



Financial Condition Report 2019

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Introduction

The purpose of the Financial Condition Report (FCR) is to provide Members, their Brokers and other interest parties with information about the capital position as at 20 February 2019 of the Steamship regulatory group and each entity within the group.

The structure of the Financial Condition Report (FCR) follows the requirements of the Bermuda Monetary Authority's Insurance (Public Disclosure) Rules 2015 and those of the Solvency II regulations.

This report sets out different aspects of Steamship's business and performance, system of governance, risk profile, valuation methods used for solvency purposes and its capital management practices.

Definitions

Steamship

A collective term covering Steamship Mutual Underwriting Association Limited (SMUA), The Steamship Mutual Underwriting Association (Bermuda) Limited (SMUAB) and The Steamship Mutual Trust (Trust) and its Corporate Trustee, The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited (SMUAT) subject to regulatory capital requirements, individually and collectively to the extent applicable in regulations.

Regulators

The Prudential Regulation Authority (PRA), the Financial Conduct Authority (FCA), the Bermuda Monetary Authority (BMA) and the European Insurance & Occupational Pensions Authority (EIOPA).

SMUA has branches regulated by the Monetary Authority of Singapore (MAS), the Japanese Financial Services Agency (FSA) and Hong Kong Insurance Authority.

Regulatory terminology

General Term

BMA

PRA / EIOPA

Public disclosure document	(FCR) Financial Condition Report	(SFCR) Solvency & Financial Condition Report
Regulatory Group Level [Risk:Solvency Assessment]	(GSSA) Group Solvency Self-Assessment	(Group ORSA) Group Own Risk and Solvency Assessment
Solo entity level [Risk:Solvency Assessment]	(CISSA) Commercial Insurers' Solvency Self-Assessment	(ORSA) Own Risk and Solvency Assessment
Standard formula capital requirement	(BSCR) Bermuda Solvency Capital Requirement	(SCR) Solvency Capital Requirement
Minimum capital requirement	(MSM) Minimum Solvency Margin	(MCR) Minimum Capital Requirement
Capital resources	Available Statutory Capital & Surplus	Own Funds

Executive Summary

The Club manages its overall capital resources to maintain a financial strength rating of A (stable) from Standard & Poor's. This is a higher capital requirement than set by regulators.

The aim of this report is to enable readers to understand the amount and type of risks taken by an insurer, as reflected in its capital requirement, and to compare this with the amount and type of capital resources which the insurer has available to protect itself against those risks.

Under Solvency II the Club is considered to be a regulatory group comprising Steamship Mutual Underwriting Association Limited, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Trust. The supervisor for this group is the Bermuda Monetary Authority (BMA) and so the Club calculates its group solvency capital requirement using the BMA's standard formula.

At 20 February 2019, the Club had a capital requirement of US\$245.4 million and total eligible capital resources of US\$536.2 million. The solvency ratio of 219% (2018: 243%) is evidence of the strength of the Club's capital position, even after returns to Members in the last two financial years.

The following table shows the solvency position of the Group and each entity in the Group.

US\$000	Entity	Group	SMUAT	SMUAB	SMUA
Capital resources		536,208	272,927	103,363	138,206
Solvency Capital Requirement (SCR)		245,388	118,101	29,204	92,638
Solvency Ratio		219%	231%	354%	149%

The following tables show the components of the Group capital requirement and capital resources:

US\$000	2019	2018
Underwriting risks	188,126	304,303
Counterparty default risks	6,795	6,638
Market risks	68,867	79,900
Operational risks	33,417	35,114
	297,206	425,955
Diversification between risk categories	(51,818)	(178,933)
Capital requirement	245,388	247,022

Consistent with the risk appetite of the Club the majority of the capital requirement derives from underwriting risk. Market risk primarily relates to the investments held by the Club and reflects the emphasis on capital preservation rather than investment return.

Executive Summary

Capital Resources

US\$000	2019	2018
Tier 1 capital - Free reserves on Solvency II basis	455,359	505,922
Tier 2 capital		
Steamship's Hydra Cell	15,368	25,565
Allowance for ability to make additional calls	65,481	68,018
Eligible capital resources	536,208	599,505

Tier 1 capital refers to resources on the Solvency II balance sheet and is available to meet risks throughout the business.

Tier 2 capital relates to resources which are either only available to meet particular risks or are additional funds that can be raised if required. Tier 2 capital can be used to make up a maximum of 50% of the capital requirement.

Solvency II requires that combined free reserves in the financial statements of US\$467.0 million be restated on an 'economic' basis. The main adjustments required are to the provision for outstanding claims where any prudence in provisions is removed, leaving a 'best or most likely estimate' of cost, a discount is then applied to reflect the time value of money and finally a 'risk margin' is added using a standard calculation. The aim of this adjustment is to make claim provisions and therefore free reserves more comparable across insurers.

Part of the capital held in Steamship's Hydra cell, US\$15.4 million, is considered to be only available to meet risks arising in the Hydra cell and is hence classified as Tier 2.

The regulators recognises that Steamship can increase capital resources by making additional premium calls under its Rules and in accordance with the approved formula an allowance of US\$65.5 million is included as Tier 2 capital.

Steamship also ensures that capital resources of individual Steamship companies are more than sufficient to meet the requirements set by local regulators.

Outlook for 2019

The Club remains in a strong financial position and in October, as part of its annual review, the Board will consider whether there should be a general increase and/or a further distribution of capital to Members.

In response to the Brexit vote, an insurance license application has been submitted for a new Steamship entity in Cyprus to operate in the EU. It is anticipated that EU based Members' business will be renewed in this entity. The Managers continue to monitor any additional arrangements that may be required after Brexit, and act accordingly to ensure existing business is serviced seamlessly.

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Financial Condition Report (FCR) in accordance with the BMA's Insurance (Public Disclosure) Rules 2015, the PRA rules and Solvency II Regulations.

Each of the Directors, confirms that, to the best of their knowledge:

(a) throughout the financial year in question, the Group and its solo insurance undertakings have complied in all material respects with the requirements of the BMA and PRA rules and applicable Solvency II regulations; and

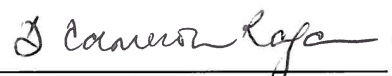
(b) it is reasonable to believe that, at the date of the publication of the Financial Condition Report (FCR), the Group and its solo insurance undertakings continue so to comply, and will continue so to comply in future.

The FCR has been authorised for issue by the Directors on 18 July 2019.

By Order of the Board



S J Martin
Director



D C Ragan
Chief Risk Officer

A. Business & Performance

A.1 Business

Steamship is a mutual Protection and Indemnity Association, otherwise known as a P&I Club, which operates as a non-profit making organisation providing cover for its shipowner and charterer Members against third party liabilities arising from the use and operation of ships.

