



FM Insurance Company Limited, Maidenhead, Switzerland
Branch Bern

Financial Condition Report for the year ended 31 December 2024

April 2025

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Management Summary

FM Insurance Company Limited ("FMI") has been present in the Swiss market with its Switzerland Branch ("FMI Swiss Branch" or the "Branch") since 2010. FMI is wholly owned by Factory Mutual Insurance Company ("FMIC"), which is located in Johnston, Rhode Island, USA, and part of the FM group of companies.

From 1 January 2020, the business of the Branch transitioned to a newly established and licensed Swiss branch of FM Insurance Europe S.A. ("FMIE"), on a renewal basis. Following the transition of business from 1 January 2020, the FMI Swiss Branch continues in run-off.

The Branch was engaged in the business of underwriting property insurance risks and the provision of related engineering and loss prevention services to large and medium sized clients domiciled in Switzerland and to Swiss branches of multinational clients of the FM group of companies.

No policies issued by the FMI Swiss Branch were in force during the year. No new claims were notified during the year. The result for the year after tax was a profit of CHF 94'000 (2023: profit of CHF 80'000). The profit for the year recognised in the 2024 Swiss Branch financial statements resulted in voluntary retained earnings of CHF 1'413'000 (2023: CHF 33'600'000) as at 31 December 2024 following a transfer of retained earnings back to FMI of CHF 32'281'000.

The run-off of the FMI Swiss branch is in line with management's expectations.

Business Activities

Strategy, objectives and essential business sectors

The business model of FM, of which the Branch is an integral part, is based on a belief that the majority of property loss and associated business interruption is preventable through loss prevention and risk management solutions. Deploying loss prevention engineering based on scientific research is the basis for the belief that the majority of property loss is preventable and unites FM and its policyholders.

FM's capital, scientific research capability and engineering expertise are dedicated to property risk management and the resilience of its client-owners. These owners, who represent many of the world's largest organisations, partner with FM to better understand the hazards that can impact their business in order to make cost-effective risk management decisions; thereby combining property loss prevention with insurance protection.

The ultimate parent company, FMIC, is a mutual company which is owned by and accountable to its policyholders. Being a mutual company allows FM to take a long-term strategic view, by providing clients with large, stable insurance capacity and to help FMI and the Branch to absorb and withstand short-term volatility in operating results.

External auditors according to art. 28 ISA

The financial statements of the Branch are audited by Ernst & Young AG, Zurich.

Market Situation and Exceptional Events

The Branch continues in run-off therefore any changes to market capacity or premium rates are not applicable.

There were no exceptional claims related events incurred during 2024.

Business Development

The Branch continues in run-off therefore business development is not applicable.

No policies issued by the FMI Swiss Branch were in force during the year. No new claims were notified during the year.

Performance

As noted above the Branch has been in run-off from 1 January 2020.

Premium

From 1 January 2020, the business of the FMI Swiss Branch transitioned to a newly established and licensed Swiss branch of FM Insurance Europe S.A. (FMIE), on a renewal basis.

There is no gross unearned premium at the balance sheet date (2023: CHF nil).

Losses

At the end of the reporting year there were no outstanding claims (2023: CHF nil).

Other expenses from underwriting business

Total net expenses from the underwriting business are CHF 99'000 (2023: CHF 88'000).

Other expenses are expected to be minimal during 2025.

Result after tax for the year

The result for the year after tax was a profit of CHF 94'000 (2023: profit of CHF 80'000).

Appendices

- Financial situation report: quantitative template "Performance Solo NL"
- The external auditor's summary report to the annual financial statements
- The annual financial statements

Financial situation report: quantitative template

"Performance Solo NL"

