052**

All values are in USD thousands

Technical provisions

The gross technical provisions decrease from the management accounting treatment (USD 131.931 thousand) to Solvency II (USD 131.673 thousand) due to discounting. The discounting effect amounts to USD 258 thousand which is small due to the short-tailed nature of MIAS´ liabilities and the low interest rates.

In addition, the risk margin of USD 9.332 thousand is included in the Solvency II balance sheet to reflect the additional cost of capital that an alternative insurer would be required to hold to take over MIAS's liabilities.

All other liabilities

All other liabilities have been retained as accounting values given their short-term and liquid nature

D.4 Alternative valuation method

The solvency and financial condition report must include information on the areas set out in Article 260 in complying with the disclosure requirements of the insurance or reinsurance undertaking as laid down in paragraphs 1 and 3 of this Article.

D.5 Other information

No other material information regarding the valuation of assets and liabilities for solvency purposes is deemed necessary.

E. Capital Management

E.1 Own funds

The management of own funds is governed by the Policy for Capital Structure where the overall responsibility and tasks are defined. According to this policy, the equity of the company must be sufficient to ensure the continued operation of the company and at the same time sufficient to meet all regulatory requirements. The company is constantly focusing on matters which might influence the capital structure, e.g. the company's investment policy. The value creation of the company is meant to primarily be generated from acceptance of insurance risk rather than by acceptance of investment risk. The time horizon for business planning including development of own funds is minimum 3 years.

Own funds as at the reporting date consists only of tier 1 capital as follows:

Own funds	31.12.2020	31.12.2019	Development
Ordinary share capital	89.987	89.987	-
Accumulated profit	121.114	120.408	706
Total own funds	211.101	210.395	706

All values are in USD thousands

Total own funds as shown above are eligible for meeting both the SCR and MCR

As at 31 December 2020, the equity according to statutory accounts is USD 209.520 thousand.

The difference between the statutory equity and the own funds under Solvency II is primarily caused by the following:

- Inclusion of deferred tax assets on the Solvency II balance sheet: USD 1.950 thousand
- Discounting of the ceded technical provisions: USD 113 thousand
- Discounting of the gross technical provisions: USD 258 thousand

The expected development in own funds over the planning period of the company is as follows:

Own funds	31.12.2021	31.12.2022	31.12.2023
Ordinary share capital	89.987	89.987	89.987
Accumulated profit	129.390	133.222	137.902
Total own funds	219.377	223.209	227.889

All values are in USD thousands

The development of own funds is based on the assumption that dividend is not paid to shareholders during the planning period.

E.2 Solvency capital requirement and Minimum Capital Requirement

The Solvency Capital Requirement (SCR) is calculated using the standard formula without simplified calculations and without undertaking specific parameters.

The following tables shows the SCR by risk module, the Capital Available and the resulting Solvency ratio.

	31.12.2020	31.12.2019
Market risk	74	1.046
Counterparty Default risk	31.029	29.955
Non-Life Underwriting risk	51.481	50.523
Health Underwriting Risk	24.353	45.789
Life Underwriting Risk	5.284	5.233
Diversification effects	*-32.473*	*-42.873*
Basic SCR	**79.748**	**89.672**
Operational risk	4.918	4.149
LACDT adjustment	-17.695	-19.801
SCR	**66.971**	**74.020**
Capital available	**211.101**	**210.395**
Solvency ratio	**315%**	**284%**

All monetary values are in USD thousands

The most significant movement from 2019 to 2020 is the drop in Health Underwriting Risk. MIAS started to write Health business as per 1 January 2020. As of 31 December 2019, only limited information was available with respect to the Health business, therefore the Health catastrophe risk was estimated very prudently in 2019. As of 31 December 2020, more detailed information is available with respect to the Health business which resulted in a drop in the Health Underwriting Risk.