The Club covers a wide range of liabilities, including loss of life and personal injury to crew, passengers and others on board, cargo loss and damage, pollution by oil and other hazardous substances, wreck removal, collision and damage to property. The Club also provides a wide range of services to its Members (policyholders) on claims handling, legal issues and loss prevention, and plays a leading role in coordinating the response to, and management of, maritime casualties involving Members' vessels.

Steamship is one of the largest and most diverse P&I Clubs in the world, and is a member of the International Group of P&I Clubs participating in the International Group Pool.

The thirteen principal underwriting associations which comprise the International Group collectively provide liability cover for shipowners who own approximately 90% of the world's ocean-going ships.

The Group Clubs provide cost-effective insurance to shipowners through a claims-sharing 'Pool' and collective purchase of the International Group excess loss reinsurance programme. These two arrangements provide a mechanism for sharing claims in excess of US\$ 10 million up to, currently, approximately US\$ 8.31 billion. The policy year of all P&I Clubs commences at noon Greenwich Mean Time on 20th February.

Three core agreements underpin the governance and functioning of the International Group, namely the Group Constitution, the International Group Agreement and the Pooling Agreement. More details on these agreements can be found on the International Group's website at <http://www.igpandi.org>.

Steamship's strategy is to be the best provider of the full range of marine protection and indemnity (P&I) and related insurances, on the mutual principle, delivering both first class service and security at a reasonable cost. Steamship aims to distinguish itself from its competitors by embodying the following principles:

- Advocacy of the principle of mutuality and the benefits of this for shipowners across the whole range of their insurance needs;
- A belief in the benefit of a diverse membership by geographical area and vessel type;
- A prudent approach to investment policy resulting in financial security and stability;
- Provision of technical expertise and a dedication to problem solving for the members;
- Pre-eminence in loss prevention initiatives.

Guided by a clearly defined risk appetite statement, risk management is key to Steamship's strategy: diversification of members and vessels to reduce concentration of risk; a prudent investment approach focused on stable, secure returns, constraining market risk; a focus on loss prevention initiatives aiming to limit losses to members and reduce claims; and an internal culture that is sensitive to the requirements of risk management.

Steamship's strategy is to carefully grow its business organically, admitting new Members with high quality operations and a willingness to pay the premium required by the risk exposure which their business brings to Steamship.

Steamship's business model is therefore to maintain a sharp focus on serving its members and to have a diversified portfolio by trade and geographical location.

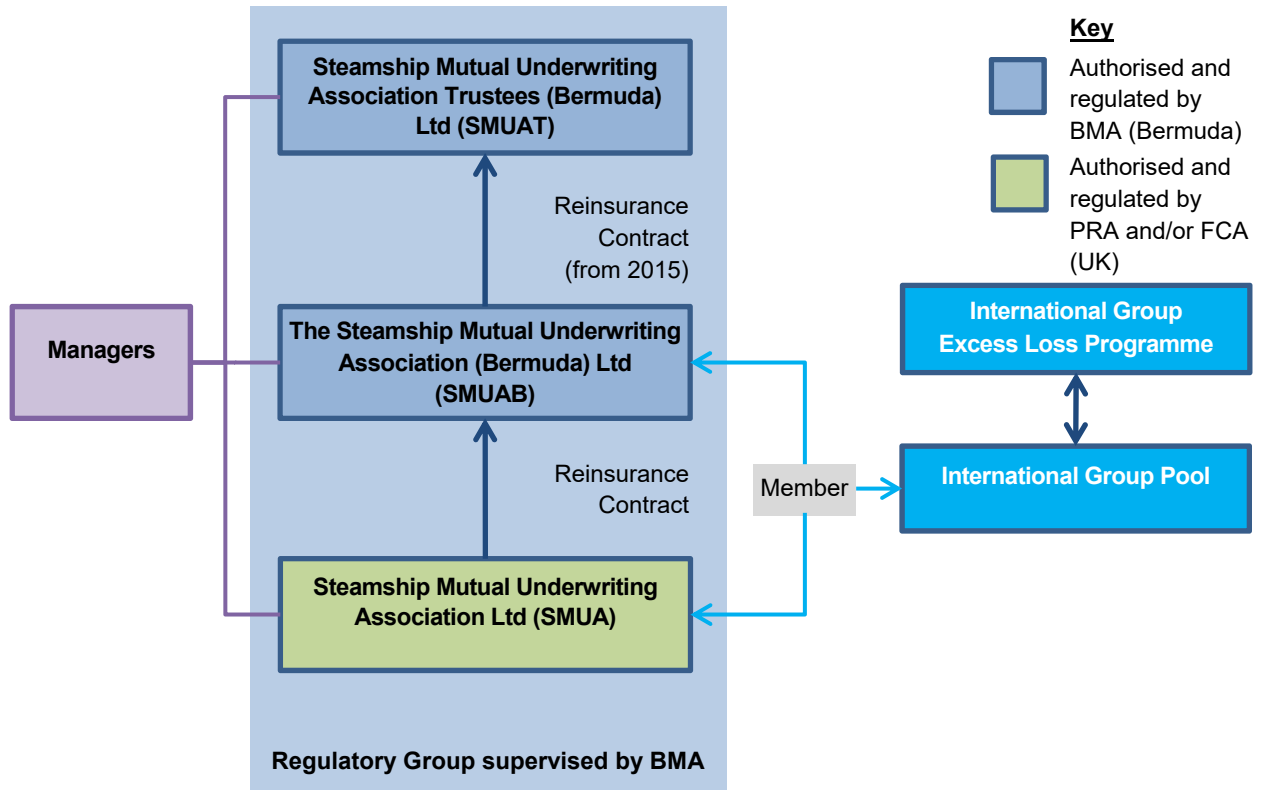
The Boards have appointed Managers who are responsible for the day to day handling of underwriting, claims and the administration of the Club's business in accordance with the policies laid down by the Directors.

During the year, SMUA was granted a branch licence in Hong Kong.

A. Business & Performance

The Managers have operations in London, Bermuda, Hong Kong, Rio de Janeiro, Piraeus, Singapore and Tokyo.

The diagram below depicts the corporate structure which came into effect in February 2015.



A. Business & Performance

Steamship Mutual Underwriting Association Limited

Steamship Mutual Underwriting Association Limited (SMUA) was incorporated in England and Wales in October 1909. SMUA is limited by guarantee and does not have share capital as it is owned by its Members (policyholders). The Members of SMUA comprise its Directors, SMUAB, shipowners and other entities who have ships insured by SMUA.

The day to day operations of SMUA are managed by Steamship P&I Management LLP (SPIM). The Association is governed by a Board comprising a non-executive Chairman, six non-executive directors and two members of SPIM. The Board mainly consists of representatives of the Members.

