FM Insurance Europe S.A.

Solvency and Financial Condition Report 31 December 2024

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Summary

Current Year Performance

The principal activities of FM Insurance Europe S.A. ("FMIE" and the "Company") during the year continued to be the underwriting of property insurance risks and the provision of related property loss prevention support to large and medium sized clients of the European Economic Area ("EEA") through branches established in Belgium, France, Germany, Italy, The Netherlands, Spain and Sweden and on a freedom of services basis in the remaining member states. The Company is also authorised by the Swiss Financial Market Supervisory Authority ("FINMA") to underwrite policies in Switzerland through a Swiss branch. During the year under review, the Company was authorised by the UK Prudential Regulation Authority ("PRA") to underwrite policies in the United Kingdom ("UK") through a UK branch.

Since 1 January 2018, the Company has been underwriting insurance policies in the EEA and in Switzerland since 1 January 2020. Since 1 December 2024, following a business transfer from FM Insurance Company Limited ("FMI"), described below in section A Business and Performance, FMIE has also been underwriting insurance policies in the UK.

The capital coverage ratio has improved to 195% (2023: 155%), the key driver in the improvement being a capital contribution of €1,219m made by FMIC, which is offset by an increase in the SCR from the transfer of assets and liabilities of FMI as part of the internal group reorganisation.

Gross premium written for the year was €1,254m (2023: €1,150m). The increase was driven by rate and value increases on the existing book of business, new business written and gross premium written in the UK following the business transfer mentioned above, offset by higher policyholder credits.

The net loss ratio was 37.0% (2023: 28.1%) and the expense ratio was 27.8% (2023: 27.7%) which includes a foreign exchange gain of €30m (2023: €4m gain). The Company had net investment income of €170m (2023: €3m net expense) driven by gains on realisation of investments, net foreign exchange gains, interest earned on the investment portfolio, and dividends received which were offset by realised and unrealised losses on investments.

The profit after tax for the year of €206m as disclosed in the profit and loss account of the 2024 financial statements ("LuxGAAP FS") is due to positive underwriting performance and net investment income.

Capital Management

The capital modelling process for FMIE includes the standard formula ("SF") calculation and an internal calculation to support the Own Risk and Solvency Assessment ("ORSA"). A summary of the SF model including the solvency capital requirement ("SCR") and solvency coverage is presented in the table below:

	2024 SF €000	2023 SF €000	Variance €000
Eligible own funds	2,132,446	766,681	1,365,765
Solvency capital requirement (SCR)	1,091,563	493,526	598,037
Surplus	1,040,883	273,155	767,728
Coverage of SCR	**195.4%**	**155.3%**	**40.1%**

A more detailed breakdown of the capital modelling results, by risk type, are included in section C.

The increase in the SCR is being driven by higher market risk, counterparty risk and non-life underwriting risk. Increases in these risk areas are primarily due to the internal group reorganisation whereby FMI transferred its UK insurance business to a newly established UK branch of FMIE.

The three main components driving the increase in market risk are equity risk, currency risk and concentration risk. The increase in equity risk is driven by the transfer of the investment portfolio of FMI following the internal group reorganisation, which included equity securities, along with the purchase of additional equity securities during the year and increases in market value. Currency risk and concentration risk increased primarily as a result of the increase of the investments portfolio, for the reason listed above, which is denominated in US Dollars. Additionally, the transfer referenced above generated net currency exposures in GBP and US Dollars.

The increase in counterparty risk is mainly driven by a change in the mix of reinsurers (rated reinsurers and unrated captives) compared to last year together with the impact on the reinsurance recoverable due to the transfer from FMI.

The increase in the non-life underwriting risk is due to the increase in net earned premium and the Solvency II net technical provisions compared to the prior year, driven mainly by the transfer of the business from FMI.

Overall, the coverage of the SCR ratio has improved to 195% (2023: 155%) resulting from an increase in own funds of €1,366m (driven mainly by current year profit and the capital contribution from FMIC as part of the internal group reorganisation, which is in excess of the increase in the SCR of €598m).

The method of calculation for the SF is set out in the Commission Delegated Regulations (Delegated Acts) which are devised by the European Commission and there is no ability to adjust the core calculation, except for simplification options in some of the individual risk elements. Of these only the simplification applying to the risk margin is considered appropriate for FMIE due to the short tail and monoline nature of the business.

Due to the limited options to tailor the SF calculation, FMIE is unable to fully incorporate the total benefit of the stop loss treaty with FMIC. The treaty is applied only within the catastrophe risk calculations, as mitigating reinsurance. The capital charge therefore understates the benefit the stop loss treaty would provide to FMIE in a volatile calendar year, capping the combined ratio at 125%. Management understand the SCR calculated using the SF is conservative but agree it remains appropriate. FMIE continues to have adequate capital coverage in respect of the SCR despite this significant conservatism.

The ORSA calculation is less prescribed than the SF and designed by FMIE to focus on the main risk areas for the type of business written. The ORSA filed with the Commissariat aux Assurances (the "CAA" and the "Regulator") in 2024, in respect of the 2023 year-end, determined a capital charge of €173m (2023: €160m) against available funds of €737m (2023: €650m) under Luxembourg Generally Accepted Accounting Principles ("LuxGAAP"), to give a capital coverage of 426% (2023: 406%). The 2024 ORSA was prepared without considering the impact of the internal group reorganisation.

Whilst the ORSA covers the same key risk areas as the SF, the calculation allows for some of the risk elements to be modelled in a way that is more representative of how the business operates. The treatment of investments is a significant driver behind the different capital requirements under the SF and the ORSA. The ORSA model only applies the market risk component to the assets required to cover the technical provisions and capital requirement. For the ORSA, no equity securities are required to cover the required capital, as the combined cash and debt securities balances held by FMIE are sufficient to cover the capital requirement. The inclusion of equity securities within the market risk component of the SF results in a higher risk charge than under the ORSA.

Capital coverage under the SF is lower compared to the ORSA, however management are comfortable with the SF capital coverage due to the Company's approach to managing capital. This involves managing assets, liabilities and risks in a coordinated way, and taking appropriate action to maintain the capital position of the Company in light of changes in economic conditions and risk characteristics. Management understands the underlying reasons for the higher risk charge under the SF are in respect of the stop loss cover with FMIC being restricted, together with the capital charge relating to equity risk not being included in the ORSA calculation.

Solvency II balances within this report are determined according to the valuation rules set out in the Delegated Acts.

The key inputs and parameters for the calculations have been reviewed and agreed by the Risk Management Committee ("RMC"). All risks on the risk register have been reviewed, included in the risk assessment and, where necessary, added to the modelling process. Emerging risks are considered at every RMC and discussed at Board meetings, as appropriate. Any risks arising during the year that are deemed to be significant will be included in the ORSA capital modelling. This is achieved by either changing parameters within the model or designing specific scenario tests to consider these risks.

Sensitivity tests and stress and scenario testing have been performed and overseen by the RMC on both the ORSA and SF models to ensure management and the Board are aware of the key drivers and sensitivities of the capital models.

2024 Solvency and Financial Condition

A risk appetite framework is in place which highlights the key risks to FMIE and provides a way of monitoring the tolerances and limits on a regular basis. The RMC regularly reviews the status of this framework and is responsible for putting into place action plans, as required. The framework is used to determine the key risk areas that are required to be incorporated in the capital modelling. The results are fed back into the framework to verify the limits and tolerances remain appropriate.

The main risk areas which affect FMIE are:

- Underwriting risk due to the nature of the business; and
- Market risk due to the level of cash and equity securities (including collective equity investment funds) held in US Dollars.

Additional risk categories included in the solvency calculation are counterparty risk and operational risk which are both prescribed risk categories.

Group risk is not included as a separate element of the solvency calculation as the failure of FMIE's parent, Factory Mutual Insurance Company ("FMIC" or the "parent company"), does not fall within the 99.5% confidence level threshold of the calculation. The AA Fitch rating, A+ AM Best rating and AA- Standard & Poor's rating of the FM group ("FM"), comprising of FMIC and its branches and subsidiaries, indicate that the likelihood of default is significantly more remote than the one in 200-return period scenario considered for the solvency calculation. Despite this, it is still included on FMIE's risk register and monitored regularly by FMIE's senior management and Board. In addition, the risk of FMIC defaulting on its reinsurance balances with FMIE is included within the counterparty risk calculation, in the same way as for any external reinsurer.

Outlook for 2025

The Company has a sustainable book of business, and the expectation is that premium will increase from the 2024 level. The Company remains focused on growth throughout the EEA, Switzerland and the UK.

Whilst the business is short tailed in nature with a significant portion of any outstanding claims settled during the first year of development, the impact of the economic outlook, the current inflation rate and the associated increase in costs is being monitored by the RMC. Claims are periodically reviewed and updated by the claims team, based on the most up-to-date information available, to ensure the reserves represent the latest technical measure of the loss.

The Company adopts a long-term view of risk and opportunities and does not expect any significant changes in the investment strategy during 2025.

With regards to the ongoing conflicts in Ukraine and Israel/Palestine, the Company is monitoring developments related to both conflicts and acts in accordance with European Union ("EU") regulations and sanctions. The Company has not underwritten any risks in Ukraine. Following the transfer of the business of FMI to the Company, limited exposure exists in Israel. In response to the ongoing conflict a remote servicing strategy has been implemented for our clients located there.

The Company expects to remain fully compliant with both the minimal capital requirement ("MCR") and SCR requirements and continues to monitor its solvency position monthly against internal guidelines.

Directors' Report

Directors

The Directors who held office during the year ended 31 December 2024 were as follows:

Christopher M. Dempsey	Dirigeant Agréé
Colin R. Day	
Kevin S. Ingram	
Thomas S. Keevil	
Ziad Alex S. Tadmoury	Appointed effective 19 March 2024
David Pulman	Resigned effective 19 March 2024
Evelyn Thome	Appointed effective 9 April 2024

Since 1 January 2025 and to the date of this report the following changes to the Board of Directors occurred:

Dimitri Nys	Appointed effective 1 January 2025

Statement of Directors' Responsibilities

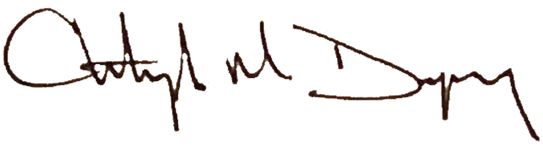
The Board of directors is responsible for approving the Solvency and Financial Condition Report ("SFCR") in accordance with the Commissariat aux Assurances regulations and Delegated Acts.

Article 86 of the Insurance Law of 7 December 2015 on the insurance sector requires that the Company must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that the Company must ensure that its SFCR is subject to approval by the Board of directors.

Each of the Directors, whose names are listed on the Luxembourg Business Register, confirm that, to the best of their knowledge:

- Throughout the financial year in question, the Company has complied in all material respects with the requirements of the CAA regulations and Delegated Acts as applicable; and
- It is reasonable to believe that, at the date of the publication of the SFCR, the Company continues to comply and will continue to comply in future.

On behalf of the Board



Christopher Dempsey

Dirigeant Agréé

8 April 2025

A. Business and Performance

Business

FMIE was incorporated on 9 December 2016 and is organised under the "Commercial Companies" laws of the Grand Duchy of Luxembourg as a public limited liability company (Société Anonyme). FMIE is a wholly owned subsidiary of FMIC, a company organised under the laws of the State of Rhode Island, United States of America. "FM" is the communicative name for FMIC and its subsidiaries. The Company is authorised by the Ministry of Finance and supervised by the CAA to establish insurance activities headquartered in the Grand Duchy of Luxembourg and to underwrite policies in the EEA through branches established in Belgium, France, Germany, Italy, The Netherlands, Spain and Sweden and on a freedom of services basis in the remaining member states. The Company is also authorised by the Swiss Financial Market Supervisory Authority ("FINMA") to underwrite policies in Switzerland through a Swiss branch.