The Minimum Capital Requirement (MCR) is calculated using the standard formula without simplified calculations and without undertaking specific parameters

The following table shows the input used to calculate the MCR. The MCR as per 31 December 2020 amounts to USD 16.743 thousand. This corresponds to the MCR floor which is calculated as 25% of the SCR.

	31.12.2020	31.12.2019
Life MCR (based on Premiums)	18	-
Non-Life MCR (based on Premiums and Technical Provisions)	9.681	12.840
MCR Floor (25% of SCR)	16.743	18.505
MCR Cap (45% of SCR)	30137	33.309
Absolute Minimum (EUR 3,7 million)	4.477	4.107
Minimum Capital Requirement	**16.743**	**18.505**

All values are in USD thousands

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

The company has not invested in shares and this section is therefore not relevant.

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

The company does not make use of an internal model.

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

The Board of MIAS has decided that the solvency ratio of the company as a minimum target should be 1,50. This target is considered whenever new business opportunities are evaluated and when considering the future strategy of the company.

The actual solvency ratio is calculated by the company’s actuarial function on a quarterly basis and additionally in connection with assessing new significant risks. The future estimated solvency ratio is included in the company’s budgets which are updated yearly and covers at least a three-year period.

If a recalculation or reassessment of the company's individual solvency requirement shows that the Company's capital plan has changed to the effect that the capital base is less than 1,30 times the capital base (individual solvency requirement) of the Company, Management must inform the Board of Directors immediately. Management must, in coordination with the Chairman of the Board, convene a meeting of the entire Board of Directors as soon as possible and within one week. At this meeting, Management must:

1.1. Identify the material reasons for the increased capital requirement based on the model for determination of the individual solvency requirement, and/or the main reasons for the reduction in the capital base.
1.2. Provide a basis for the Board's assessment of the projected impact of the reduction, its timing and the requisite response time for actions aimed at restoring the Company's capital position to include the excess coverage of 1,5 as intended by Board of Directors.

Serving as basis of decision for the Board of Directors at the meeting, Management has prepared:

1.1. A statement of the individual solvency requirement
1.2. Proposals for measures that may restore excess coverage to the intended level. Proposals for changes to the writing of insurances or the structure of contracts with suppliers must be supplemented with reflections about the impact of limiting the writing of new or extending insurance policies. Furthermore, (additional) reinsurance for the entire or part of the insurance portfolio must be considered. And changes to the Company's investment policy may be included to the extent these may increase excess coverage.
1.3. Analysis of scope for restoring capital position by raising further capital in the form of share capital or other subordinate capital.

Based on such proposal, the Board of Directors will decide on action to be taken to quickly reduce the capital need or raise any requisite additional capital. If the Board of Directors deems that the proposals are not sufficient or that alternatives exist, such additional measures will be implemented.

If the Board of Directors finds that the excess coverage is critically low at 1,25 or below relative to the capital base (individual solvency requirement), Management must immediately inform the Board of Directors and, in coordination with the Chairman of the Board, convene a meeting of the entire Board of Directors as soon as possible. The purpose of the said meeting is to quickly restore the capital position. The Board of Directors will notify the Danish Financial Supervisory Authority about the situation.

Management is under a separate duty to oversee that the Company's excess coverage does not drop below 1,1 in the process. If this is the case, Management must immediately inform the Board of Directors and auditors thereof.

If the Board establishes, in connection or continuation of this event, that the previous efforts do not have the expected effect quickly enough, Management must completely suspend the writing and renewal of insurance policies. Such resolution is to be made by the Board of Directors based on the Board's consideration of the options for rapid capital increases.

The Board of Directors must make such resolution not later than four weeks after the Board meeting at which the capital plan will be adopted.