SMUA is regulated by the PRA and the FCA. Both the PRA and the FCA operate a risk-based approach to supervision, which places emphasis on the need for regulated firms to have in place robust risk management frameworks. The PRA is the lead supervisor for the purposes of Solvency II regulation.

SMUA has branches in Hong Kong, Singapore and Japan which are subject to local regulation.

The Steamship Mutual Underwriting Association (Bermuda) Limited

The Steamship Mutual Underwriting Association (Bermuda) Limited (SMUAB) was established by an Act of the Parliament in Bermuda on 24 June 1974 and began underwriting with effect from 20 February 1975. SMUAB is also limited by guarantee and does not have share capital as it is owned by its Members (policyholders). The members of SMUAB comprise its Directors, shipowners and all members of SMUA.

The operations of SMUAB are managed by Steamship Mutual Management (Bermuda) Limited and therefore the Association does not have any employees. The Association is governed by a Board comprising a non-executive Chairman, 24 non-executive directors incorporating two Directors of the Manager's London representatives. The Board mainly consists of representatives of the Members.

SMUAB ceased writing direct business from February 2015 but continues to operate as a reinsurer of SMUA.

SMUAB is regulated by the BMA and is classified as a 'Class 3A insurer' (Solvency II equivalent).

Hydra Insurance Company Ltd is a private company owned by the thirteen members of the International Group of P&I Clubs, of which SMUAB is one.

Hydra provides reinsurance to its shareholders on a Club by Club basis through segregated accounts where premiums, losses and expenses are allocated amongst the shareholder Clubs' segregated accounts ('cell'). The Steamship Hydra cell is consolidated into the results of SMUAB.

Steamship Mutual Trust

The Steamship Mutual Trust (Trust) and its Corporate Trustee, The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited (SMUAT) were established on 11 March 1983 in Bermuda.

SMUAT is a registered insurer under Bermudian law, and this enables the Trust to act as an independent insurer for the benefit of the beneficiaries set out in the Trust Deed. These are, in addition to a number of named charities, all the Members for the time being of SMUAB.

SMUAT is governed by a Board comprising a non-executive Chairman and three non-executive directors including the Chairmen of SMUA and SMUAB in an ex-officio capacity.

The operations of the Trust are managed by Hamilton Investment Management Limited and therefore the Trust and SMUAT do not have any employees. Through SMUAT the Trust is regulated by the Bermuda Monetary Authority and is classified as a 'Class 3A insurer' (Solvency II equivalent).

Each year commencing 20 February the Trust enters into a reinsurance contract with SMUAB for the reinsurance of all risks accepted.

A. Business & Performance

Following the implementation of Solvency II rules from 1 January 2016, the BMA became the supervisor of the regulatory group with SMUAT being named as the 'Designated Insurer' (and hence lead insurer) for Group supervision purposes.

Steamship's registered offices and principal places of business and the contact details of its external auditors and supervisory authorities are shown below:

The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited

Registered Office	Managers	External Auditors	Group Supervisory Authority
Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Hamilton Investment Management Limited Washington Mall II PO Box HM 601 Hamilton HM CX Bermuda +1 441 295 4502	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR +44 (0)20 7936 3000	Bermuda Monetary Authority BMA House 43 Victoria Street Hamilton Bermuda +1 441 295 5278

The Steamship Mutual Underwriting Association (Bermuda) Limited

Registered Office	Managers	External Auditors	Supervisory Authority
Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Steamship Mutual Management (Bermuda) Limited Washington Mall II PO Box HM 601 Hamilton HM CX Bermuda +1 441 295 4502	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR +44 (0)20 7936 3000	Bermuda Monetary Authority BMA House 43 Victoria Street Hamilton Bermuda +1 441 295 5278

Steamship Mutual Underwriting Association Limited

Registered Office	Managers	External Auditors	Supervisory Authority
Aquatical House 39 Bell Lane London E1 7LU	Steamship P&I Management LLP Aquatical House 39 Bell Lane London E1 7LU +44 (0)20 7247 5490	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR +44 (0)20 7936 3000	Prudential Regulation Authority 20 Moorgate London EC2R 6DA +44 (0) 20 7601 4444
	Managers' London Representative Steamship Insurance Management Services Limited Aquatical House 39 Bell Lane London E1 7LU +44 (0)20 7247 5490		Financial Conduct Authority 25 The North Colonnade London E14 5HS +44(0)207 066 1000

A. Business & Performance

Steamship writes insurance internationally. The largest markets by premium are shown in the table below.

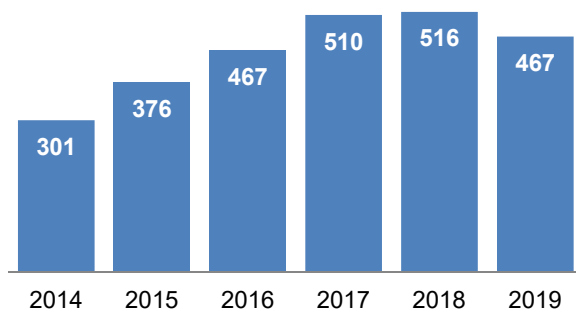
Gross premium written by Member location	2019	2018
	US\$000	US\$000
United States of America	111,347	95,200
South Korea	22,131	21,919
Switzerland	19,350	9,604
Netherlands	16,393	14,793
Taiwan	12,647	11,904
France	10,986	13,065
Hong Kong	10,800	11,155
China	9,207	8,242
Germany	9,111	14,804
Brazil	8,910	11,901
Italy	8,725	10,412
Chile	8,100	7,868
India	7,660	8,153
Greece	6,684	5,961
Cyprus	6,418	7,546
United Kingdom	6,415	6,607
Other countries	31,777	36,184
	306,661	295,318

Gross premium totaled US\$306.7 million, compared to US\$320.9 million (excluding US\$25.6 million premium returned to Members) last year. This represents a 4.4% decrease, reflecting improved Members' records, cancellations due to sanctions and some losses at renewal.

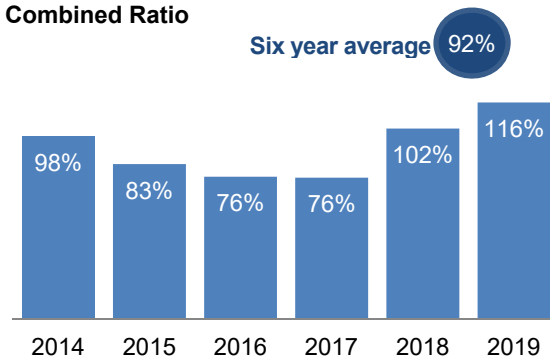
A.2 Performance

Despite claims increasing and a reduction in free reserves, Steamship ended the 2018/19 year in a strong financial position, enabling the Club to avoid a standard increase at the 2019/20 renewal and to distribute capital to its renewing Members. The combined ratio for the financial year was 116.1% compared to 102.1% in the preceding financial year. The Club's goal is to achieve a combined ratio of 100% or less, and a number of factors contributed to the higher outcome.