During the year under review the Company was authorised by the UK Prudential Regulatory Authority ("PRA") to underwrite policies in the United Kingdom through a UK branch.

As part of an internal group reorganisation FMI transferred its UK insurance operations to a newly established FMIE UK branch on 30 November 2024. The insurance business was transferred under Part VII of the UK Financial Services Markets Act 2000 and was sanctioned by the High Court of England and Wales on 20 November 2024. In addition, under a separate business transfer agreement FMI transferred its investment portfolio, excess liquidity, and its investment in subsidiaries to FMIE. Intercompany vendor notes were issued to FMI in consideration for the transfer.

Following approval at an Extraordinary General Meeting held on 6 December 2024, as a final step in the internal group reorganisation, FMIC contributed an amount equal to the intercompany vendor notes in exchange for 1,219,160,007 ordinary shares of €1.

The impact of the transfer on the Company balance sheet prepared in accordance with LuxGAAP is shown in the table below.

Assets	€000
Investments	1,030,518
Reinsurers' share of technical provisions	146,051
Debtors (direct insurance and reinsurance operations, and other)	50,364
Tangible fixed assets	8,632
Cash	137,505
Other assets (including pension assets)	320,310
Prepayment and accrued income	4,118
Total assets	**1,697,498**

Liabilities	€000
Capital and reserves	1,219,643
Technical provisions	197,398
Provision for other risks and charges (including pension liabilities)	213,163
Creditors (direct insurance and reinsurance operations)	48,748
Accruals and deferred income	18,546
Total liabilities	**1,697,498**

The UK branch commenced underwriting policies from 1 December 2024.

The business model for FM is based on providing worldwide insurance coverage and FMIE plays a key role in this.

FMIE writes commercial property insurance for multinational companies. The Company's aim is to provide competitively priced insurance to multi-national companies based in the EEA, Switzerland and the UK. FMIE also aims to assist in servicing the needs of those clients headquartered throughout the world that have locations in the EEA, Switzerland and the UK.

FMIE has a stable book of business and there are no plans to expand into any new lines of business. The Company provides insurance under the FM business model, and FM is constantly looking to improve and develop the overall service offering provided to its customers and thereby maintain a high level of client retention.

The 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, to provide clients with large, stable insurance capacity and to help FMIE absorb and withstand short-term volatility in operating results.

The business model of FM 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 the mutual company 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 continuity in order to make cost-effective risk management decisions; thereby combining property loss prevention with insurance protection.

Financial supervision of FMIE is performed by the CAA. Willis Towers Watson ("WTW") is contracted to complete a back testing, and validations review on the technical provisions every two-years, given that there is an embedded, stable process in place for the calculation of technical provisions. The latest review took place during the second half of 2024. Consistent with previous reviews WTW concluded that overall FMIE's technical provisions met the validation requirements as set out in Article 264 of the Delegated Act. There were no high priority recommendations. Minor recommendations made by WTW will be considered as part of a process review and improvement cycle.

Contact details for these organisations can be found within the Appendices.

Underwriting Performance

FM is known as a property insurer specialising in the highly protected risk market and is the main underwriter of this business. Clients are typically made up of Fortune 1000 companies that utilise and value the bundled professional services offering consisting of experienced property underwriting teams, property loss prevention expertise, risk assessment and property loss control activities, training and research.

FMIE provides its policyholders with all-risk policies providing fire and extended coverage, boiler and machinery, difference in conditions, ocean cargo, cyber or any combination of these lines of coverage.

As noted above, the philosophy at FMIE is that the majority of property loss and associated business interruption is preventable and as a result, the Company employs engineers to assess insured's locations and work with them to minimise the risk of property loss occurring or, if it does, to minimise the impact to the insured. This partnership with the client is a key factor in the high level of business retention year on year.

Each year, the Company sets key result areas ("KRA") which are used to measure performance and to form the basis of the employee incentive scheme. The KRA's that the Company measures are:

- Combined Ratio;
- Premium Retention; and
- New Business.

Combined Ratio

The combined ratio is calculated as the sum of the loss ratio (net losses incurred divided by net premium earned) and expense ratio (net underwriting expenses incurred divided by net premium earned) for the period.

Premium Retention

The premium retention is calculated as the premium in force at the end of the period (total annualised premium on all policies that have not expired or been cancelled) compared to the premium in force at the previous year end, excluding the effect of new business written during the year.

New Business

The new business premium is the total annual premium of new policies written during the year. The new business KRA takes the annual premium of new policies written as a percentage of the premium in force at the previous year end.

Throughout the year, management reports are measured against these KRA's and employees are updated of the progress of the Company against the objectives.

During 2024, the Company recognised an underwriting profit with a combined ratio of 64.8%. Premium income increased compared to 2023 due to rate and value increases on the existing book of business, new business written and gross premium written in the UK following the business transfer. Premium retention for the year was 102.3% and new business was 3.7%.

The annual results have been provided below:

	2024 €000	2023 €000	Variance €000
Gross premium written	1,253,648	1,149,696	103,952
Net premium written	317,063	304,387	12,676
Gross premium earned	1,163,430	1,087,160	76,270
Net premium earned	299,150	287,143	12,007
Gross claims incurred	350,629	305,570	45,059
Net claims incurred	110,605	80,824	29,781
Gross loss ratio	30.1%	28.1%	2.0%
Net loss ratio	37.0%	28.1%	8.9%
Expense ratio	27.8%	27.7%	0.1%
Combined ratio	64.8%	55.8%	9.0%
Investment returns	188,790	60,732	128,058
Investment returns	14.5%	8.8%	5.7%

FMIE predominately insures commercial property. A small number of goods in transit will also be covered at the clients' request, however this comprises less than 1% of FMIE's gross written premium.

The increase in premium is due to rate and value increases on the existing book of business, new business written and premium written in the UK following the business transfer.

The increase in gross claims incurred is primarily attributable to an increase in the frequency and severity of losses compared to 2023.

Operating expenses for the current year are broadly in line with 2023.

The table below shows an analysis of LuxGAAP gross premium written, gross premium earned, gross claims incurred, gross operating expenses, reinsurance balances, other technical income and the net technical account by line of business, including the accepted business that relates to insurance programs for which FMIE is not the primary policy issuer, known as assumed business.

	2024				
	Marine, Aviation and Transport €000	Fire and Other Damages €000	Miscellaneous Financial Losses €000	Assumed €000	Total €000
Gross premium written	4,380	797,826	423,390	28,052	**1,253,648**
Gross premium earned	572	742,584	398,268	22,010	**1,163,430**
Gross claims incurred	(355)	(229,855)	(119,543)	876	**(350,629)**
Gross operating expenses	(130)	(175,746)	(85,428)	(4,107)	**(265,411)**
Reinsurance balances	(1,489)	(309,121)	(126,148)	(9,746)	**(446,504)**
Other technical income	1	860	434	18	**1,313**
Net technical account	**(1,401)**	**28,718**	**67,583**	**7,299**	**102,199**

	2023				
	Marine, Aviation and Transport €000	Fire and Other Damages €000	Miscellaneous Financial Losses €000	Assumed €000	Total €000
Gross premium written	890	738,233	401,275	9,298	**1,149,696**
Gross premium earned	839	690,292	387,829	8,191	**1,087,160**
Gross claims incurred	(1,333)	(176,639)	(128,957)	1,359	**(305,570)**
Gross operating expenses	(107)	(161,190)	(85,587)	(2,924)	**(249,808)**
Reinsurance balances	(569)	(272,007)	(135,438)	(1,753)	**(409,767)**
Other technical income	-	939	452	27	**1,418**
Net technical account	**(1,170)**	**81,395**	**38,308**	**4,900**	**123,433**

The underwriting policy and guidelines within FMIE rely on engineering risk assessments of client sites and the knowledge and experience within the Company regarding the likelihood and severity of losses. Premium is based on the loss prevention reports, the clients' commitment to risk improvement, as well as potential exposures. A key aim for FMIE is to retain the client base whilst also focusing on profitable growth through new business. These aims are aligned to the key result areas referred to previously.

The following table reflects the geographical breakdown of the gross direct written premium by country of risk.

	2024 €000	2023 €000
Germany	282,615	282,503
France	204,714	215,627
United Kingdom	114,572	-
The Netherlands	111,803	118,606
Spain	79,560	87,931
Italy	63,039	70,314
Other EU Member States	329,485	326,564
Other states outside the EU	39,808	38,853
Total	**1,225,596**	**1,140,398**

To mitigate the impact of claims on FMIE there is a significant reinsurance program in place which incorporates treaty, facultative, captive and group reinsurance. Captives will be used at the request of the client, with facultative or treaty reinsurance utilised as required. If the risk exceeds the treaty limit, additional facultative reinsurance can be purchased, within approved guidelines.

Investment Performance

FMIE invests primarily in equity and debt securities, the majority of which are held in the US market, with some additional deposits held in local currencies, as required by regulatory authorities.

The following table reflects the market value and book value of equity and debt securities.

	2024 Market Value €000	2024 Book value €000	2023 Market Value €000	2023 Book value €000
Equity securities	1,218,592	1,163,305	476,346	385,480
Debt securities	931,015	967,209	338,669	365,984
Total	**2,149,607**	**2,130,514**	**815,015**	**751,464**

The increase in the value of the investment portfolio compared to 2023 is primarily driven by the transfer of the FMI investment portfolio to FMIE, whereby equity securities with a market value of €611m and debt securities with a market value of €419m were transferred. In addition, the purchase of equity and debt securities during the year, together with increases in the market value of equities, contributed to the increase in the value of the investment portfolio.

Looking ahead, FMIE's investment strategy remains unchanged with the Company continuing to hold a significant portion of the investment portfolio in equity securities.

Management of the FMIE investments is outsourced to FMIC with the objective of strengthening the Company and FM's financial position and thereby the capacity to provide for the insurance needs of policyholders. These needs include stability and growth of policyholder surplus as well as liquidity to cover losses.

The following table reflects the investment performance for the year:

	2024 €000	2023 €000
Net investment income/(charges) - LuxGAAP	169,697	(2,818)
Net unrealised gains - Solvency II	19,093	63,550
Total	**188,790**	**60,732**

Total investment returns include a net unrealised gain on investments amounting to €19m (2023: €64m net unrealised gain) which is not recognised under LuxGAAP.

The Company's investment strategy takes a total return approach. FMIE holds a diversified portfolio of investments to provide the potential for growth while balancing risks and liquidity needs. Over the long-term, equity securities are an important contributor to returns in the context of a diversified portfolio. The Company is aware this investment approach may generate shorter term volatility and accepts this risk.

Performance of Other Activities

The only costs excluded from the technical account are investment charges and other income relating to intercompany services, neither of which are material.

There are no anticipated major costs in the future planning period.