The MIAS Board of Directors has established the following capital emergency plan:

Solvency Ratio	Action
1,50	The targeted minimum ratio – no action required
1,30	The Board is summoned to decide if the solvency ratio needs to be strengthened immediately
1,25	The Board is summoned and will meet without delay and will based on presentations from Management decide any actions which must be initiated to improve the solvency situation immediately. The Board will notify the Danish Financial Supervisory Authority about the situation
1,10	Renewed notification of the Board, notification to external auditors and suspension of writing any new insurance policies

E.6 Any other information

There is no other information in relation to capital management which is relevant to disclose.

F. Appendix

F.1 QRTs

S.02.01 **SolvencyTool**

Balance sheet

ARS: Annual Solvency II reporting Solo 08-04-2021 (Published) MIAS 2020 Annual USD - full reporting

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	1.950
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked funds)	R0070	103.023
Property (other than for own use)	R0080	0
Participations	R0090	0
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	0
Government Bonds	R0140	0
Corporate Bonds	R0150	0
Structured notes	R0160	0
Collateralised securities	R0170	0
Investment funds	R0180	0
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	103.023
Other investments	R0210	0
Assets held for index-linked and unit-linked funds	R0220	0
Loans & mortgages	R0230	158.128
Loans on policies	R0240	0
Loans & mortgages to individuals	R0250	0
Other loans & mortgages	R0260	158.128
Reinsurance recoverables from:	R0270	54.114
Non-life and health similar to non-life	R0280	54.114
Non-life excluding health	R0290	54.114
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and indexlinked	R0310	0
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	0
Life index-linked and unit-linked	R0340	0

Deposits to cedants	R0350	0
Insurance & intermediaries receivables	R0360	21.976
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	0
Own shares	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	17.186
Any other assets, not elsewhere shown	R0420	15.777
Total assets	R0500	**372.153**
Liabilities		Solvency II value
Technical provisions – non-life	R0510	140.029
Technical provisions – non-life (excluding health)	R0520	126.771
TP calculated as a whole	R0530	0
Best Estimate	R0540	118.968
Risk margin	R0550	7.803
Technical provisions - health (similar to non-life)	R0560	13.258
TP calculated as a whole	R0570	0
Best Estimate	R0580	11.834
Risk margin	R0590	1.424
Technical provisions - life (excluding index-linked and unitlinked)	R0600	976
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and indexlinked and unit-linked)	R0650	976
TP calculated as a whole	R0660	0
Best Estimate	R0670	871
Risk margin	R0680	105
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	0
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	0
Reinsurance payables	R0830	17.655
Payables (trade, not insurance)	R0840	0

Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	2.392
Total liabilities	R0900	**161.052**
Excess of assets over liabilities		Solvency II value
Excess of assets over liabilities	R1000	**211.101**

S.05.01 **SolvencyTool**

Premiums, claims and expenses by line of business

ARS: Annual Solvency II reporting Solo 08-04-2021 (Published) MIAS 2020 Annual USD - full reporting

Non-life	Total
	C0200
Premiums written	
Gross - Direct Business	5.929
Gross - Proportional reinsurance accepted	28.212
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	12.376
Net	21.765
Premiums earned	
Gross - Direct Business	5.951
Gross - Proportional reinsurance accepted	109.642
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	52.509
Net	63.084
Claims incurred	
Gross - Direct Business	5.011
Gross - Proportional reinsurance accepted	80.891
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	19.644
Net	66.258
Changes in other technical provisions	
Gross - Direct Business	0
Gross - Proportional reinsurance accepted	0
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	0
Net	0
Expenses incurred	1.798
Administrative expenses	
Gross - Direct Business	21
Gross - Proportional reinsurance accepted	1.764
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	0
Net	1.786
Investment management expenses	
Gross - Direct Business	0
Gross - Proportional reinsurance accepted	13
Gross - Non-proportional reinsurance accepted	0