Free Reserves (US\$ Millions)



Combined Ratio



A. Business & Performance

The 2018/19 policy year claims are now projected to be greater than originally expected, accompanied by lower levels of reserve releases. Pool claims are also higher than in preceding years; in fact 18 claims exceeding retention were notified to the Pool, none involving vessels entered in the Club. At the same time, premium fell, by approximately US\$14 million, reflecting amongst other things improved Member records, cancellations because of sanctions, and some losses (and gains) at renewal. And, 2018 was the 4th successive year (2019/20 is the 5th) without any standard increase, despite churn.

Members records are generally assessed over a six year period. Notwithstanding higher claims in the 2018/19 policy year, the Club's average combined ratio over the most recent six year period is an acceptable 91.6%.

More information about the performance of Steamship can be found in the Management Highlights, in particular in the Chairman of the Board's Introduction on pages 3 to 4 or in the Report & Accounts of the individual entities.

2019 Renewal

The Board decided that, for a fifth successive year, no general increase should be imposed at renewal. In the event, owners' premium for renewing vessels increased by 2.1% with increased risk retentions improving the Club's claims outlook for the 2019/20 policy year.

Tonnage

The level of owned and chartered tonnage rose during the year with total entered tonnage for the Club now at 160 million GT.

Steamship's underwriting results as set out in the Management Highlights are summarised below.

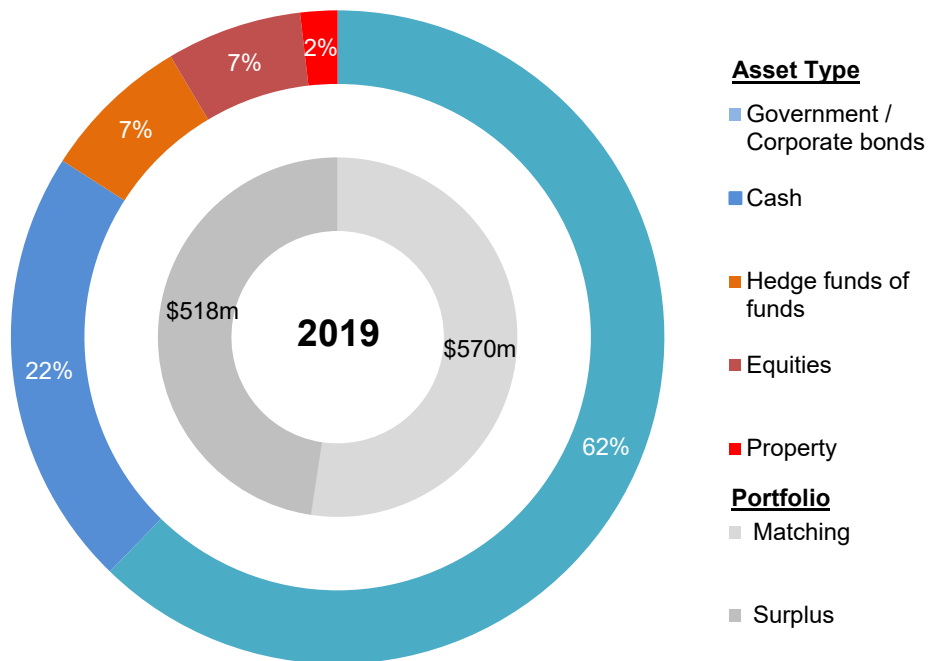
	2019	2018
	US\$000	US\$000
Net earned premium (A)	256,139	243,229
Claims incurred (B)	255,848	233,754
Net operating expenses (C)	41,623	40,570
Technical account balance	(41,332)	(31,095)
Combined ratio (B+C)/A	116.1%	112.8%
Combined ratio before return of premium	116.1%	102.1%

A. Business & Performance

A.3 Investment Performance

One of Steamship's primary objectives is to have a prudent investment policy in order to maintain financial security and stability.

Steamship splits its investments into 'matching' and 'surplus' portfolios. The matching portfolio is designed to match the duration and currency of best estimate claims liabilities with highly rated government and corporate bonds, managed on a buy-and-maintain basis together with operational bank accounts and overnight deposits to meet day to day liquidity requirements. This portfolio is used to provide collateral for the reinsurance obligations of SMUAT to SMUA and SMUAB. The surplus portfolio is the set of investments in excess of those required for the 'matching portfolio' and is invested to target a reasonable risk-adjusted return net of fees.



The combined investment portfolio recorded an overall gain of US\$18.8 million, a return of 1.8%, excluding fees, land and buildings which was below returns achieved in the two preceding years

The following tables shows the breakdown of total cash and investments and performance.

Total cash and investments (Market value)

Equities
Alternative investments
Bonds
Money market instruments
Deposits with credit institutions
Cash and cash equivalents
Derivative financial instruments
Property

	2019	2018
	US\$000	US\$000
Equities	73,020	101,154
Alternative investments	80,292	68,885
Bonds	677,434	762,450
Money market instruments	143,505	63,269
Deposits with credit institutions	28,629	52,026
Cash and cash equivalents	65,006	34,415
Derivative financial instruments	67	(571)
Property	19,951	21,424
Total	1,087,904	1,103,052

A. Business & Performance

	2019	2017
	US\$000	US\$000
Net investment return		
Dividends and interest	22,287	20,492
Realised gains/(losses)		
Investments	1,798	(3,536)
Currency	(8,459)	3,839
Investment income	15,626	20,795
Unrealised gains		
Investments	(5,281)	13,603
Currency	1,031	3,776
Currency (gain)/losses allocated to Technical Account	9,490	(7,615)
Net investment return	18,804	30,559
Other income	9	8,846

All gains and losses are recognised in the combined Income and Expenditure Account.

More information about the investment performance of Steamship can be found in the Management Highlights.

The information presented in section A provides a true and fair view of the business and performance of Steamship during the period.

B. System of Governance

B.1 General information on the system of governance

Steamship has an effective system of governance in place which provides for sound and prudent management.

Steamship entities are governed by a Boards comprising a non-executive Chairman and non-executive directors representing the Members.

The following table sets out the Board composition of each Steamship entity.