Any Other Information

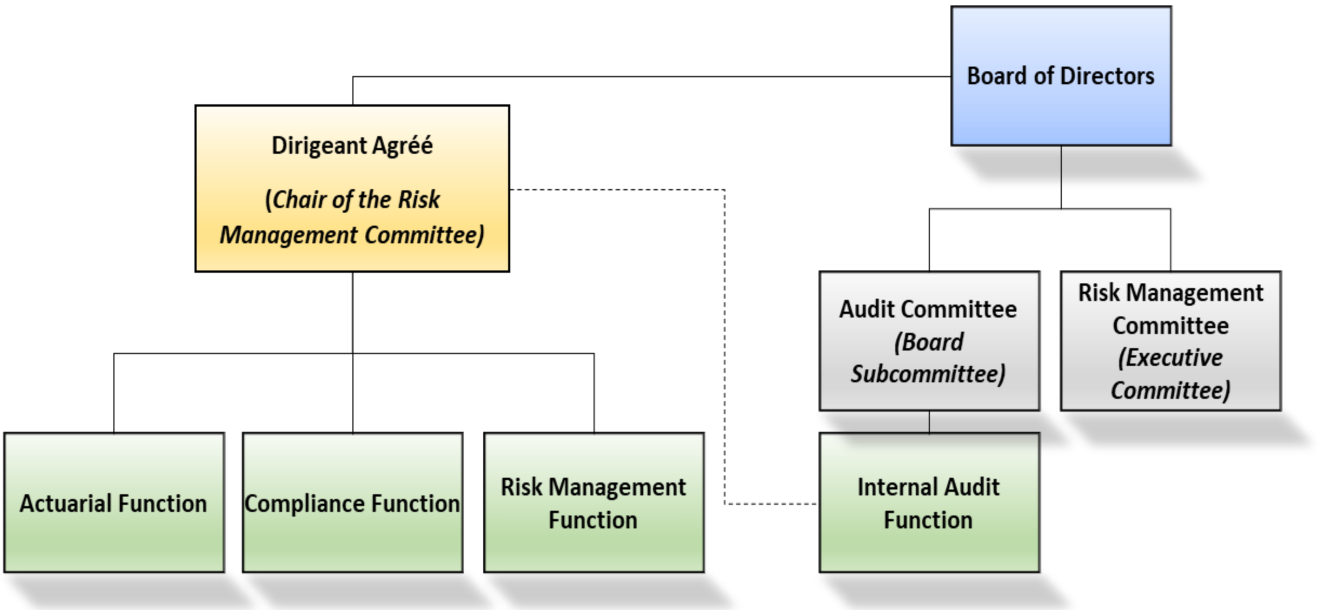
The Company is not aware of any other disclosures that need to be made at this time.

B. System of Governance

General Information

FMIE is governed by a Board which includes executive directors, non-executive directors ("NEDs") and independent non-executive directors ("INEDs"). The Board has overall responsibilities for the management of the business, the establishment of strategy, and capital allocation within FMIE. The Board meets at least three times a year. The Audit Committee and RMC assist the Board in fulfilling its responsibilities.

The system of governance is reflected in the diagram below:



The Audit Committee shall consist of no fewer than three directors, none of whom shall be an officer of the Company and meet at least twice a year. Their responsibilities include overseeing the Internal Audit Function, approving the external audit plan and reviewing both internal and external audit reports.

The Compliance Function of FMIE reports to the Dirigeant Agréé and has a key role in monitoring and ensuring compliance with the many regulations and statutory obligations to which an international insurance business is exposed. The responsibilities of the Compliance Function include ensuring that FMIE's risk management framework and controls comply with relevant requirements and reporting any identified gaps or breaches to the FMIE Board. The Compliance Function develops and administers policies, procedures, guidelines, and standards to ensure that FMIE complies with its legal and regulatory requirements such as anti-money laundering, financial sanctions, and anti-bribery and corruption. The Compliance Function releases the code of conduct and code of ethics on an annual basis and provides training to employees as required.

FMIE has a compliance risk policy which details the specific compliance areas relevant to the Company and an internal control policy which describes the internal control system and the monitoring in place to ensure the control system is working effectively. The Head of the Compliance Function is the Compliance Officer.

The FMIE Compliance Officer is a member of the RMC and will report at each meeting on any compliance issues that may have arisen as well as reporting on the progress of any open compliance matters. Nothing of note has been reported in the past year. The FMIE Compliance Officer reviews reports and consults with the RMC on any material breaches of risk limits and on the adequacy of proposed action provided by the RMC after considering the regulatory environment. Further, the Compliance Officer monitors changes in FMIE's regulatory environment and communicates relevant changes to management and employees, as required.

The following Solvency II key functions are established within the Company with clear reporting lines, as shown on the above diagram:

- Actuarial Function;
- Compliance Function;
- Internal Audit Function; and
- Risk Management Function.

The Risk Management System section B.3 provides more details on these functions. There have been no material changes to the system of governance during the reporting period.

In accordance with its remuneration policy, FMIE ensures that "base pay is structured to ensure employees are paid competitively for their role taking into account the competitive practice of each country in which it operates". FMIE neither remunerates nor assesses the performance of its employees in a way that conflicts with an employees' duty to act in accordance with the best interests of prospects or policyholders. FMIE may award incentive payments to its employees during specified performance periods and in accordance with applicable incentive plans, which are intended to provide employees with variable compensation for performance that contributes significantly to the sustained success of the Company.

The independent non-executive members of the Board are paid a retainer by FMIE and do not participate in the incentive plans.

As outlined in section A.2, the incentive scheme is principally based on the three KRA's. Each of these KRA's have targets set for each calendar year which are approved by the Board.

The KRAs and incentive plans therefore align with the overall performance of FM and restrict the potential for incentive driven strategies that do not benefit the overall FM group.

Fit and Proper Requirements

FMIE has a 'fit and proper' standard in place which applies to those employees of FMIE that are within scope of fit and proper requirements. The standard outlines how such employees are identified, the assessment criteria, the assessment process and the process to maintain compliance with the requirements.

The purpose of the standard is to ensure persons occupying key positions within the business possess appropriate qualifications, knowledge and experience. Such persons must be of good repute and integrity, meeting the criteria specified in Articles 72 and 73 of the Luxembourg Law of 7 December 2015 on the insurance industry (the "Luxembourg Insurance Law").

Persons occupying key positions within FMIE include:

- Directors;
- Dirigeant Agréé;
- Key Function holders under the Luxembourg Insurance Law; and
- Legal Representatives/Branch Managers.

The standard is maintained by the Law and Governmental Affairs ("L&GA") function and at a minimum reviewed and approved annually by the RMC. The RMC monitors compliance with the standard and has ultimate responsibility for ensuring the relevant employees are identified and meet the requirements of the standard.

There is an ongoing responsibility for both executive management and those persons occupying key positions to maintain their fit and proper status throughout their tenure in that role.

Risk Management System

The Board and management recognise the importance that risk management plays in ensuring the business is able to fully capitalise on the opportunities available to it as well as in mitigating potential loss. Risk management is an integral part of the strategic planning process of FMIE and is incorporated into the business plan. The Board aims to ensure that effective risk management practice remains embedded in the Company culture and throughout activities performed within the Company.

Risk management can be evidenced throughout the business processes of FMIE. A Risk Report is prepared by engineers when they conduct site visits at the insured's location (or a prospect's location in the case of potential new business). The Risk Reports are used by the account teams to underwrite an account, set limits and deductibles, and buy reinsurance if needed. Copies of the Risk Reports are also provided to the insured to advise them of any recommendations to improve the risk quality at the visited location. There are also additional tools available to the account teams and engineers to assist them in their assessment of risk and in the communication with the insured (e.g. underwriting guidelines, MyRisk, RiskMark scores etc.).

The FMIE RMC was established to provide oversight of the Company's risks and risk management systems. As noted previously, it is an executive committee that has the power to make decisions regarding the Company's risk management policies and practices.

The RMC is comprised of several members of the senior management team including:

- Dirigeant Agréé;
- Division Manager;
- Finance Manager;
- Actuarial Key Function Holder;
- Compliance Key Function Holder;
- Risk Management Key Function Holder;
- Engineering Manager;
- Underwriting Manager;
- Claims Manager; and
- Branch Manager of any Branch writing insurance pursuant to a license that is separately regulated from the license issued and regulated by the CAA in Luxembourg.

The RMC is responsible for setting and maintaining the risk management policy and ensuring it is consistently applied across FMIE. It is also responsible for the risk appetite framework which details the limits and tolerances the Company will accept in each of the key risk areas.

Subject matter experts contribute to the identification of the risks faced by the Company, which are then evaluated and reviewed by the RMC. Risks that have the greatest potential for adverse impact are held in a Company risk register which is monitored and regularly reviewed by the RMC. These risks cover all areas of the business including, but not limited to; market, underwriting, credit, group, liquidity and compliance risk. The criteria for risks to be included on the Company risk register are based on a combination of severity and frequency factors along with the judgement of the RMC. Each risk on the register must be reviewed by the risk owner at least annually, however, risks with a high rating are reviewed more frequently.

The risk management framework is subject to enhancement and improvement as opportunities to do so are identified. The current framework includes:

- A strongly embedded risk appetite monitoring control system;
- Alignment of the risk register with the FM group; and
- Thorough reviews with Company experts.

WTW performs a periodic review of the technical provisions alongside appropriate technical support on the Igloo software platform utilised for FMIE's Solvency II capital modelling purposes. PwC Luxembourg provide expert technical and actuarial support on Luxembourg regulatory matters and support the preparation of the actuarial report to the CAA.

The risk appetite monitoring system is based on the tolerances and limits outlined within the risk appetite framework. The risk appetite of FMIE is focused on the key risks and therefore the majority of tolerances and limits relate to underwriting risk. These include targets for the combined ratio, premium retention and new business, as well as policy limits. The framework is regularly reviewed to ensure ongoing alignment with the business and its exposures. The framework is a working document and as such is expected to evolve with the business.

The RMC reviews, monitors and documents significant risks. Strategies and operational controls are considered and evaluated to ensure the minimisation and effective management of each risk. There is a standing item on the RMC agenda to consider the potential for any new risks, arising from operational changes, outsourcing changes or emerging risk areas. The discussion will include whether to re-run the ORSA process in order to quantify the potential effect on capital. To assist with the identification of new risks there are policies in place for each of the risk categories, reviewed at least annually, which define that risk area and provide examples of the types of risks to be considered and potential controls to mitigate that risk.

The materiality of risks is determined during the development of the risk profile by considering the consequences, likelihood and controllability of each risk. The assessment of risk is based on quantitative and/or qualitative factors.

The risks from the risk register are a key input into the solvency capital model. The RMC are involved in the review of the ORSA and their familiarity with the risks involved gives them a good understanding of the expected capital charge and coverage.

In addition to risks identified in the risk register, FMIE's approach is to minimise risk internally as demonstrated by the levels of review and audit within the Company. Regular audits of engineering, claims and underwriting processes and procedures take place in order to ensure that systems and controls are adequate and being followed. In addition, whenever a significant claim occurs, a review of the underwriting and engineering assessments for that location occurs to determine whether any lessons can be learned and applied going forward.

Assets held for solvency purposes are segregated between long and short-term holdings. Short-term assets are held for working capital purposes and with a policy of neutrality on foreign currency. Cash deposits and short-term investments are held in US Dollars, unless required for a specific liability, in which the amount required would be held in the relevant transaction currency, if appropriate.

Short-term assets are held to provide the day to day working capital for the Company. The level of assets held is based on rolling 12-month cash flow forecasts prepared at a currency level. Any excess cash is put into long-term investments in accordance with the investment policy.

FMIE's long term assets are managed on behalf of FMIE by the FMIC Investment Department. It is expected that equity securities will provide superior long-term returns vs. debt securities, albeit with greater volatility.

ORSA

The ORSA process is completed annually starting in May in order to have the results available for the business strategy planning process each year.

In certain circumstances an additional interim or partial ORSA will be run. Examples of the potential triggers for an interim or partial ORSA include:

- Changes to the business structure;
- Significant proposed changes to the investment portfolio; and
- Changes to strategy arising during the planning process.