Reinsurers' share	0
Net	13
Claims management expenses	
Gross - Direct Business	0
Gross - Proportional reinsurance accepted	0
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	0
Net	0
Acquisition expenses	
Gross - Direct Business	0
Gross - Proportional reinsurance accepted	0
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	0
Net	0
Overhead expenses	
Gross - Direct Business	0
Gross - Proportional reinsurance accepted	0
Gross - Non-proportional reinsurance accepted	0
Reinsurers' share	0
Net	0
Other expenses	0
Total expenses	1.798

S.05.02

Premiums, claims and expenses by country

ARS: Annual Solvency II reporting Solo 08-04-2021 (Published) MIAS 2020 Annual USD - full reporting

Non-life	Home country	Top 5 countries (by amount of gross premiums written)				Total
		BM	FR	LU	NO	
	C0080	C0090	C0090	C0090	C0090	C0140
Premiums written						
Gross - Direct Business	5.929	0	0	0	0	5.929
Gross - Proportional reinsurance accepted	5.734	652	7.271	6.396	8.159	28.212
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
Reinsurers' share	0	4.991	147	130	7.108	12.376
Net	11.663	-4.339	7.123	6.267	1.051	21.765
Premiums earned						
Gross - Direct Business	5.951	0	0	0	0	5.951
Gross - Proportional reinsurance accepted	5.734	40.458	6.187	5.443	51.820	109.642
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
Reinsurers' share	0	24.140	147	130	28.092	52.509
Net	11.685	16.318	6.040	5.313	23.728	63.084
Claims incurred						
Gross - Direct Business	5.011	0	0	0	0	5.011
Gross - Proportional reinsurance accepted	5.511	6.090	5.718	5.030	58.542	80.891
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
Reinsurers' share	0	-794	0	0	20.438	19.644
Net	10.522	6.884	5.718	5.030	38.104	66.258
Changes in other technical provisions						
Gross - Direct Business	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0
Reinsurers' share	0	0	0	0	0	0
Net	0	0	0	0	0	0
Expenses incurred	345	482	145	127	700	1.798
Other expenses						0
Total expenses						1.798

Life	Home country	Top 5 countries (by amount of gross premiums written)		Total
		FR	LU	
	C0220	C0230	C0230	C0280
Premiums written				
Gross	0	493	434	927
Reinsurers' share	0	0	0	0
Net	0	493	434	927
Premiums earned				

Gross	0	419	368	787
Reinsurers' share	0	0	0	0
Net	0	419	368	787
Claims incurred				
Gross	0	419	368	787
Reinsurers' share	0	0	0	0
Net	0	419	368	787
Changes in other technical provisions				
Gross	0	0	0	0
Reinsurers' share	0	0	0	0
Net	0	0	0	0
Expenses incurred	0	46	41	87
Other expenses				0
Total expenses				87

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Non-Life Technical Provisions