SMUAT Board

A L Marchisotto, Moran Holdings Inc (Chairman)	C C Tung, Orient Overseas (International) Ltd (retired 15 May 2018)
J G Conyers	A Pohan, NY Waterway – ex officio status
S Mehta (appointed 23 July 2018)	S-M Edey, Sloman Neptun, Schiffahrts, AG – ex officio status
R Thompson	

SMUAB Board

S-M Edey, Sloman Neptun Schiffahrts AG (Chairman)	C K Ong, U-Ming Marine Transport Corp
C B Adams, Steamship P&I Management LLP (appointed 20 February 2019)	A Pohan, NY Waterway
C J Ahrenkiel, C J Ahrenkiel Consulting Switzerland	G W F Rynsard, Steamship P&I Management LLP (retired 20 February 2019)
A Albertini, Marfin Management SAM	B K Sheth, The Great Eastern Shipping Co Ltd
M W Bayley, Royal Caribbean International	M Sloan, Carnival Corporation & plc
C Bouch	C Sommerhage, Columbia Shipmanagement (Germany) GmbH
D S Farkas, Norwegian Cruise Line	Song, Chunfeng, China Shipowners Mutual Assurance Association
M Frith, Conyers, Dill & Pearman	
I Grimaldi, Grimaldi Holdings SpA	A L Tung, Island Navigation Corp International Ltd
D M Ho, Magsaysay Maritime Corp	E Veniamis, Golden Union Shipping Co SA
E Ide, Naviera Ultrana Ltd	E Yao, Orient Overseas Container Line Ltd (appointed 4 March 2019)
W J Kim, Polaris Shipping Co. Ltd	A Zacchello, Seearland Shipping Management BV
C J Madinabeitia, Tradewind Tankers SL	R Zagari, Augustea Group
S J Martin, Steamship P&I Management LLP	S Zagury, Vale
B A McAllister, McAllister Towing	
S Mehta, Essar Global (resigned 23 July 2018)	

SMUA Board

A Pohan, NY Waterway (Chairman)	I Grimaldi, Grimaldi Holdings SpA
C B Adams, Steamship P&I Management LLP (appointed 20 February 2019)	S J Martin, Steamship P&I Management LLP
C J Ahrenkiel, C J Ahrenkiel Consulting Switzerland	G W F Rynsard, Steamship P&I Management LLP (retired 20 February 2019)
C Bouch	A L Tung, Island Navigation Corp International Ltd
C J Madinabeitia, Tradewind Tankers SL	R Zagari, Augustea Group

B. System of Governance

The Boards of Directors has the ultimate responsibility for the business operating in accordance with applicable laws and regulations. The Boards decides on Steamship's strategic business plan and establishes directives and instructions, as well as ensuring that appropriate internal instructions for risk management and risk control exist.

The Boards continuously monitors the operations of the Club, its financial performance and stability.

The Audit and Risk Committee of the Boards has responsibility for the detailed review of published financial reports, liaison with internal and external auditors and regulators. The Finance and Nomination Committee of the Boards has responsibility for reviewing the fees paid to the Managers and Directors.

B.2 Fit and proper requirements

Steamship is committed to ensuring that all members of its Boards, the key control function holders, and other senior individuals within Steamship, behave with integrity, honesty and skill, and this commitment is documented in the Key Person policy. Steamship has processes in place to ensure that appropriate standards of fitness and propriety are met and maintained.

Steamship's fit and proper requirements are:

- Formal qualifications, knowledge and experience within the insurance sector, other financial sectors or other relevant sectors or businesses;
- For control functions within Steamship that require knowledge of accounting, actuarial, corporate management, business strategy, business models, system of governance and regulatory framework have the appropriate skills; and
- Honesty and financial soundness based on evidence regarding character, personal behaviour and business conduct including any criminal, financial and supervisory record.

The Managers maintain a governance map (see Appendix 1) which sets out how governance functions are fulfilled and devolved. This addresses the desire of BMA and EIOPA to ensure proper compliance with the requirement to devolve governance functions under Solvency II and the PRA and FCA's more detailed requirements under the Senior Insurance Managers Regime (SIMR).

Where a key control function is outsourced, Steamship ensures that the outsourcing firm carries out appropriate assessments of fitness and propriety for those responsible for the provision of the function and provides evidence of this.

In addition, the Boards' 'Finance and Nomination Committee' regularly reviews the structure, size and composition of the Boards, including skills, knowledge and experience, and makes recommendations to the Boards with regard to any changes. When a new appointment is required, the Finance and Nomination Committee evaluates the balance of knowledge, skills and experience of the Board members and uses this evaluation to inform the selection of a suitable candidate.

Records are maintained, and notifications made to the regulators, as and when required.

B.3 Risk management system (including the GSSA)

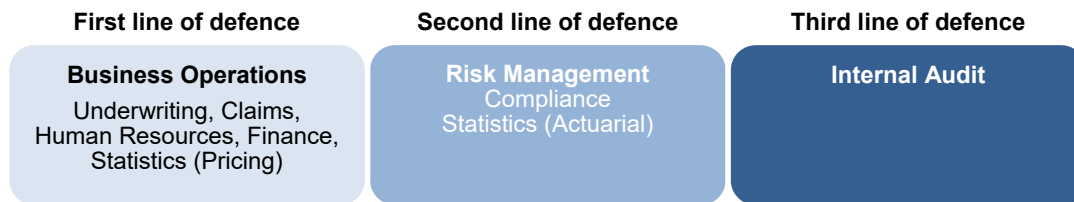
The objective of Steamship's risk management system is to ensure that the business is carried out within the overall risk appetite set by the Board. The system is characterised by a holistic, integrated and top-down enterprise risk management system, based on a shared risk culture.

Any consideration of culture at Steamship must begin with the understanding that it is an organisation owned by its members and run for its members. This distinguishes P&I Clubs from non-mutual insurers and is a major factor in Steamship's strategic thinking and decision-making, in turn reflected in its handling of matters ranging from premium setting and return of capital to the consideration of claims outside the standard rules of cover.

B. System of Governance

The risk management system is executed through the risk management control cycle, which involves the systematic identification, valuation, monitoring and reporting of existing and emerging risks. The Risk Management function is responsible for monitoring Steamship's risk management system reporting to the Executive Chairman.

Steamship uses the three lines of defence assurance model which segregates business operations from oversight and monitoring activity to improve independence and assurance over business processes.



The first line of defence is carried out by the operational functions. The second and third lines of defence are independent of the operational functions. Risk Management and compliance, together with the Actuarial & Statistics function jointly constitute the second line of defence.

The third line of defence is Internal Audit. This function is fully independent and appointed by the Board.

Risk owners self-assess risk ratings and the quality of underlying controls before Risk Management undertake independent design and operational effectiveness testing.

Risk profiles are considered on an inherent and residual (after controls) basis and are documented within Steamship's risk register, with aligned controls and risk categories for capital purposes. Steamship's risk profile draws on risk tolerance and trigger metrics; risk events; recommendations from internal and external sources; emerging risks & market developments; and current controls and mitigation techniques. There is a high level of expertise and experience on the Board. In the course of Board meetings which generally take place over extended periods of three to four days three times a year, directors are able to bring their considerable industry knowledge and experience to bear on a range of both strategic and operational issues. Steamship's Managers are insurance professionals who engage on a day-to-day basis with market and regulatory developments that may affect either the Club's insurance activity or the wider maritime community whose liability risks it underwrites. Together, Directors and Managers are either members of or attendees at meetings of the Board's key decision-making bodies whose deliberations inform the current and forward-looking risk profile of the Club.