This list is not exhaustive, and at each RMC meeting any significant changes to the business or the risk register are discussed and the need for a partial or full ORSA considered.

The ORSA is a method of assessing, in a continuous and prospective way, the solvency of an entity, the potential to deal with severe loss scenarios and the ability to continue operating as a going concern. The ORSA process is clearly defined within the ORSA policy, outlining specific action items that are followed to ensure all material and emerging risks are considered within the modelling process. It forms an important component of the risk management framework, culminating in the creation of an ORSA report at a minimum on an annual basis.

The RMC drives the ORSA process by reviewing key inputs as well as performing a preliminary review of the outputs. The Board has ultimate control of the process and performs the final review and sign off.

A review is performed of the levels of coverage arising from each solvency calculation, with FMIE's own solvency assessment compared against the regulatory solvency assessment to determine whether additional cover is required. As FMIE is currently well capitalised no further actions were required as a result of the latest review.

Internal Control System

FMIE has a strong control environment in place throughout the business and this is modelled on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework. Thus, the internal control system within FMIE consists of five key components, namely:

- Control environment;
- Risk assessment;
- Control activities;
- Information and communication; and
- Monitoring activities.

These headings will be used to describe the FMIE internal control system, including any details on the key procedures in place.

Control Environment

The Board and senior management of FMIE lead by example regarding the importance of internal control and play an integral part in setting the expectations at all levels within the Company. The Audit Committee addresses key components of the internal control system, as outlined in section B.1.

The RMC, with oversight from the Board, regularly reviews, approves, and monitors adherence to the various policies that govern FMIE management and employees.

There is a specific Compliance Function which monitors and maintains compliance with the many regulations and statutory obligations to which an international business is exposed.

Risk Assessment

FMIE has an established process for identifying and assessing the risks involved in achieving the business' objectives. As noted above, a risk register is used and overseen by the RMC to identify, assess, rate and record the significant risks faced by FMIE.

The risk register also serves as a tool for Internal Audit in the development of the annual risk-based audit plan.

Control Activities

Control activities support the internal control system within FMIE and are closely aligned with risk assessment. Management are tasked with enacting policies and procedures that help to prevent, detect or otherwise mitigate the risks identified in the ongoing risk assessment process.

Control activities are built around the general business processes, such as treasury and accounts payable, as well as processes specific to the insurance industry, such as underwriting and claims management. Technology related controls deal with information security, system change management and data back-up.

The types of controls that exist within the business include, but are not limited to:

- Reconciliations;
- System controls;
- Authorisations and approvals; and
- Physical controls.

In implementing each of the control activities in the business, consideration is given to the segregation of duties to reduce the possibilities of controls being overridden.

Information and Communication

Information is important in helping the business achieve its objectives and this includes information regarding the internal control system.

Information about the business' objectives is primarily disseminated by senior management to management and employees through their reporting lines. In addition, there are various other forums, both physical and online, through which Company information is communicated.

Departmental level information is also widely collected to help measure performance, record exceptions and determine any additional measures that are necessary.

Management communicates externally to clients, brokers, vendors and the public through meetings, annual reports, articles in industry publications, and various marketing initiatives.

Monitoring Activities

There are various forms of ongoing and independent evaluations to monitor the internal control system. These could be conducted by internal or external resources.

Separate evaluations are performed by both Internal Audit and staff auditors. Internal Audit is tasked with carrying out evaluations on various aspects of the business; financial, operational and compliance. Findings are reported to management and to the Board through the Audit Committee.

In addition to the work performed by Internal Audit, there are discipline specific evaluations performed by staff auditors. Examples of these include:

- Claims audits;
- Engineering audits;
- Operations audits;
- Processing audits;
- Underwriting audits; and
- Health and Safety audits.

Compliance Function

FMIE is committed to managing its exposure to compliance risk in accordance with the agreed risk appetite. To properly address the risk, FMIE maintains an effective relationship and remains in good standing with the CAA in Luxembourg and its host regulators in the territories where FMIE is licensed to write insurance and reinsurance business.

The risk appetite framework is used to advise management of the risks to which the Company is exposed. Any potential or existing risks are measured against the framework, and the results and outcomes of actions are monitored to ensure they remain within acceptable limits. The risk appetite and tolerances are subject to review by the RMC to ensure that they remain relevant and achievable.

FMIE's appetite for compliance risk is based upon the assumption that insurance companies are heavily regulated businesses. The loss of or any significant restriction on any of FMIE's licenses would impair FM's ability to meet the needs of its policyholders and thus represents a threat to the business. Serious or persistent non-compliance with the rules and regulations of FMIE's home and host regulators could lead to the loss of, or a substantial restriction to, one or more of its insurance permissions. Appropriate systems and controls must therefore be maintained and monitored to ensure that FMIE remains in good standing with its home and host regulators, and to ensure that any instances of non-compliance are promptly and effectively identified, assessed and addressed.

Internal Audit Function

FMIE considers Internal Audit as an independent appraisal function tasked with examining and evaluating Company activities on behalf of management and the Board. The mission of Internal Audit is to support the management and employees of FMIE in the effective discharge of their responsibilities, by providing an independent and objective assurance and advisory function.

The Internal Audit Function with responsibility for FMIE is based in Luxembourg and headed by the EMEA Internal Audit manager. The EMEA Internal Audit manager holds the Head of Internal Audit position to the FMIE Audit Committee and reports to the Group Chief Auditor. Bi-annually the EMEA Internal Audit manager will submit to the Audit Committee a written report on the activities of the Internal Audit Function in the preceding auditable period and also makes an oral report to the Audit Committee. The EMEA Internal Audit manager may confer with the Audit Committee or directly with the Chair of the Audit Committee or any other member of the Audit Committee, including the INEDs, outside the presence of Company officials on any subject relevant to Internal Audit's area of responsibility.

On an annual basis, a risk based Internal Audit plan is developed and presented to the Audit Committee for approval.

The Internal Audit annual plan is a risk-based plan that includes three major categories of work: (1) audit procedures related to internal control over financial reporting; (2) engagements related to regulatory compliance; and (3) risk-based internally focused audits.

(1) Audit work related to the internal control over financial reporting includes the evaluation of internal controls at the significant financial business processes level. A financial business process is considered significant primarily based on quantitative factors, including the financial misstatement effect.

(2) Certain regulations require or advise Internal Audit to perform periodic audits including, but not restricted to, compliance with the Solvency II requirements of Pillar 2, Governance and Risk Management. These are included in the audit plan as appropriate.

(3) Identification of the internally focused audits is based on a risk assessment process. Internal Audit constructs an audit universe based on their knowledge of the business and discussions with various levels of management. The audit universe is made up of auditable areas which are mapped to other assurance activities within the Company. Internal Audit meets with the other assurance providers to understand the nature of their work and to determine what areas require internal audit coverage. The auditable areas covered by Internal Audit are assigned a risk rating and ranked using a risk assessment formula to ensure the most effective use of Internal Audit's resources.

The risk assessment model considers the following factors when assigning a risk rating to each auditable area:

Likelihood of Control Issues	Impact of Control Issues
Result of prior audits Time since the last audit Complexity of the process Automated or manual process Management/Pesronnel competency Degree of change in the audit area Susceptibility to fraud	Efficiency/Effectiveness effect Solvency impact Service to clients Employee relations Regulatory Materiality

The ranking of auditable areas as high, medium or low risk helps determine whether to include them in the audit plan for that year. Additional audits and advisory assignments may also be performed outside of the annual audit plan if circumstances dictate, or if requested by management following a change in processes and/or procedures.

Before the commencement of each audit, an audit announcement memorandum will be distributed to management by the Chief Auditor. This details the agreed scope and timing and sets out any other information pertinent to the audit.

A written audit report will be prepared and issued to management by the Chief Auditor following the conclusion of each audit. There is an overall report owner to whom the report is addressed, and any findings noted in the audit are assigned an action owner. The action owners are responsible for remediating their respective findings by a target date agreed with Internal Audit.

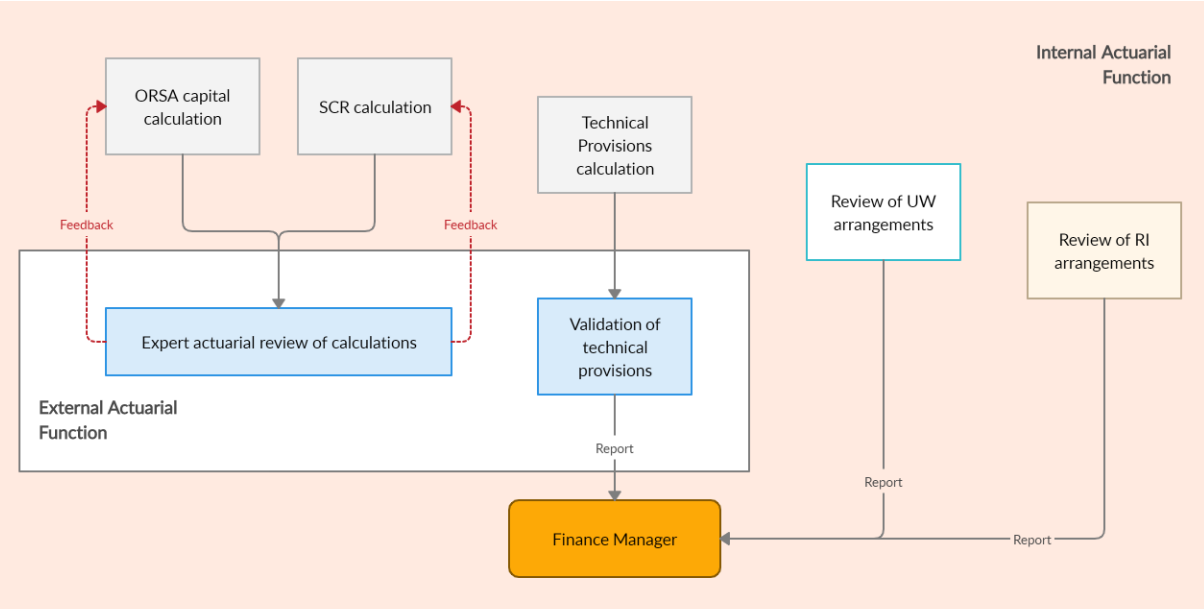
The report owner is responsible for ensuring that progress is made towards correcting any unsatisfactory audit findings and Internal Audit is responsible for determining whether action taken is adequate to resolve the findings. If the action is not adequate, Internal Audit will inform management of the potential risk and exposure in allowing the unsatisfactory conditions to continue.

The Internal Audit Function is structured so that it maintains its independence and objectivity from the activities it reviews. The Internal Audit Function is independent from the business and has direct access to the Audit Committee. With the exception of Operations, which are subject to discipline-specific audits carried out by staff audit functions, Internal Audit perform audits on all areas of the business based on the risk assessment model described above, ensuring that higher risk areas are audited more frequently than lower risk areas. Internal audit also evaluates the audit methodologies of the staff audit functions mentioned above.

Actuarial Function

The Head of the Actuarial Function is the Finance Manager who is supported by other members of the Finance department. Expert advice from external actuarial providers and from experts in other areas of FM is obtained as required to cover the obligations of the Solvency II Regulations. The Actuarial Function consists of individuals who have sufficient knowledge of actuarial and financial mathematics to ensure accurate calculations are prepared internally and that there is a robust review of any expert advice provided.