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	Direct business and accepted proportional reinsurance						Total
	Medical expense insurance	Income protection insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss	
	C0020	C0030	C0070	C0080	C0090	C0130	C0180
TP calculated as a whole	0	0	0	0	0	0	0
Direct business	0	0	0	0	0	0	0
Accepted proportional reinsurance business	0	0	0	0	0	0	0
Accepted non-proportional reinsurance							0
Total Recoverables from reinsurance and SPV after the adjustment for expected losses due to counterparty default	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM (Non-Replicable portfolio)							
Best Estimate							
Premium provisions							
Gross - Total	1.951	82	295	241	0	184	2.753
Gross - Direct Business	0	0	0	0	0	86	86
Gross - accepted proportional reinsurance business	1.951	82	295	241	0	98	2.667
Gross - accepted non-proportional reinsurance business							0
Total recoverables from reinsurance and SPV before the adjustment for expected losses due to counterparty default	0	0	0	0	0	0	0
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	0	0	0	0	0	0	0
Recoverables from SPV before adjustment for expected losses	0	0	0	0	0	0	0
Recoverables from Finite Reinsurance before adjustment for expected losses	0	0	0	0	0	0	0
Total Recoverables from reinsurance and SPV after the adjustment for expected losses due to counterparty default	0	0	0	0	0	0	0
Net Best Estimate of Premium Provisions	1.951	82	295	241	0	184	2.753
Claim provisions							
Gross - Total	6.808	2.994	95.926	6.206	15.278	838	128.050
Gross - Direct Business	0	0	0	0	6.355	5	6.360
Gross - accepted proportional reinsurance business	6.808	2.994	95.926	6.206	8.923	832	121.689
Gross - accepted non-proportional reinsurance business							0
Total recoverables from reinsurance and SPV before the adjustment for expected losses due to counterparty default	0	0	52.257	27	1.830	0	54.114
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	0	0	52.257	27	1.830	0	54.114
Recoverables from SPV before adjustment for expected losses	0	0	0	0	0	0	0
Recoverables from Finite Reinsurance before adjustment for expected losses	0	0	0	0	0	0	0
Total Recoverables from reinsurance and SPV after the adjustment for expected losses due to counterparty default	0	0	52.257	27	1.830	0	54.114
Net Best Estimate of Claims Provisions	6.808	2.994	43.670	6.179	13.448	838	73.936
Total Best estimate - gross	8.758	3.076	96.222	6.447	15.278	1.022	130.802
Total Best estimate - net	8.758	3.076	43.965	6.420	13.448	1.022	76.688
Risk margin	1.054	370	5.290	772	1.618	123	9.227
Amount of the transitional on Technical Provisions							
TP calculated as a whole	0	0	0	0	0	0	0

Best Estimate	0	0	0	0	0	0	0
Risk margin	0	0	0	0	0	0	0
Technical provisions - total							
Technical provisions - total	9.812	3.446	101.511	7.219	16.896	1.144	140.029
Total Recoverables from reinsurance and SPV after the adjustment for expected losses due to counterparty default	0	0	52.257	27	1.830	0	54.114
Technical provisions minus recoverables from reinsurance and SPV - total	9.812	3.446	49.255	7.192	15.066	1.144	85.915

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Non-life insurance claims

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Line of business		1:All Lines of Business
Accident year / Underwriting year		1: Accident year
Currency		USD

Gross Claims Paid (non-cumulative)

Year	**Development year**											
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**In current year**	**Sum of years (cumulative)**
Prior											0	0
N-9	0	0	0	0	0	0	0	0	0	0	0	0
N-8	1.186	4.206	5.777	2.051	2.963	582	-443	176	155		155	16.652
N-7	30.397	4.326	2.807	2.874	-301	-868	44	49			49	39.327
N-6	2.764	6.773	7.193	403	14	27	9				9	17.184
N-5	4.546	13.356	4.312	5.505	3.929	251					251	31.900
N-4	3.849	21.046	3.825	116	1.742						1.742	30.578
N-3	621	3.181	1.996	932							932	6.730
N-2	27.828	57.353	3.874								3.874	89.055
N-1	163	1.081									1.081	1.244
N	7.611										7.611	7.611
Total											**15.704**	**240.281**

Gross undiscounted Best Estimate Claims Provisions

Year	**Development year**										
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**Year end (discounted data)**
Prior											0
N-9	0	0	0	0	0	0	0	0	0	0	0
N-8	29.579	13.621	7.741	6.473	3.198	976	813	345	10		10
N-7	13.544	12.738	8.175	4.750	3.613	1.936	1.629	1.423			1.417
N-6	26.059	11.317	3.529	3.163	3.004	2.899	2.809				2.808
N-5	43.845	29.334	21.119	14.464	7.240	6.115					6.090
N-4	14.782	8.203	5.187	2.442	1.288						1.285
N-3	15.413	14.105	12.552	11.323							11.268
N-2	68.796	17.052	15.090								15.061
N-1	14.163	10.843									10.847
N	79.409										79.263
Total											**128.050**