The strategic business plan, risk strategy, risk appetite statement and tolerance & triggers report are integral components of Steamship's Risk Management System and are reviewed at least once a year. In this way Steamship ensures that the risk management system is kept up to date.

Group Solvency Self-Assessment (GSSA)

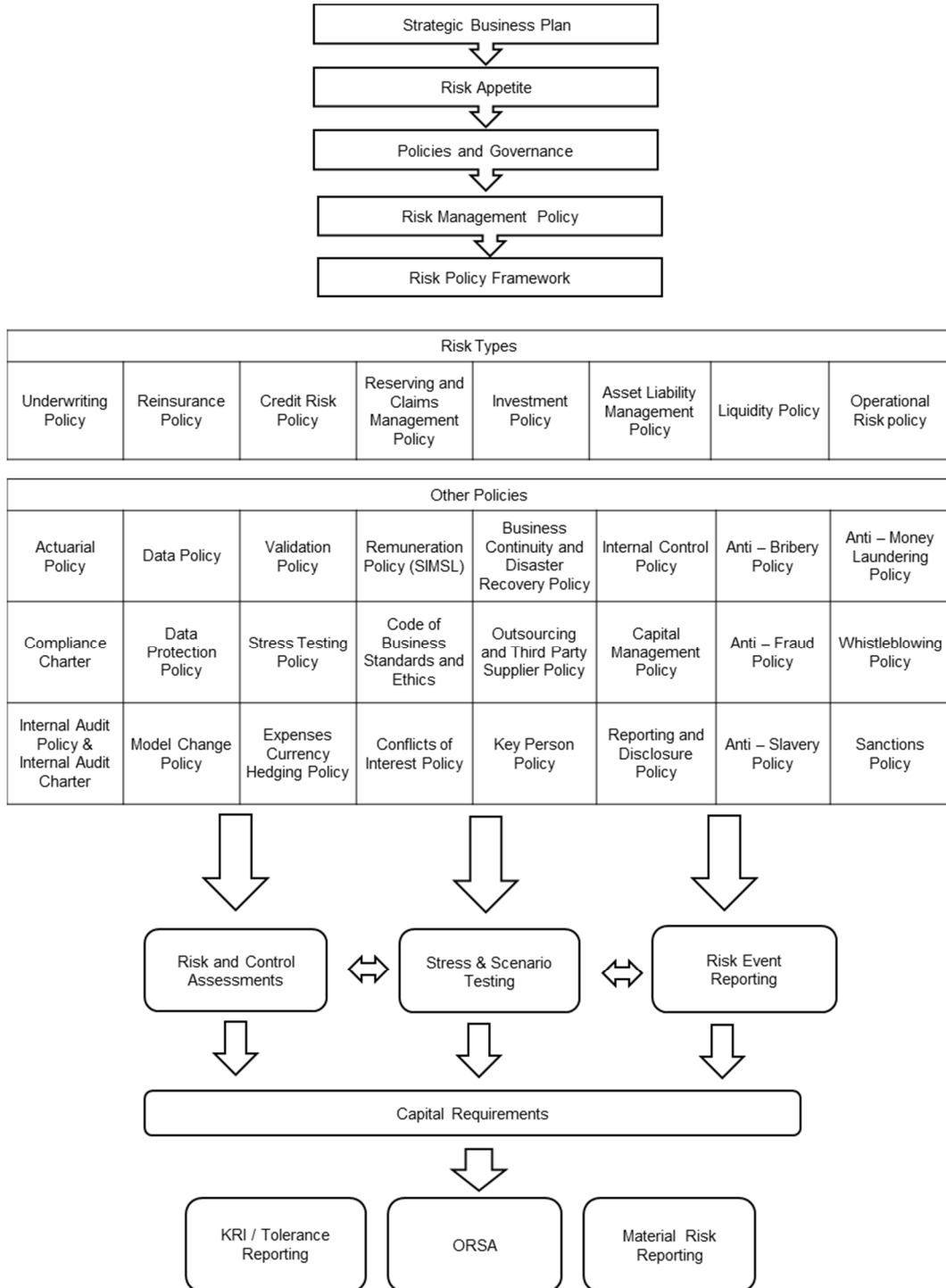
Steamship monitors and manages the risks relating to its operations through its fully documented risk management programme which analyses exposures by degree and magnitude of risks. This is evidenced in the Group Solvency Self-Assessment 'GSSA' report.

The GSSA has been carried out in accordance with the ORSA policy. The Policy states that the GSSA is performed at least annually (in preparation for the October Board meeting) when the Board considers the future capital requirements, capital levels and the standard increase.

The GSSA will be undertaken more frequently if specific conditions, which are set out in the Policy, are met. The Board has overall responsibility for the GSSA.

B. System of Governance

The ORSA policy defines the steps that make up the overall ORSA process, which are summarised in the Chart below.



The Risk management and ORSA policies include a description of each process and an explanation as to how each has been completed in order to fulfil the objectives of the ORSA as a whole.

B. System of Governance

The sixth GSSA was carried out in October 2018 and documents Steamship's risk and capital management processes employed to identify, assess, manage and report the risks it may face and to determine the capital resources required to ensure that its overall solvency needs are met at all times. The GSSA is an integral part of Steamship's business strategy, explaining how the strategy aligns to risk appetite and the current risk profile.

The GSSA includes both the economic capital position of the Group and the entity regulatory capital positions by reference to the Solvency Capital Requirement (SCR) and the Minimum Margin of Solvency (MMS) for the next five years.

To assist in this process Steamship has developed its own *fully* integrated financial capital model for the purpose of quantifying its own risks. The internal capital model uses stochastic simulations to generate financial projections which are calibrated to Steamship's own historical outcomes and relevant International Group and external data. Steamship uses an Economic Scenario Generator (ESG) for the calculation of market risk. The ESG is a simulation model that produces arbitrage-free economic scenarios. These scenarios include a variety of key variables, such as interest rates, credit spreads, equity and property returns and, foreign exchange rates.

B.4 Internal control system

The internal control system is designed to provide reasonable assurance regarding the proper implementation of Steamship's business strategy and the achievement of operational and financial strategic objectives through:

- monitoring and control of all risks, particularly key risks and the relevant internal controls; and
- robust, proportionate compliance.

The internal controls are documented in Steamship's Internal Control Policy, which sets out the detailed processes for all aspects of the management of Steamship on a day to day basis.

Compliance function

The compliance function consists of a Group Head of Compliance, Risk and Compliance Director and a compliance executive. The compliance function is responsible for providing general oversight of control effectiveness through the administration of an Internal Controls review programme and the provision of remedial advice and to monitor relevant legislation and changes in existing rules and regulations.