Currency: CHF or annual report currency
Amounts stated in millions

		Total		Direct Swiss business												General third-party liability		Other branches	
				Accident		Illness		Motor vehicle		Transport		Fire, natural hazards, property damage							
		Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year		
1	Gross premiums	0.0	0.0							0.0	0.0	0.0	0.0						
2	Reinsurers' share of gross premiums	0.0	0.0							0.0	0.0	0.0	0.0						
3	Premiums for own account (1 + 2)	0.0	0.0							0.0	0.0	0.0	0.0						
4	Change in unearned premium reserves	0.0	0.0							0.0	0.0	0.0	0.0						
5	Reinsurers' share of change in unearned premium reserves	0.0	0.0							0.0	0.0	0.0	0.0						
6	Premiums earned for own account (3 + 4 + 5)	0.0	0.0							0.0	0.0	0.0	0.0						
7	Other income from insurance business	0.0	0.0							0.0	0.0	0.0	0.0						
8	Total income from underwriting business (6 + 7)	0.0	0.0							0.0	0.0	0.0	0.0						
9	Payments for insurance claims (gross)	-0.6	0.0							0.0	0.0	-0.6	0.0						
10	Reinsurers' share of payments for insurance claims	0.2	0.0							0.0	0.0	0.2	0.0						
11	Change in technical provisions	0.6	0.0							0.0	0.0	0.6	0.0						
12	Reinsurers' share of change in technical provisions	-0.2	0.0							0.0	0.0	-0.2	0.0						
13	Change in technical provisions for unit-linked life insurance																		
14	Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	0.0	0.0							0.0	0.0	0.0	0.0						
15	Acquisition and administration expenses	-0.2	0.0							0.0	0.0	-0.2	0.0						
16	Reinsurers' share of acquisition and administration expenses	0.2	0.0							0.0	0.0	0.2	0.0						
17	Acquisition and administration expenses for own account (15 + 16)	0.0	0.0							0.0	0.0	0.0	0.0						
18	Other underwriting expenses for own account	0.2	0.2							0.0	0.0	0.2	0.2						
19	Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	0.2	0.2							0.0	0.0	0.2	0.2						
20	Investment income																		
21	Investment expenses																		
22	Net investment income (20 + 21)																		
23	Capital and interest income from unit-linked life insurance																		
24	Other financial income																		
25	Other financial expenses																		
26	Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	0.2	0.2																
27	Interest expenses for interest-bearing liabilities																		
28	Other income	0.0	0.0																
29	Other expenses	-0.1	-0.1																
30	Extraordinary income/expenses																		
31	Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	0.1	0.1																
32	Direct taxes	0.0	0.0																
33	Profit / loss (31 + 32)	0.1	0.1																

[illegible]

To the General Manager of
FM INSURANCE COMPANY LIMITED, Maidenhead
Switzerland Branch Bern
Bern

Zurich, 29 April 2025

Report of the independent auditor



Opinion

As an audit firm under state supervision, we have audited the financial statements of Switzerland Branch Bern of FM INSURANCE COMPANY LIMITED, Maidenhead (the Company), which comprise the balance sheet as at 31 December 2024, the income statement then ended, and the notes to the financial statements, including a summary of significant accounting policies, pursuant to Art. 28 (2) of the Insurance Supervision Act (ISA) and with reference to the supplementary information for audit reporting of insurance companies in Annex 19 to FINMA Circular 13/3 concerning the "Preparation and audit of the financial statements of branches of foreign insurance companies" of 4 November 2020 (Annex 19 to FINMA Circular 13/3).

In our opinion, the accompanying financial statements of the Company comply in all material respects with the financial reporting provisions of Annex 19 to FINMA Circular 13/3.



Basis for opinion

We conducted our audit in accordance with the Swiss Standards on Auditing (SA-CH) as well as the framework for the audit of the financial statements as set out in section 3.2 of Annex 19 to FINMA Circular 13/3. Our responsibilities under those provisions and standards are further described in the "Independent Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of the Swiss audit profession, 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.



Other information

The General Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.



General Manager's responsibilities for the financial statements

The General Manager is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Annex 19 to FINMA Circular 13/3 and for such internal control as the General Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Manager is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern, and using the going concern basis of accounting unless the General Manager either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent Auditor's responsibilities for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 is not a guarantee that an audit conducted in accordance with SA-CH and Annex 19 to FINMA Circular 13/3 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 economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- ▶ Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Ltd

Licensed audit expert
(Lead Auditor)

Licensed audit expert

Enclosure

- ▶ Financial statements (balance sheet, income statement and notes)



FM Insurance Company Limited, Maidenhead
Switzerland Branch Bern

Financial Statements for the year ended 31 December 2024



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Balance sheet as at 31 December 2024

ASSETS

	Notes	2024 CHF '000	2023 CHF '000
Cash and cash equivalents		956	2,395
Insurance receivables	2	-	36
Debtors arising out of reinsurance		-	36
Other receivables	6	28	656
Total assets		984	3,087

LIABILITIES AND EQUITY

	Notes	2024 CHF '000	2023 CHF '000
Technical provisions		-	218
Equalisation provision	5	-	218
Other liabilities	7	165	332
Accruals and deferred income		44	63
Total liabilities		209	613
Voluntary retained earnings		1,413	33,600
Profit brought forward		33,600	33,520
Profit for the period		94	80
Transfer of retained earnings to Head office		(32,281)	-
Head office account	11	(638)	(31,126)
Total equity	12	775	2,474
Total liabilities and equity		984	3,087