Below is an overview diagram of the workflow and tasks within the Actuarial Function:



An actuarial function policy is in place which clearly defines the division of tasks between the Internal Actuarial Function and the External Actuarial Function. The policy is reviewed at least annually by the RMC. The external actuarial experts have knowledge of capital modelling for general insurers as well as general knowledge of actuarial practices within the insurance industry. In accordance with the outsourcing policy and the outsourcing agreement for actuarial support, PwC Luxembourg supports the preparation of the annual actuarial report. WTW provides an independent validation of the Solvency II technical provisions.

The external actuarial experts report directly to the Finance Manager and work closely with the Finance department as required. Additional ad-hoc work may be required during the year, outside of the predetermined responsibilities, and will be agreed with the Finance Manager at that time.

The reviews of the reinsurance (“RI”) and underwriting (“UW”) arrangements are conducted by experts within FMIC which have sufficient knowledge and skills to accurately perform the review. A written report is provided by the experts to the Head of the Actuarial Function on an annual basis which expresses an opinion on the overall adequacy of the reinsurance and underwriting arrangements. These reviews were performed during 2024 and confirmed that all arrangements are in accordance with Article 272 of the Solvency II Delegated Acts.

FMIE has committed to completing a formal review of the technical provisions every two years supported by the fact that no high priority recommendations were made as a result of previous reviews and that there have been no changes in the technical provision calculation process. The latest formal review by WTW occurred during the second half of 2024 involving experienced professionals with sufficient expert judgement to review the calculation.

Consistent with previous reviews WTW concluded that overall FMIE's technical provisions met the validation requirements as set out in Article 264 of the Delegated Act. There were no high priority recommendations. Minor recommendations made by WTW will be considered as part of a process review and improvement cycle.

Outsourcing

From time to time, FMIE may outsource business activities, to other parties, in accordance with its comprehensive outsourcing policy, whose purpose is to provide guidance on how to identify and appropriately manage the risks associated with outsourcing. The policy is available to any employee who may be involved in setting up an outsourcing arrangement and provides guidelines on the levels of agreement that are acceptable to FMIE, as well as to comply with applicable regulatory requirements.

The policy has been developed to ensure that potential service providers have the ability, capacity and authority to perform the function. The policy broadly covers:

- The process to be followed in identifying potential suppliers of outsourced services.
- The terms to be included in the outsourcing contract.
- Supervision of the outsourced services.
- Management and monitoring of the contract.
- Contingency arrangements and the process to be followed on exiting contracts.

The table below shows the critical functions or activities outsourced by FMIE and the jurisdiction in which the service providers are located:

Outsourced functions/activities	Description	Jurisdiction of service provider
Information& Technology (IT)	Elements of the provision of IT services and support are outsourced to FMIC.	United States of America
Investment management	All investment management activities are outsourced to the FMIC Investments function.	United States of America
Reinsurance structuring	The sourcing, placement and management of the reinsurance programme is outsourced to the FMIC Reinsurance function.	United States of America
Actuarial function	Provision of data analytics support by FMIC.	United States of America

Any Other Information

FMIE has a robust governance system. There have been no material changes within the system of governance over the reporting period. All the relevant points have been detailed in this report and there are no further disclosures required at this time.

C. Risk Profile

Non-Life Underwriting Risk

Central to the business model is that underwriting risk within FMIE is accepted and managed within the agreed risk parameters. As a result, this area is very closely monitored and regulated through:

- Clear and specific underwriting guidelines;
- Well defined systems of training and monitoring;
- Regular process audits;
- General business controls as detailed in the Internal Control section of this document; and
- Regular risk appetite monitoring.

FMIE has a significant reinsurance program with a number of treaties available, which provides additional cover for those risks that expose FMIE to potentially significant claims outside of the risk appetite. In addition, FMIE can purchase facultative reinsurance, as necessary.

On a local level, the pricing structure is set to take into consideration the concentration of clients and reinsurance is used to limit FMIE's exposure as needed. The risk exposures for any new clients are considered alongside the existing exposures and any concentrations of risk are considered. Due to the wide geographical spread of the FMIE business, the potential for a concentration of risks to significantly affect capital levels is limited.

The underwriting risk within the SF calculation generates a capital charge of €166m (2023: €109m). The increase in underwriting risk is driven by an increase in written premium and higher levels of reserves for the current year. The table below contains the elements of the non-life underwriting capital charge that forms part of the SCR:

	2024	2023	Variance
	€000	€000	€000
Lapse risk	3,026	340	2,686
Catastrophe risk	71,178	59,481	11,697
Premium & Reserve risk	91,741	49,589	42,152
Total Underwriting Risk	**165,945**	**109,410**	**56,535**

There are strong controls around the calculation of the underwriting risk within the SF including the review of inputs and parameters by management, sensitivity testing, and management review of the results.

Market Risk

Market risk is the most sensitive area of the FMIE SF model due to the level of US Dollar investments held and the number of currencies in which FMIE transacts. Both items could potentially lead to significant losses.

Market risk is rated medium on the risk register and is monitored closely by the RMC. Several sensitivity tests have been run on this risk area and any significant investment decisions are run through the SF and the ORSA model to assess the potential impact. The results of this sensitivity testing can then be compared to the risk appetite of FMIE so the Board can evaluate the impact of the change.

As FMIE holds and transacts business in a number of currencies, a certain level of market risk exists. Strict guidelines are in place regarding levels of currency, asset/liability matching and investment practices.

The type of assets held by FMIE are a key driver of the capital charge and an area where management decisions can have a significant effect.

There is no current plan to change the investment strategy.

The following table shows the SF capital charge in respect of market risk.

	2024 €000	2023 €000	Variance €000
Interest rate risk	76,583	26,199	50,384
Equity risk	327,733	127,196	200,537
Property risk	8,064	5,779	2,285
Spread risk	46,185	17,805	28,380
Currency risk	364,634	140,801	223,833
Concentration risk	129,464	42,925	86,539
Total Market Risk	**952,663**	**360,705**	**591,958**

The increase of the market risk is primarily attributable to equity risk, currency risk and concentration risk.

The increase in equity risk is primarily driven by the transfer to FMIE of the FMI investment portfolio, which included equity securities of €611m, together with purchases of new investments made during the year and an increase in the market value of assets held during 2024.

In addition, the symmetric adjustment ("SA") factor, a mechanism to smooth the volatility of the markets, increased from 1.45% to 2.85% during the year, generating a higher equity risk charge.

The change in the symmetric adjustment factor (issued by EIOPA) and its impact on equity securities is calculated monthly throughout the year and reported to management. A significant change in this factor can have a material impact on the solvency ratio.

The currency risk charge is calculated for the exposure the Company has to currencies other than the Euro. The increase in the currency risk charge is mainly driven by the transfer of the business from FMI, which included US Dollar denominated investments, along with transfers of cash, debtors, creditors and technical reserves mainly denominated in GBP and USD.

Equity securities are the key driver of the concentration risk capital charge, with the higher value of equity holdings leading to an increase in the concentration risk charge compared to 2023.

Interest rate risk has increased compared to the prior year due to an increase in net asset values included within the calculation of this risk (debt securities and net technical provisions), resulting in an increase in future cash flows, further impacted by an increase in interest rates.

The property risk charge is in respect of leased office premises.

The spread risk is driven by the level of debt securities held by the Company, the increase in 2024 is driven mainly by the transfer of the FMI investment portfolio to FMIE, which included debt securities of €419m.

The market risk capital charge is within the risk appetite of the Company and there is sufficient capital to cover this charge.

Counterparty Risk

The FMIE policy is to only use reinsurers that meet a specified surplus threshold who have an acceptable credit rating, unless an exception has been granted by FM Staff Underwriting. Historically there have been no instances of reinsurer default. FMIE's largest single reinsurer is FMIC which is rated AA by Fitch Ratings, A+ by AM Best, and AA- by Standard and Poor's; therefore, FMIC is considered unlikely to fail.

The non-rated reinsurance entities used by FMIE are typically captives that are used at the request of the client. As these entities do not have ratings, to mitigate potential exposure to default there are contracts in place which specify that any monies must be received from the captive before FMIE pays the client.

The total counterparty default charge within the SF is €132m (2023: €123m), driven by exposure to reinsurers and insurance receivables.

Liquidity Risk

This is not considered a key risk area for FMIE as the investment policy requires that cash in the relevant currency is held against any large outstanding claims. To assist in managing liquidity on a day-to-day basis, a 12-month rolling cash flow forecast is used to forecast claims payments along with income and reinsurance receipts due, to ensure appropriate levels of operational cash are maintained.

Expected profits included in future premium are €24m at 31 December 2024 (2023: €59m). Refer to the reporting template S.23.01.01 included in the appendices for further detail.

Additionally, to support liquidity management, there is also an arrangement in place with FMIC which provides that if required, the reinsurance due from FMIC will be paid in advance, to fund the payment to the client. This facility is considered on a claim-by-claim basis. Historically, a similar arrangement has proven to be very effective for other group entities following significant catastrophe events.

Operational Risk

Operational risk represents the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. The key risk areas are monitored through the risk register and the risk appetite framework. They are reviewed at RMC meetings to ensure management are aware of the risks, they are being adequately controlled, and mitigation efforts are in place, if deemed necessary.

There is very little concentration of risks within the operational risk area of the capital modelling as these are mostly very disparate events with little or no correlation with each other. As a result, the individual elements of this risk area are not very sensitive and a change to one will not have a significant effect on the overall operational risk charge for the ORSA model.

The SF charge for operational risk is a calculation based either on the technical provisions or earned premium. The total operational charge from the SF model for 2024 is €35m (2023: €33m).

The operational risk charge has increased compared to the prior year, driven by a higher level of gross earned premium.

Other Material Risks

In addition to the above risk categories the Company also considered group risk and the risk of climate change.

Group risk is not considered significant for FMIE, as FMIC is very highly rated and unlikely to fail within a 99.5% confidence level. As at 31 December 2024, FM had US$26.0bn in capital.

If FMIC were to fail, this would be the most extreme scenario for FMIE as it would mean the potential loss of many clients and would likely cause FMIE to fail. This is considered as part of the reverse stress testing as it is such an extreme scenario and outside the parameters of the model calculations.

The main risk for FMIE is that FMIC does not meet their financial obligations as they are FMIE's largest reinsurer. As noted above, FM is very highly rated indicating they are unlikely to default. FMIC also held US$1.7bn of available cash on their balance sheet at 31 December 2024. In addition, defaulting on FMIE would mean losing one of their international bases of operation thereby altering FM's business model. The risk of FMIC defaulting on its reinsurance balances with FMIE is included within the counterparty risk section of the model in the same way as for any external reinsurer.

FMIC provides support services to FMIE, including investment management and system support, however the Company could continue to function in the short-term using local resources until new contracts were agreed. As the likelihood of FMIC not meeting their financial obligations is low and there are strong controls and mitigation in place, the overall rating of this risk is rated low and therefore not separately modelled within the ORSA.

All services provided by FMIC are covered by a group risk on the risk register which is reviewed at least annually by the RMC. In addition, the reinsurance exposure of FMIE to FMIC is monitored monthly as part of management reporting and is included in the risk appetite monitoring control sheet which is distributed to the RMC. There is an agreement in place to settle reinsurance balances quarterly which also limits FMIE's exposure to FMIC.

The ORSA capital model takes into consideration the fact that the failure of FMIC will also mean the cessation of the stop loss cover. If a simulation has calculated that FMIC will go into default, then the stop loss and amount ceded on expenses is also considered unrecoverable. A large capital charge for this scenario is generated within the extreme tail of the model, outside of the 99.5% confidence level.