Risk Management function

The risk management function is responsible for:

- identifying, managing, monitoring and reporting on current and emerging risks;
- setting the overall risk management and strategic framework; and
- monitoring and assisting in the effective operation of Steamship's risk management framework and maintaining an accurate view of Steamship's risk profile.

Steamship's Chief Risk Officer (CRO) is the Risk & Compliance Director who is assisted by a risk management executive. The CRO manages day to day risk monitoring together with the Chief Finance Officer and the Director of Capital Management, all of whom report to the Board.

B.5 Internal audit function

Steamship's Internal Audit function is outsourced to BDO LLP. The function independently develops an internal audit plan based on its perception of risks to Steamship after consultation with Directors, Managers and the Risk Register. The scope of the plan is reviewed and approved by the Audit and Risk Committee. The segregation of Internal Audit's activities ensures independence and objectivity in the work that it undertakes.

B. System of Governance

B.6 Actuarial function

The actuarial function consists of a team of four including the Statistics Director who fulfills the function for SMUA as Chief Actuary. The Designated Actuary for the Group, SMUAB and SMUAT is fulfilled by BDO LLP.

The Actuarial Function resides in the Statistics Department of SIMSL and is responsible for the calculation of technical provisions (for both the financial reporting and for solvency calculations), maintaining Steamship's Business Plan, the maintenance of Steamship's internal capital model and aids the effective running of the risk management system, production of the GSSA, and the opinions on underwriting policy and the adequacy of reinsurance arrangements.

B.7 Outsourcing

Steamship has an outsourcing policy in place which is approved by the Board. The outsourcing policy ensures that outsourcing of critical or important functions or activities does not lead to any of the following:

- an undue increase in operational risk;
- an impairment in the quality of Steamship's systems of governance;
- difficulties for supervisory authorities in monitoring compliance; and
- a deterioration in service to Members (policyholders)

Management assesses whether a function or activity is critical or important and reports to the Board whenever outsourcing of a critical or important function or activity is considered and also when an agreement has been entered into.

Steamship has identified four functions that are deemed Critical and Important for Solvency II purposes. These are:

1. Management services provided by Steamship P&I Management LLP (SPIM), FCA FRN 597046 (SPIM is the management company of the Steamship regulatory group entities covered by this document, which are SPIM's sole clients, so that SPIM's risks and controls are largely synonymous with those of Steamship);
2. Information Technology services provided by Complete IT Ltd;
3. Local Singapore compliance services provided by PricewaterhouseCoopers Risk Services Pte Limited;
4. Internal Audit services provided by BDO LLP; and
5. Underwriting activities on the Club's behalf by Post & Co, a Rotterdam-based broker, concerning the European Inland and Short Sea insurance Facility.

B.8 Other information

There have been no material changes in the system of governance during the year, and Steamship believes it remains appropriate taking into account the nature, scale and complexity of the risk inherent in the business. In particular, the centralised approach reflects the highly integrated and inter-dependent nature of Steamship's activities.

C. Risk Profile

Steamship monitors and manages the risks relating to its operations through its risk management programme which analyses exposures by degree and magnitude of risk. This is evidenced in the Group Solvency Self-Assessment (“GSSA”) report.

The GSSA documents the risk and capital management processes employed by Steamship to identify, assess, manage and report the risks it may face and to determine the capital resources required to ensure that its overall solvency needs are met at all times. The GSSA considers the business strategy, how the strategy aligns to risk appetite and the current risk profile.

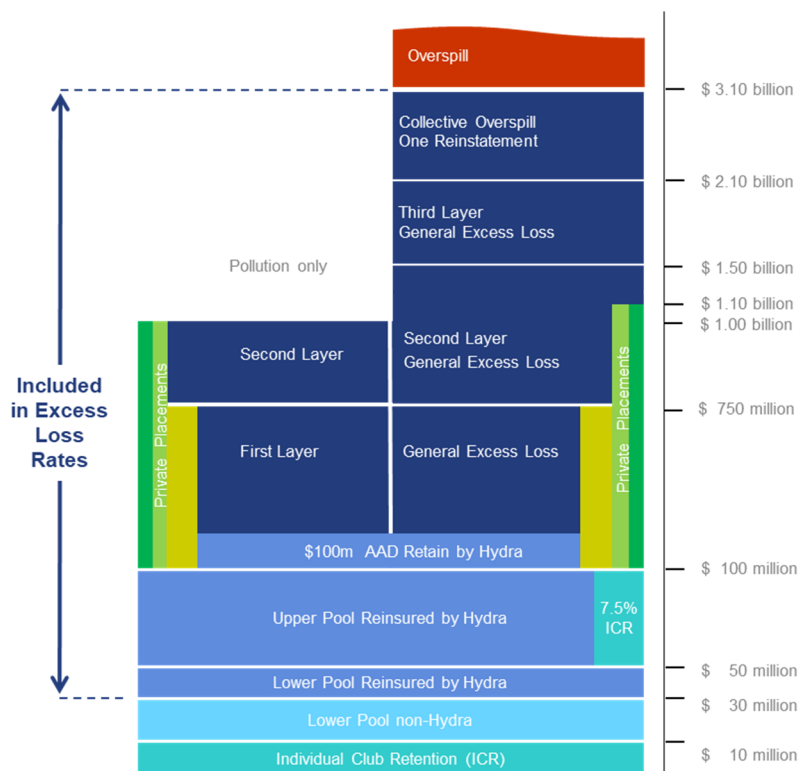
The principal risks faced by Steamship are insurance risk, market risk, credit risk, liquidity risk and operational risk.

C.1 Insurance risk

Insurance risk is comprised of two elements; premium risk and reserving risk. Premium risk refers to the risk that insurance premium written in the current policy year is insufficient to cover claims and other costs arising in that year. It thus relates to the future, whereas reserving risk is the risk that, over the next year, existing technical provisions are insufficient to cover claims arising in previous policy years. Steamship is exposed to the uncertainty surrounding the timing, frequency and severity of claims made under its insurance contracts.

Premium is set using assumptions which have regard to trends and the past experience of a specific Member. Premium risk is mitigated by diversification across a variety of ship types and geographical areas, and by careful selection and implementation of underwriting strategy guidelines including the screening of new Members.

Steamship transfers a substantial portion of its risk to its reinsurers through the provisions of the reinsurance arrangements and its membership of the International Group (Layers of the 2019/20 Reinsurance Programme).



C. Risk Profile

The key methods used to estimate claims liabilities are Bornhuetter-Ferguson for the most recent policy year reported and the Development Factor Method for all other policy years. Reserves for both reported and unreported claims are calculated using detailed statistical analysis of past experience as to frequency and average cost of claims. The Audit and Risk Committee compares the proposed claim reserves with an independent calculation performed by qualified actuaries at year end.