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SolvencyTool

Own funds

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Basic own funds		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	R0010	89.987	89.987		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	119.165	119.165			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	1.950				1.950
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
Total basic own funds after deductions	R0290	211.101	209.151	0	0	1.950
Ancillary own funds		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Total available own funds to meet the SCR	R0500	211.101	209.151	0	0	1.950
Total available own funds to meet the MCR	R0510	209.151	209.151	0	0	
Total eligible own funds to meet the SCR	R0540	211.101	209.151	0	0	1.950
Total eligible own funds to meet the MCR	R0550	209.151	209.151	0	0	
Solvency Capital Requirement	R0580	66.971				
Minimum capital requirement	R0600	16.743				
Ratio of Eligible own funds to SCR	R0620	315,213%				
Ratio of Eligible own funds to MCR	R0640	1.249,206%				

Reconciliation reserve		Total
		C0060
Excess of assets over liabilities	R0700	211.101
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	91.937
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	119.165
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	0

Solvency Capital Requirement - for undertakings on Standard Formula

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Solvency Capital Requirement calculated using standard formula	Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
Market risk	74	74	0
Counterparty default risk	31.029	31.029	0
Life underwriting risk	5.284	5.284	0
Health underwriting risk	24.353	24.353	0
Non-life underwriting risk	51.481	51.481	0
Diversification	-32.473	-32.473	
Intangible asset risk	0	0	
Basic Solvency Capital Requirement	79.748	79.748	

Calculation of Solvency Capital Requirement	
Adjustment due to RFF/MAP nSCR aggregation	0
Operational risk	4.918
Loss-absorbing capacity of technical provisions	0
Loss-absorbing capacity of deferred taxes	-17.695
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	0
Solvency capital requirement, excluding capital add-on	66.971
Capital add-ons already set	0
Solvency Capital Requirement	66.971
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	0
Total amount of Notional Solvency Capital Requirements for remaining part	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
Diversification effects due to RFF nSCR aggregation for article 304	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	4: No adjustment
Net future discretionary benefits	0

Approach based on average tax rate	2: No		
Calculation of loss absorbing capacity of deferred taxes	Before the shock	After the shock	LAC DT
	C0110	C0120	C0130
DTA	1.950	0	
DTA carry forward	1.950	0	
DTA due to deductible temporary differences	0	0	
DTL	0	0	
LAC DT			-17.695
LAC DT justified by reversion of deferred tax liabilities			-17.695
LAC DT justified by reference to probable future taxable profit			0
LAC DT justified by carry back, current year			0
LAC DT justified by carry back, future years			0
Maximum LAC DT			0

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

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Linear formula component for non-life insurance and reinsurance obligations	MCR components	
MCR Non-Life Result	9.681	

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance	8.758	12.838
Income protection insurance	3.076	6.286
Workers' compensation insurance	0	0
Motor vehicle liability insurance	0	0
Other motor insurance	0	0
Marine, aviation and transport insurance	43.965	1.051
Fire and other damage to property insurance	6.420	0
General liability insurance	13.448	6.674
Credit and suretyship insurance	0	0
Legal expenses insurance	0	0
Assistance	0	0
Miscellaneous financial loss	1.022	0
Non-proportional health reinsurance	0	0
Non-proportional casualty reinsurance	0	0
Non-proportional marine, aviation and transport reinsurance	0	0
Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations	MCR components	
MCR Life Result	18	

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
Obligations with profit participation - guaranteed benefits	0	
Obligations with profit participation - future discretionary benefits	0	
Index-linked and unit-linked insurance obligations	0	
Other life (re)insurance and health obligations	871	
Capital at risk for all life (re)insurance obligations		0

Overall MCR calculation	MCR components	
Linear MCR	9.699	
SCR	66.971	
MCR cap	30.137	
MCR floor	16.743	
Combined MCR	16.743	
Absolute floor of the MCR	4.477	
Minimum capital requirement	16.743	