The SF model does not have the facility to fully account for the stop loss cover, with the stop loss only included within the catastrophe risk calculation in the underwriting risk component of the SF. The catastrophe risk element of the calculation is capped at the limit of the stop loss treaty which results in a high level of reinsurance being generated. This reinsurance is initially assigned to any available treaties with amounts generating risk in excess of the stop loss attachment point allocated to FMIC. All reinsurance amounts generated through this calculation are included within the counterparty default charge. The remainder of the SF calculation does not include any further adjustments for the stop loss. The Board understands that this generates a higher SCR, however they are comfortable that there is sufficient capital in place and that the SF remains appropriate for the Company.

As a market leader in property loss prevention, FM will continue to evaluate climate change and its evolving risk. To better understand climate-related risk, FM has more than 140 researchers, scientists, engineers and technicians dedicated to evaluating the potential for natural and technological catastrophes, developing innovative methods and tools to predict and prevent property damage, and providing technically sound and cost-effective loss prevention engineering solutions to clients. FM believes one of the most effective strategies to address climate-related risks is to help clients identify, assess and manage their climate-related exposures.

The evolving risk of climate change is regularly discussed by the RMC and considered by the Board, resulting in a climate change scenario within the ORSA. The three largest natural hazard exposures for FMIE have been identified by the FM data analytics team and are included within the ORSA model. Risks associated with climate change are incorporated into the location-based approach to underwriting, research and the risk assessments carried out by FM engineers. These risks are priced into the business and as a market leader in property loss prevention, FM continually evaluates risk associated with climate change. The RMC believe that the primary risks to the business from climate change are inherently included within underwriting risk. The potential effect of horizontal risk further increases the frequency and severity of the natural hazard exposures, a driver of which could be climate change. The RMC therefore feel this scenario appropriately captures the primary risks to the business from climate change as part of the 2024 ORSA.

Any Other Information

Sensitivity and scenario testing is performed during the modelling process to assist in both understanding the effect of movements within a specific risk area and illustrating the interaction of the risk areas within the overall capital charge.

The stressed model parameters are recommended by the Solvency II modelling team and agreed with the RMC based on areas considered to be key risks for FMIE. The testing affecting individual risk areas has been discussed previously in this report. The tests performed on the ORSA model differ from those within the SF model.

The sensitivity testing completed on the SF model included the following:

- Converting equity securities into debt securities;
- Reducing all counterparty ratings by one credit quality level;
- Reducing FMIC's rating by one credit quality level; and
- Adjusting the market risk parameters.

The results of these tests reflect the significance of each area on the capital charge and offer management focused information to review business decisions and take a strategic view. A summary of the results are as follows:

	Final Submission €000	Convert US Dollar Equity securities into debt Securities €000	Reduce all counterparties by 1 credit level €000	Reduce only FMIC by 1 credit level €000	Adjust market risk parameters €000
Non-Life risk	165,945	165,945	165,945	165,945	165,945
Market risk	952,663	735,949	952,663	952,663	1,018,537
Counterparty risk	132,194	132,194	149,677	139,729	132,194
Operational risk	34,903	34,903	34,903	34,903	34,903
Diversification	(194,142)	(186,575)	(204,008)	(194,823)	(195,873)
Total SCR	**1,091,563**	**882,416**	**1,099,180**	**1,098,417**	**1,155,706**
Solvency II available Own Funds	**2,132,446**	**2,132,446**	**2,132,446**	**2,132,446**	**2,132,446**
Solvency ratio	**195.4%**	**241.7%**	**194.0%**	**194.8%**	**184.5%**

The sensitivity tests above demonstrate equity securities are a key driver of the solvency capital charge. The scenario providing the greatest capital coverage for FMIE would be to convert the equity securities into debt securities which, even if retained in US Dollars, would result in a decrease of the SCR to €882m and an increase in the solvency ratio to 241.7%, as shown above.

The symmetric adjustment factor is a market risk parameter prescribed by EIOPA designed to smooth the volatility of equity markets over several years. The Solvency II regulations state that the SA can vary between -10% and +10%, which can have a significant impact on the market risk capital charge. The scenario with the most significant downside impact on the SCR and the solvency ratio is the increase in the symmetric adjustment factor from the year-end percentage of 2.86% to the maximum of 10%. This scenario would result in an increase of the SCR to €1,156m and a decrease in the solvency ratio to 184.5%.

Reducing the credit ratings of all reinsurance counterparties by one credit level does not have a significant impact on the solvency ratio. This scenario would result in an increase of the SCR to €1,099m and a decrease in the solvency ratio to 194.0%. Management reviews this area regularly and has strict rules in place for utilising new reinsurers.

D. Valuation for Solvency Purposes

Assets

The asset valuations are based on the methods prescribed by the Delegated Acts. The following table reflects the values and differences to those recorded in the LuxGAAP FS as at 31 December 2024.

	LuxGAAP €000	Solvency II €000	Difference €000
Deferred acquisition costs	7,664	-	7,664
Pension surplus	-	112,955	(112,955)
Property, plant & equipment	17,959	75,213	(57,254)
Investments	2,130,574	2,159,453	(28,879)
Reinsurance recoverable	757,287	450,100	307,187
Insurance receivables	266,424	14,330	252,094
Reinsurance receivables	81,129	97,318	(16,189)
Receivables (trade, not insurance)	119,649	119,649	-
Cash and cash equivalents	239,319	239,319	-
All other assets	425,595	88,675	336,920
Total assets	**4,045,600**	**3,357,012**	**688,588**

As at 31 December 2023

	LuxGAAP €000	Solvency II €000	Difference €000
Deferred acquisition costs	4,290	-	4,290
Property, plant & equipment	12,070	47,857	(35,787)
Investments	751,464	821,969	(70,505)
Reinsurance recoverable	567,498	367,882	199,616
Insurance receivables	264,391	314	264,077
Reinsurance receivables	70,125	852	69,273
Receivables (trade, not insurance)	90,502	90,502	-
Cash and cash equivalents	146,790	146,790	-
All other assets	92,564	71,767	20,797
Total assets	**1,999,694**	**1,547,933**	**451,761**

The bases of valuation for the material classes of assets are provided below.

Deferred Acquisition Costs

Deferred acquisition costs are not recognised under the Delegated Acts and therefore the Solvency II balance sheet value is €nil.

Pension Surplus

Pension scheme assets are measured at fair value and the liabilities are measured on an actuarial basis using the projected unit method and are discounted at the current rate of return of a high-quality corporate bond of an equivalent term and currency to the liabilities.

The net pension surplus is recognised to the extent it is considered recoverable through an unconditional right to a refund or in a potential reduction of future funding contributions.

Property, Plant & Equipment

Property, plant and equipment is held at cost less depreciation under both Lux GAAP and Solvency II, which approximates the fair value based on a current replacement costs basis.

In accordance with the principles of IFRS 16: Leases, under Solvency II all material lease commitments have been capitalised and recognised as assets within this category on the balance sheet.

Investments

Investments are comprised of equity securities and high-grade debt securities.

Under LuxGAAP basis, equity securities are held at the lower of acquisition cost or market value. Debt securities are held at amortised cost. Investments under Solvency II are held at fair value, measured on a market value basis consistent with Article 10(2) of the Delegated Acts.

Equity securities are financial assets that are measured by reference to published quotes in an active market, with quoted prices readily and regularly available from an exchange, dealer, or broker that represent actual and regularly occurring market transactions on an arm's length basis.

Debt securities are financial assets measured using valuation techniques based on assumptions that are supported by prices from observable current market transactions. Debt securities are priced by an independent vendor using evaluated market pricing models.

Under Solvency II, accrued interest is disclosed as part of the investment valuation. By comparison, under LuxGAAP, accrued interest is disclosed separately as part of other assets

Investments in affiliated undertakings and participating interests are valued using an adjusted equity method.

Reinsurance Recoverable

Details related to the valuation of technical provisions are provided in section D.2.

Insurance and Reinsurance Receivables

Insurance and reinsurance receivables are recorded at transaction price. Due to the short-term nature of the balances, they are held at an undiscounted amount. Under Solvency II the portion of insurance receivables not past due for collection are reclassified into the technical provisions.

Receivables (Trade, not Insurance)

Receivables in the balance sheet are comprised of other debtors and are recorded at transaction price.

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

All Other Assets

Included within all other assets is an amount of €88m relating to the amount recoverable on an insurance contract covering obligations arising from the Company's German defined benefit pension scheme. The recoverable is recognised at fair value, which is determined using an alternative valuation method linked to the underlying pension obligations covered by the contract.

Technical Provisions

The technical provisions represent a best estimate of future technical cashflows, discounted to present value.

Under Solvency II, the value of technical provisions is expected to correspond to the amount an insurance or reinsurance undertaking would have to pay if it transferred its contractual rights and obligations immediately to another undertaking and should comprise a best estimate of future cashflows, discounted to present value, and a risk margin.

For non-life undertakings, the best estimate is the sum of the following:

- Claims provision - a provision relating to events that have already occurred; and
- Premium provision - a provision relating to events on unexpired risks at the balance sheet date within the contract boundaries.

The best estimate technical provisions on the Solvency II basis are supplemented by the risk margin, representing the cost of capital which a third party would incur in taking over and running the existing obligations to expiry. In accordance with the Solvency II Delegated Acts the risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the current insurance obligations over their lifetime.

A technical provisions policy is in place which outlines the requirements under Solvency II and ensures each set of calculations are performed consistently. In addition, detailed procedures are available to ensure the calculation can be re-performed, if required.

Under Solvency II the technical provisions are based on the calculation specified in section 3 of Chapter III of Title 1 of the Delegated Acts. This requires certain additional elements which are not included under the LuxGAAP valuations used in the LuxGAAP FS. Within the premium provision, the value of premium arising from those contracts which have been bound but not incepted (“BBNI”) at the year-end date is added. Events not in data (“ENIDs”) have been included based on FMIE specific modelled catastrophes, which are generated by FMIC’s data modelling team. Future cash in-flows and out-flows from insurance receivables and payables, representing cash flow benefits and obligations arising from contracts of insurance, are included in the premium provision value before discounting. Values relating to premium and overheads are included in the gross or reinsurance premium provision and those related to claims are included in the claims provision workings.

For both the premium and claims provisions, an adjustment for reinsurer default has been included to account for the possibility that all reinsurance may not be recovered. This has been calculated based on counterparty risk factors within the SF.

The discounting is calculated by currency based on the risk-free rates published by EIOPA.

Future claims experience is dependent on the external environment, which is subject to uncertainties related to legislative, social and economic change. The impact of uncertain external factors is considered throughout the reserving exercise and through sensitivity testing, including in the predicted profit ratios. External factors, future client behaviour and management actions are considered when preparing the strategic plan. The external environment is monitored and where relevant, predicted changes to the market and potential impacts are included in the provision, or considered through sensitivity testing. The results of testing this year can be found in section C.7.

The payment of future claims is dependent on historical payment patterns that are used in the reserve best estimate.

The table below reflects the consolidated technical provisions by type, as shown in template s.17.01.02, and compares these to the LuxGAAP values as at 31 December 2024.