Income statement for the year ended 31 December 2024

	Notes	2024 CHF '000	2023 CHF '000
Earned premium	3	-	2
Gross premium written		-	2
Total technical income		-	2
Claims incurred, net of reinsurance	4	-	20
Claims paid		-	(386)
<i>gross amount</i>		-	(571)
<i>reinsurers' share</i>		-	185
Change in the provision for claims outstanding		-	406
<i>gross amount</i>		-	560
<i>reinsurers' share</i>		-	(154)
Net acquisition and administrative expenses		(31)	(25)
Acquisition costs and administrative expenses		(60)	(223)
Reinsurers' share of acquisition costs and administrative expenses		29	198
Other technical income	5	218	209
Total technical income		187	204
Balance on the technical account		187	206
Other financial expenses		(68)	(63)
Profit on ordinary activities before tax		119	143
Tax on profit on ordinary activities		(25)	(63)
Profit on ordinary activities after tax		94	80



Notes to the Financial Statements for the year ended 31 December 2024

Disclosures, breakdowns and explanations

1. Branch information

FM Insurance Company Limited, Maidenhead, Switzerland Branch Bern (the "Branch"), is a branch of FM Insurance Company Limited ("FMI"), incorporated in the United Kingdom. FM Insurance Company Limited is wholly owned by Factory Mutual Insurance Company, which is located in Johnston, Rhode Island, USA (the "Parent").

The registered office of the Branch is Morgenstrasse 129, 3018 Bern, Switzerland.

The largest group in which the results of the Branch are consolidated is that of the ultimate parent company, Factory Mutual Insurance Company. The consolidated accounts are available to the public and may be obtained from Factory Mutual Insurance Company, 270 Central Avenue, Johnston, RI 02919, USA, or from www.fm.com.

2. Insurance receivables

	2024 CHF '000	2023 CHF '000
Receivables from (re)insurance companies	-	36
Total	-	36

3. Technical provisions – Unearned premium reserve

The change in the technical provisions – unearned premium reserve during the year was as follows:

	Gross CHF '000	Reinsurers' share CHF '000	Net CHF '000
At 1 January 2024	-	-	-
Premium written in the year	-	-	-
Premium earned in the year	-	-	-
Change in unearned	-	-	-
Foreign exchange	-	-	-
At 31 December 2024	-	-	-

The change in the technical provisions – unearned premium reserve during the prior year was as follows:

	Gross CHF '000	Reinsurers' share CHF '000	Net CHF '000
At 1 January 2023	-	-	-
Premium written in the year	2	-	2
Premium earned in the year	(2)	-	(2)
Change in unearned	-	-	-
Foreign exchange	-	-	-
At 31 December 2023	-	-	-

Notes to the Financial Statements for the year ended 31 December 2024

Disclosures, breakdowns and explanations

4. Technical provisions – Claims outstanding

The change in the technical provisions – claims outstanding during the year was as follows:

	Gross CHF '000	Reinsurers' share CHF '000	Net CHF '000
At 1 January 2024	-	-	-
Claims incurred during the year	-	-	-
Claims paid during the year	-	-	-
Change in unpaid claims	-	-	-
Foreign exchange	-	-	-
At 31 December 2024	-	-	-

The change in the technical provisions – claims outstanding during the prior year was as follows:

	Gross CHF '000	Reinsurers' share CHF '000	Net CHF '000
At 1 January 2023	560	153	407
Claims incurred during the year	11	31	(20)
Claims paid during the year	(571)	(185)	(386)
Change in unpaid claims	(560)	(154)	(406)
Foreign exchange	-	1	(1)
At 31 December 2023	-	-	-

5. Technical provisions – Equalisation reserves

	2024 CHF '000	2023 CHF '000
At 1 January	218	427
Movement in provision	(218)	(209)
At 31 December	-	218

6. Other receivables

	2024 CHF '000	2023 CHF '000
Amounts due from affiliated undertakings (see note 9)	-	1
Corporation Tax	28	655
Total	28	656



Notes to the Financial Statements for the year ended 31 December 2024

Disclosures, breakdowns and explanations

7. Other liabilities

	2024 CHF '000	2023 CHF '000
Amounts due to affiliated undertakings (see note 10)	165	326
Other creditors	-	6
Total	165	332

8. Analysis of receivables and payables

The movements during the year in respect of receivables and payables are broken down as follows:

	Other Insurance Companies CHF '000	Related Parties CHF '000	Other CHF '000	Total CHF '000
2024				
Other receivables	-	-	28	28
Other liabilities	-	(165)	-	(165)