2024	LuxGAAP	Solvency II	Difference
	€000	€000	€000
Premium Provision			
Gross	*540,567*	*251,719*	*288,848*
Reinsurance	*(405,108)*	*(122,636)*	*(282,472)*
Net	135,459	129,083	6,376
Claims Provision			
Gross	*490,523*	*453,779*	*36,744*
Reinsurance	*(352,179)*	*(327,464)*	*(24,715)*
Net	138,344	126,315	12,029
Total best estimate – gross	**1,031,090**	**705,498**	**325,592**
Total best estimate – net	**273,803**	**255,398**	**18,405**
Risk margin	**-**	**33,847**	**(33,847)**

2023	LuxGAAP	Solvency II	Difference
	€000	€000	€000
Premium Provision			
Gross	*434,673*	*87,038*	*347,635*
Reinsurance	*(321,437)*	*(63,475)*	*(257,962)*
Net	113,236	23,563	89,673
Claims Provision			
Gross	*337,808*	*317,808*	*20,000*
Reinsurance	*(246,061)*	*(304,407)*	*58,346*
Net	91,747	13,401	78,346
Total best estimate – gross	**772,481**	**404,846**	**367,635**
Total best estimate – net	**204,983**	**36,964**	**168,020**
Risk margin	**-**	**25,254**	**(25,254)**

The difference between the LuxGAAP and Solvency II technical provisions balances is primarily due to Solvency II reporting using discounted cash flows and considering future claims and expense obligations of bound insurance contracts. In addition, Solvency II includes additional provisions such as the risk margin, that are required per the Delegated Acts.

The current year differences between Lux GAAP and Solvency II technical provisions can be summarised as follows:

Premium provision gross

The difference of €289m, is represented by removal of unearned premium of €541m, discounting impact of €24m, future expected premium cash flows of €704m which are offset by future claims and expenses cash flows of €980m.

Premium provision ceded

The difference of €283m, is represented by removal of reinsurers' share of unearned premium of €405m, discounting impact of €16m, future expected reinsurance premium cash flows of €541m which are offset by future reinsurance claims and expense recovery cash flows of €679m.

Claims provision gross

€37m is driven mainly by the impact of discounting and an adjustment to remove LuxGAAP implicit reserving prudence /management margin.

Claims provision ceded

€25m is driven mainly by the impact of discounting, adjustments for the provision for reinsurer default, and LuxGAAP implicit reserving prudence /management margin.

Template S.17.01.02 provides further detail on the technical provisions, including a breakdown of the gross and net technical provisions and the risk margin by line of business. The tables below show an extract of the template:

	MAT	Fire and Other Damanges	Miscellaneous Financial Loss*	Non-proportional Property	Total Non-life
Premium Provision	**€000**	**€000**	**€000**	**€000**	**€000**
Gross - Total	**1,448**	**182,346**	**63,496**	**4,429**	**251,719**
Gross – direct business	1,448	182,346	63,496	-	247,290
Gross – accepted	-	-	-	4,429	4,429
Reinsurance	546	86,457	33,680	1,953	122,636
Net Best Estimate	**902**	**95,889**	**29,816**	**2,476**	**129,083**
Claims Provision					
Gross - Total	**5,448**	**244,147**	**196,092**	**8,092**	**453,779**
Gross – direct business	5,448	244,147	196,092	-	445,687
Gross – accepted	-	-	-	8,092	8,092
Reinsurance	1,193	167,453	152,692	6,126	327,464
Net Best Estimate	**4,255**	**76,694**	**43,400**	**1,966**	**126,315**

** An immaterial amount of general liability technical provisions which are fully reinsured with FMIC are included within miscellaneous financial loss technical provisions.*

The majority of the net technical provisions are attributable to the "Fire and Other Damages" and "Miscellaneous Financial Loss" insurance classes.

No transitional provisions or long-term guarantee measures are used by FMIE. There have been no material changes to the basis of measurement.

Other Liabilities

Other liabilities are valued for Solvency II purposes at transaction price, which approximates market value due to their short-term nature. This is comparable with the LuxGAAP FS valuation.

2024	LuxGAAP	Solvency II	Difference
	€000	€000	€000
Technical provisions	1,031,090	739,345	291,745
Pension benefit obligation	325,607	106,878	218,729
Provisions other than technical provisions	156,236	156,236	-
Deferred tax liabilities	-	31,982	(31,982)
Insurance payables	224,076	17,035	207,041
Payables (trade, not insurance)	74,676	74,676	-
All other liabilities	71,611	98,414	(26,803)
Total liabilities	**1,883,296**	**1,224,566**	**658,730**

2023	LuxGAAP	Solvency II	Difference
	€000	€000	€000
Technical provisions	772,481	430,100	342,381
Pension benefit obligation	110,635	91,893	18,742
Provisions other than technical provisions	95,503	95,503	-
Deferred tax liabilities	-	23,539	(23,539)
Insurance payables	174,763	13,173	161,590
Payables (trade, not insurance)	57,313	57,313	-
All other liabilities	51,516	69,731	(18,215)
Total liabilities	**1,262,211**	**781,252**	**480,959**

Pension Benefit Obligation

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. The prescribed accounting valuation method is consistent with the permitted Solvency II valuation method. Additional details on the valuation method are provided in Note 4.9.1 of the LuxGAAP FS.

Deferred Tax Liabilities

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date. Deferred tax liabilities are recognised to the extent that it is regarded as more likely than not to be incurred.

Under Solvency II, the deferred tax liabilities are calculated based on the temporary differences between the Solvency II and tax values. Deferred tax is not recognised under LuxGAAP.

Insurance and Intermediaries Payables

Insurance and reinsurance creditors are recorded at transaction price which approximates market value. Due to the short-term nature of the balances, they are held at an undiscounted amount.

Under Solvency II, the future cash out-flows arising from obligations associated with contracts of insurance that are not yet due for payment are included in the technical provisions.

All Other Liabilities

All other liabilities include lease commitments valued on the present value of the future lease payments, income received during the financial year that relates to a subsequent financial year and charges that relate to the current financial year but are payable in a subsequent financial year.

The uncertainty of liability valuations and judgements are as set out in Note 3 of the LuxGAAP FS.

Alternative Methods for Valuation

No alternative valuation methods have been used.

Any Other Information

No further disclosures are required.

E. Capital Management

Own Funds

FMIE is a wholly owned subsidiary of FMIC. No dividends or distributions are planned over the period covered by the three-year strategic plan.

If any changes are proposed to the composition of own funds, the Board will ensure they are in accordance with Articles 41 and 93 of the Solvency II Directive. As of 31 December 2024, FMIE has no plans to change the nature of the own funds or issue new own fund items.

FMIE is committed to managing its exposure to loss of capital in accordance with the agreed risk appetite which is detailed in the risk appetite framework. The capital management policy in place is intended to ensure the Company has sufficient own funds to cover the regulatory capital required over the period of the strategic plan. For FMIE, this is a period of three years. In the future planning period, the only factor anticipated to affect the own funds value would be profits or losses made in future years.

FMIE's capital instruments consist of ordinary share capital and the associated share premium. The increase in share capital of €1,219m represents the capital contribution from FMIC as a final step in the internal group reorganisation. FMIE does not have preference shares or subordinated liabilities which restrict the availability of capital.

The tables below represent the detail of own funds as well as the SCR and solvency ratios:

31 December 2024	Total	Tier 1	Tier 2	Tier 3
	€000	€000	€000	€000
Ordinary share capital		1,670,160	-	-
Share premium account		4,000	-	-
Reconciliation reserve		458,286	-	-
Total available own funds	**2,132,446**	**2,132,446**	**-**	**-**
SCR	1,091,563			
MCR	272,891			
Ratio of own funds to SCR	**195.4%**			
Ratio of own funds to MCR	**781.4%**			

31 December 2023	Total	Tier 1	Tier 2	Tier 3
	€000	€000	€000	€000
Ordinary share capital		451,000	-	-
Share premium account		4,000	-	-
Reconciliation reserve		311,681	-	-
Total available own funds	**766,681**	**766,681**	**-**	**-**
SCR	493,526			
MCR	123,382			
Ratio of own funds to SCR	**155.3%**			
Ratio of own funds to MCR	**621.4%**			

As at 31 December 2024 the ordinary share capital was €1,670m and share premium €4m. The reconciliation reserve represents the excess of assets over liabilities that is not accounted for by issued instruments and includes adjustments discussed below to comply with the Solvency II Directive.

There is no requirement to raise additional capital, and it is not anticipated this will be required in the foreseeable future.

As at December 2024, the total available funds under LuxGAAP were €2,162m (2023: €737m) and €2,132m (2023: €767m) under Solvency II. The primary differences between LuxGAAP reserves and Solvency II own funds are in the valuation of the technical provisions, and the investment portfolio and the liability for deferred tax.

FMIE's own funds are classified as Tier 1 under the Delegated Acts and are therefore fully available for matching against the regulatory capital requirement.

Capital Requirements

The SCR and MCR are calculated annually and when there is a significant change in risk profile. The SF is the prescribed method of calculating the SCR and MCR for a firm which does not have an approved internal model or approval to use undertaking specific parameters. The SF calculation is performed by the Solvency II modelling team using the Igloo software platform which contains the latest technical specifications in accordance with the requirements of the Delegated Acts.

The detailed data required by the technical specifications is generated from FMIE's internal systems and internally generated documents. Where relevant, the data used for the ORSA calculation is utilised to ensure parity between the models.

The method of calculation for the SF is prescribed by EIOPA and there is no ability to adjust the core calculation, except for simplification options in the calculation of the risk margin. Due to this prescription, FMIE is unable to fully incorporate into the SF the total benefit of the stop loss cover provided by FMIC. It is applied only within the catastrophe risk calculations, as mitigating reinsurance. The capital charge therefore understates the benefit the stop loss treaty would provide to FMIE in a volatile calendar year.

The following table contains a breakdown of the SF SCR by module.

	2024	2023	Variance
	€000	€000	€000
Non-Life risk	165,945	109,410	56,535
Market risk	952,663	360,705	591,958
Counterparty risk	132,194	122,734	9,460
Operational risk	34,903	32,615	2,288
Diversification benefit	(194,142)	(131,938)	(62,204)
Total SCR	**1,091,563**	**493,526**	**598,037**
Eligible Own Funds	2,132,446	766,681	1,365,765
Excess Eligible Own Funds over SCR	1,040,883	273,155	767,728
SCR ratio	**195.4%**	**155.3%**	**40.1%**

Using the SF approach, the SCR is €1,091m (2023: €494m). The current level of capital results in a coverage ratio of 195.4% (2023: 155.3%).

The MCR is calculated as prescribed in the Delegated Acts, using inputs (on a Solvency II basis) from the net best estimate liability and net written premium, subject to minimum and maximum values by reference to the SCR. In the current and prior year, the minimum value has applied, setting the MCR equal to 25% of the SCR. The minimum capital requirement is calculated as €273m (2023: €123m), which provides a coverage of 781.4% (2023: 621.4%) when compared to eligible own funds.

No significant developments to these values are expected over the time horizon of the planning period.

The final amount of the SCR is subject to CAA supervisory assessment.

Duration-Based Equity Risk Sub-Module

A duration-based equity risk sub-module is not used in the calculation of the SCR. The calculation of the SCR includes a symmetric adjustment factor applied to the equity capital charge to cover the risk arising from changes in the level of equity prices, in line with the Delegated Acts.

Differences between SF and Any Internal Model Used

FMIE uses the SF to calculate the SCR and therefore no differences exist.

SCR and MCR Non-Compliance

There have been no instances of non-compliance throughout the year.

Any Other Information

The SCR is calculated at a gross level. The regulations allow for the calculation of a net value which includes the ‘loss-absorbing capacity of deferred tax’. This option is not utilised by FMIE as the level of complexity is disproportionate to the limited benefit that could be derived.

There are no further disclosures to be made at this time.