The movements during the prior year in respect of receivables and payables are broken down as follows:

	Other Insurance Companies CHF '000	Related Parties CHF '000	Other CHF '000	Total CHF '000
2023				
Insurance receivables	36	-	-	36
Other receivables	-	1	655	656
Other liabilities	-	(326)	(6)	(332)

9. Amounts owed from related parties

	Location	2024 CHF '000	2023 CHF '000
FM Approvals LLC	USA	-	1
		-	1



Notes to the Financial Statements for the year ended 31 December 2024

Disclosures, breakdowns and explanations

10. Amounts owed to related parties

	Location	2024 CHF '000	2023 CHF '000
Factory Mutual Insurance Company	USA	15	9
FM Insurance Europe S.A.	Switzerland	150	235
FM Insurance Europe S.A.	The Netherlands	-	82
		165	326

11. Head office account balance

	Location	2024 CHF '000	2023 CHF '000
FM Insurance Europe S.A.	Luxembourg		
At 1 January		(31,126)	(27,288)
Fund transfer		(2,700)	(4,000)
Business recharges		105	(23)
Intercompany settlement		802	185
Transfer of retained earnings		32,281	-
At 31 December		(638)	(31,126)

12. Statement of changes in equity

	2024 CHF '000	2023 CHF '000
At 1 January	2,474	6,232
Profit for the period	94	80
Transfer of retained earnings to Head office	(32,281)	-
Head office account	30,488	(3,838)
At 31 December	775	2,474



Notes to the Financial Statements for the year ended 31 December 2024

Disclosures, breakdowns and explanations

13. Audit fees

	2024	2023
	CHF '000	CHF '000
Audit services	40	44
Total	40	44

14. Staff numbers

FM Insurance Company Limited, Maidenhead, Switzerland Branch Bern employed no staff during the year. (2023: nil).

Accounting policies

Statement of compliance

The financial statements have been prepared in compliance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art.957-963b CO, applicable as of 1 January 2013). Apart from the Swiss Code of Obligations, the provisions of the Swiss Ordinance of the Supervision of Private Insurance Companies (Art. 84-85, AVO-FINMA, applicable as of 1 September 2024) have been applied.

Foreign currency translation

The annual financial statements of FM Insurance Company Limited, Maidenhead, Switzerland Branch Bern are prepared in Swiss Franc. Transactions in foreign currencies are recorded at average rates ruling for the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the balance sheet date. Non-monetary assets are converted at historical rates. Exchange differences arising from transactions are taken to the income statement.

The main rates used are presented below:

	2024	2023
USD	0.8854	0.8749
GBP	1.1209	1.1110

Valuation principles

Technical provisions

These are obligations due to insured parties determined based on an individual insurance agreement. They are calculated based on the business plan agreed with FINMA.

Technical provisions comprise claims outstanding, provisions for unearned premium, equalisation provision, together with a provision for unexpired risk, when required.

Claims outstanding

Outstanding claims comprise provisions for the estimated costs of settling all claims incurred up to but not paid at the balance sheet date whether reported or not, together with related claims handling expenses. Claims incurred includes all claims payments made in respect of the financial period, claims handling expenses, the movement in provision for outstanding claims, and claims handling expenses.

Claims incurred but not reported

The liabilities that are in place at the year-end are based on the best estimate of current claims outstanding with an additional element for claims incurred but not reported ("IBNR"). The IBNR is based on historical data patterns to provide a reasonable estimate of the future development of current claims.

The Branch has no claims outstanding and has assessed that no provision is required.

Unearned premium

The provision for unearned premium comprises the amount representing that part of gross premium written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily pro rata method. The proportion attributable to subsequent periods is deferred as a provision for unearned premium.

Accounting policies

The provision for reinsurers' share of unearned premium comprises the amount representing the part of reinsurers' share of written premium which is estimated to be earned in the following or subsequent financial years. Unearned reinsurance premium are deferred over the term of the underlying direct insurance policies for both risk attaching contracts and loss occurring contracts.

Equalisation provision

An equalisation provision is recognised for the purpose of mitigating exceptionally high loss ratios in future years. The amounts provided are in addition to the provisions required to meet the anticipated ultimate cost of settlement of outstanding claims at the balance sheet date. The movement in the equalisation provision is included in other technical income.

Reinsurance

In the normal course of business the Branch seeks to reduce losses that may arise from catastrophes or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurance enterprises. Amounts recoverable from reinsurers are accounted for in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.