Appendices

Glossary and definitions

Board	FMIE Board of Directors
CAA	Commissariat aux Assurances
COSO	Committee of Sponsoring Organisations of the Treadway Commission
Delegated Acts	Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ENID	Events Not in Data.
EOL	Excess of Loss Treaty
FINMA	Swiss Financial Market Supervisory Authority
FM	FM, the group consisting of FMIE, FMI, FMIC and its subsidiaries and affiliates
FMI	FM Insurance Company Limited (UK entity)
FMIC	Factory Mutual Insurance Company (US entity), the parent company
FMIE	FM Insurance Europe S.A. (Luxembourg entity)
FORTUNE 1000	An annual ranking of the top 1000 corporations worldwide as measured by revenue
INED	Independent Non-Executive Director
KRA	Key Result Area
Luxembourg Insurance Law	Luxembourg Law of 7 December 2015 on the Insurance sector
LuxGAAP	The accounting framework applicable to FMIE for its statutory annual financial statements
LuxGAAP FS	The audited financial statements of FMIE
MCR	Minimum Capital Requirement
NED	Non-Executive Director (employed by FMIC)
ORSA	Own Risk and Solvency Assessment, Solvency II method of assessing the Company's risk and capital requirement.
RI	Reinsurance arrangements
RMC	Risk Management Committee, FMIE Executive Committee
SCR	Solvency Capital Requirement
SF	Standard Formula for calculating the SCR
SFCR	Solvency and Financial Condition Report.
Stop Loss	Internal reinsurance arrangement in place with FMIC which caps FMIE's combined ratio to 125% in any calendar year
Staff Underwriting	Senior underwriters based in FM Corporate office.
SA	Symmetric adjustment factor
UK	United Kingdom
UW	Underwriting arrangements
WTW	Willis Towers Watson and Towers Watson Software Limited

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Solvency and Financial Condition Report

Disclosures

31 December

2024

(Monetary amounts in EUR thousands)

General information

Undertaking name	FM Insurance Europe S.A.
Undertaking identification code	222100GPK3TXH3YGOB37
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	LU
Language of reporting	en
Reporting reference date	31 December 2024
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet
S.04.05.21 - Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations
S.05.01.02 - Premiums, claims and expenses by line of business
S.17.01.02 - Non-Life Technical Provisions
S.19.01.21 - Non-Life insurance claims
S.23.01.01 - Own Funds
S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	112,956
R0060	Property, plant & equipment held for own use	75,213
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	2,159,453
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	4,611
R0100	*Equities*	372,878
R0110	*Equities - listed*	372,878
R0120	*Equities - unlisted*	
R0130	*Bonds*	936,250
R0140	*Government Bonds*	311,758
R0150	*Corporate Bonds*	249,946
R0160	*Structured notes*	0
R0170	*Collateralised securities*	374,545
R0180	*Collective Investments Undertakings*	845,714
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	450,100
R0280	*Non-life and health similar to non-life*	450,100
R0290	*Non-life excluding health*	450,100
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	14,330
R0370	Reinsurance receivables	97,318
R0380	Receivables (trade, not insurance)	119,649
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	239,319
R0420	Any other assets, not elsewhere shown	88,675
R0500	**Total assets**	3,357,012

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	739,345
R0520	*Technical provisions - non-life (excluding health)*	739,345
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	705,498
R0550	*Risk margin*	33,847
R0560	*Technical provisions - health (similar to non-life)*	0
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	0
R0590	*Risk margin*	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	156,236
R0760	Pension benefit obligations	106,878
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	31,982
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	17,035
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	74,676
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	98,415
R0900	**Total liabilities**	1,224,566
R1000	**Excess of assets over liabilities**	2,132,446

S.04.05.21

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		Home Country	Top 5 countries (by amount of gross premiums written): non-life				
R0010			NL	DE	FR	GB	CH
		C0010	C0020	C0021	C0022	C0023	C0024
	Premiums written (gross)						
R0020	Gross Written Premium (direct)	0	571,058	271,932	150,795	133,291	39,807
R0021	Gross Written Premium (proportional reinsurance)	0	0	0	0	0	0
R0022	Gross Written Premium (non-proportional reinsurance)	0	0	5,113	3,320	18,719	0
	Premiums earned (gross)						
R0030	Gross Earned Premium (direct)	0	568,681	268,029	158,173	18,558	37,585
R0031	Gross Earned Premium (proportional reinsurance)	0	0	0	0	0	0
R0032	Gross Earned Premium (non-proportional reinsurance)	0	0	23	5,978	13,938	0
	Claims incurred (gross)						
R0040	Claims incurred (direct)	0	78,174	90,509	93,070	-3,539	51,233
R0041	Claims incurred (proportional reinsurance)	0	0	0	0	0	0
R0042	Claims incurred (non-proportional reinsurance)	0	0	972	0	-124	0
	Expenses incurred (gross)						
R0050	Gross Expenses Incurred (direct)	-1,301	57,160	104,976	73,519	1,538	4,887
R0051	Gross Expenses Incurred (proportional reinsurance)	0	0	0	0	0	0
R0052	Gross Expenses Incurred (non-proportional reinsurance)	-30	0	2,012	1,655	251	0

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business						4,379	797,826					423,390					1,225,596
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted															0	28,052	28,052
R0140	Reinsurers' share						2,481	622,075					296,869			0	15,159	936,585
R0200	Net						1,898	175,751					126,521			0	12,893	317,063
	Premiums earned																	
R0210	Gross - Direct Business						572	742,580					398,268					1,141,420
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted															233	21,777	22,010
R0240	Reinsurers' share						64	583,531					269,511			0	11,174	864,280
R0300	Net						508	159,049					128,756			233	10,603	299,150
	Claims incurred																	
R0310	Gross - Direct Business						344	222,518					115,727					338,589
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted															-118	966	848
R0340	Reinsurers' share						349	147,933					89,231			0	470	237,983
R0400	Net						-5	74,585					26,496			-118	496	101,454
R0550	**Expenses incurred**						270	41,929					22,917			3	1,469	66,587
R1210	**Balance - other technical expenses/income**																	28,910
R1300	**Total technical expenses**																	95,497

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	**Technical provisions calculated as a whole**						0	0					0			0	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
	Technical provisions calculated as a sum of BE and RM																	
	Best estimate																	
	Premium provisions																	
R0060	Gross						1,448	182,346					63,495			282	4,146	251,719
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						546	86,457					33,680			102	1,850	122,636
R0150	**Net Best Estimate of Premium Provisions**						902	95,889					29,816			180	2,296	129,083
	Claims provisions																	
R0160	Gross						5,448	244,147					196,092			578	7,515	453,779
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						1,193	167,453					152,692			-2	6,128	327,464
R0250	**Net Best Estimate of Claims Provisions**						4,255	76,693					43,400			580	1,387	126,316
R0260	**Total best estimate - gross**						6,896	426,493					259,587			860	11,661	705,498
R0270	**Total best estimate - net**						5,157	172,582					73,216			760	3,683	255,398
R0280	**Risk margin**						366	20,648					12,233			0	601	33,847
R0320	**Technical provisions - total**						7,262	447,141					271,820			860	12,262	739,345
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**						1,739	253,910					186,371			100	7,978	450,100
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**						5,523	193,230					85,449			760	4,284	289,246

S.19.01.21

Non-Life insurance claims

Total Non-life business

	Accident year / underwriting year	
Z0020	Accident year / underwriting year	Accident Year

Gross Claims Paid (non-cumulative)

(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											38	38	38
R0160	-9	0	0	0	0	0	0	0	0	0	0		0	0
R0170	-8	0	0	0	0	0	0	0	0	0			0	0
R0180	-7	0	0	0	0	0	0	0	2,766				2,766	2,766
R0190	-6	89,285	105,739	26,279	16,639	2,262	12,761	179					179	253,143
R0200	-5	71,104	237,905	84,330	146,017	1,458	497						497	541,312
R0210	-4	90,563	105,858	490,352	2,329	-1,152							-1,152	687,950
R0220	-3	121,080	215,275	55,639	35,045								35,045	427,039
R0230	-2	110,490	155,986	35,259									35,259	301,736
R0240	-1	76,418	117,425										117,425	193,843
R0250	0	105,944											105,944	105,944
R0260												Total	296,002	2,513,771

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											5,588	5,026
R0160	-9	0	0	0	0	0	0	0	0	0	280		284
R0170	-8	0	0	0	0	0	0	0	0	51			47
R0180	-7	0	0	0	0	0	0	0	1				1
R0190	-6	159,110	56,957	27,875	10,705	5,574	799	675					660
R0200	-5	392,697	130,215	49,036	832	109	447						365
R0210	-4	375,915	439,922	4,146	819	258							235
R0220	-3	256,598	76,531	28,012	4,183								3,968
R0230	-2	238,249	70,426	46,344									44,577
R0240	-1	219,791	116,618										110,059
R0250	0	299,710											288,557
R0260												Total	453,779

S.23.01.01

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	1,670,160	1,670,160		0	
R0030	Share premium account related to ordinary share capital	4,000	4,000		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	458,286	458,286			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	2,132,446	2,132,446	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	2,132,446	2,132,446	0	0	0
R0510	Total available own funds to meet the MCR	2,132,446	2,132,446	0	0	
R0540	Total eligible own funds to meet the SCR	2,132,446	2,132,446	0	0	0
R0550	Total eligible own funds to meet the MCR	2,132,446	2,132,446	0	0	
R0580	**SCR**	1,091,563				
R0600	**MCR**	272,891				
R0620	**Ratio of Eligible own funds to SCR**	195.36%				
R0640	**Ratio of Eligible own funds to MCR**	781.43%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	2,132,446
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	1,674,160
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	458,286
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	23,745
R0790	**Total Expected profits included in future premiums (EPIFP)**	23,745

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	952,663		
R0020	Counterparty default risk	132,194		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	165,945		
R0060	Diversification	-194,143		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	1,056,660		

USP Key

For life underwriting risk:
1 - Increase in the amount of annuity benefits
9 - None

For health underwriting risk:
1 - Increase in the amount of annuity benefits
2 - Standard deviation for NSLT health premium risk
3 - Standard deviation for NSLT health gross premium risk
4 - Adjustment factor for non-proportional reinsurance
5 - Standard deviation for NSLT health reserve risk
9 - None

For non-life underwriting risk:
4 - Adjustment factor for non-proportional reinsurance
6 - Standard deviation for non-life premium risk
7 - Standard deviation for non-life gross premium risk
8 - Standard deviation for non-life reserve risk
9 - None

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	34,903
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency Capital Requirement excluding capital add-on**	1,091,563
R0210	Capital add-ons already set	0
R0211	*of which, capital add-ons already set - Article 37 (1) Type a*	0
R0212	*of which, capital add-ons already set - Article 37 (1) Type b*	0
R0213	*of which, capital add-ons already set - Article 37 (1) Type c*	0
R0214	*of which, capital add-ons already set - Article 37 (1) Type d*	0
R0220	**Solvency capital requirement**	1,091,563
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

		Yes/No
	Approach to tax rate	C0109
R0590	Approach based on average tax rate	0

	Calculation of loss absorbing capacity of deferred taxes	LAC DT
		C0130
R0640	LAC DT	
R0650	LAC DT justified by reversion of deferred tax liabilities	0
R0660	LAC DT justified by reference to probable future taxable economic profit	0
R0670	LAC DT justified by carry back, current year	0
R0680	LAC DT justified by carry back, future years	0
R0690	Maximum LAC DT	0

S.28.01.01

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

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	59,555

		Net (of reinsurance /SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	5,157	775
R0080	Fire and other damage to property insurance and proportional reinsurance	172,582	223,890
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	73,216	87,426
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	760	
R0170	Non-proportional property reinsurance	3,683	4,972

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_{L} Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	59,555
R0310	SCR	1,091,563
R0320	MCR cap	491,203
R0330	MCR floor	272,891
R0340	Combined MCR	272,891
R0350	Absolute floor of the MCR	2,700
R0400	**Minimum Capital Requirement**	272,891