Steamship aims to reduce reserving risk by setting claims reserves at a prudent level that provides between 70% and 80% confidence that they will be sufficient to cover actual settlement costs. Actual experience will differ from the expected outcome but this prudent basis is expected to result in releases of prior year claim reserves.

C.2 Market risk

Market risk is the risk of financial loss as a consequence of movements in the prices of equities and bonds, interest rates, currency exchange rates and other price changes. Market risk arises primarily from investment activities.

Steamship's exposure to changes in interest rates and market prices is concentrated in the investment portfolio. The risk appetite, asset allocation and tolerance ranges are set by the SMUAT Board having consulted with the Boards of SMUAB and SMUA. Exposures and compliance with Board policies are monitored and reported by the Managers assisted by independent investment consultants.

Steamship receives the majority of its premium income in US dollars, a significant amount in euro and small amounts in UK sterling and Canadian dollars. Claims liabilities arise in a number of currencies but predominantly in US dollars, euro, UK sterling and Brazilian reals. This exposure is mitigated by holding investments and derivatives in these currencies. To minimise currency translation costs operational bank balances in local currencies are maintained to fund expected short-term claim payments in those currencies.

C.3 Credit risk

Credit risk is the risk that a counterparty owing money to Steamship may default causing a debt to be written off. The extensive reinsurance protection arranged by Steamship effectively transforms a proportion of insurance risk into credit risk as the exposure becomes the risk of reinsurer default. External reinsurers are generally only used if their financial strength rating is at Standard & Poor's A- or an equivalent rating from another rating agency except in the case of some Members of the International Group and participants on reinsurance contracts placed through the International Group.

The credit risk arising from the reinsurance contracts with SMUAB and SMUAT is mitigated through the operation of a collateral agreement.

Credit risk in respect of amounts due from Members is spread across diverse industries and geographical areas. Cover can be cancelled and claims set off against unpaid premium and there are other strong incentives for Members to keep their insurance cover in place. In practice therefore the prompt payment of premium means bad debt is immaterial.

Credit risk arises on operational balances and deposits held with banks. Controls include the use of a variety of banks and the limitation of individual exposures to US\$15 million (S&P AA rated banks, or equivalent rating from other agencies), and US\$10 million (S&P A rated banks, equivalent rating from other agencies). The one exception is an unrated, privately capitalised bank which is monitored by reference to a specific capital ratio.

C.4 Liquidity risk

Liquidity risk is the risk that Steamship cannot meet its financial obligations as they fall due. Steamship maintains a highly liquid portfolio of cash, government and corporate bonds with a maturity equivalent to the expected settlement period of claim liabilities. Most of the remaining assets in the surplus portfolio could be converted into cash in less than one month.

C.5 Operational risk

Operational risk includes fraud, interruptions in service due to external or internal disruption and procedural or systems errors. Steamship has identified its operational risks in a risk register and has in place appropriate controls to manage and mitigate such risks, consistent with good practice, regulatory guidance and legislation relating to human resources,

C. Risk Profile

financial crime, business continuity and information security. Appropriate controls are also in place to monitor the outsourcing of operations to the Managers and, through them, other service providers.

C.6 Other material risks

Steamship's Standard Formula Appropriateness Assessment identified the obligation to fund the SIMSL (Managers) defined benefit pension scheme was not being captured by the Standard Formula. Following an application for rule variation, on 5 January 2018 the PRA issued a written notice setting a capital add-on of US\$14.394 million (2018: US\$20.280 million) for this obligation.

Group Risk

Group risk is the risk of loss resulting from risk events arising within a related entity. Under Solvency II Steamship is considered to be a regulatory group and has to monitor the individual Steamship companies to ensure that capital resources are more than sufficient to meet the requirements set by local regulators.

C.7 Other information - Stress and sensitivity tests

Steamship has developed a suite of stress and sensitivity tests, including reverse stress tests, which are used to measure the robustness of the capital position.

During 2018/19 the following stress tests were carried out:

- Fleet Diversification
- Cyber Attack (on Management operations)
- Regionalisation
- Reinsurance failure as a result of insolvency/winding up (Reverse Stress Test)
- Investment (Liquidity – market crash)
- Coincidence of worst performing years in each claim category, type of business and entity
- 40% decline in equity prices
- 40% decline in alternative investments and real estate
- Extreme US Yield Curve Widening
- Widening of credit spreads
- Foreign currency shocks
- Inflation and Monetary Policy risk

The following sensitivity tests were also carried out in 2018/19 principally to help identify and test the suitable level of buffer above the 'AAA' Standard & Poor's requirement.

- Single claim of US\$2 billion in current policy year
- 5% increase in claims incurred on current policy year
- Prior policy years reserve deterioration
- Current policy year underwriting losses
- Investment loss
- Combination of current policy year underwriting losses and an investment loss

The stress and sensitivity testing results show that Steamship is most vulnerable to high claims experience. However, Steamship benefits from significant reinsurance cover for incidents greater than US\$10 million and is expect to continue to meet its Solvency requirements in all scenarios.

D. Valuation for Solvency Purposes

D.1 Assets

In accordance with the BMA rules and of the Solvency II Directive, Steamship's assets and liabilities (other than technical provisions) are measured in accordance with principles of an arm's-length transaction between knowledgeable willing parties using market consistent valuation methods.

The following tables display the GAAP Balance Sheet as reported within the published report and accounts, the Solvency II adjustments made and the Solvency II valuation for the Group, SMUAT, SMUAB and SMUA.

Group

	2019 GAAP US\$000	Adjustments	2019 Solvency II US\$000
Assets			
Deferred acquisition costs	468	(468)	-
Investments	1,033,195		1,033,195
Reinsurers' share of technical provisions	219,952	(41,138)	178,814
Insurance & intermediaries receivables	23,698	(4,720)	18,978
Receivables (trade, not insurance)	6,734		6,734
Cash and cash equivalents	54,709		54,709
Any other assets, not elsewhere shown	4,364		4,364
Total assets	1,343,120	(46,326)	1,296,794
Liabilities			
Technical provisions			
Technical provisions calculated as a whole	830,387		
Best Estimate		(77,355)	753,032
Risk margin		35,104	35,104
Sub-total	830,387	(42,251)	788,136
Insurance & intermediaries payables	8,993		8,993
Reinsurance payables	10,175	(8,231)	1,944
Payables (trade, not insurance)	25,651		25,651
Any other liabilities, not elsewhere shown	865		865
Total liabilities	876,071	(50,482)	825,589
Free reserves	467,049	4,156	471,205

D. Valuation for Solvency Purposes

SMUAT

	2019 GAAP US\$000	Adjustments	2019 Solvency II US\$000
Assets			
Investments	856,610	-	856,610
Reinsurers' share of technical provisions	-	-	-
Insurance & intermediaries receivables	108	-	108
Receivables (trade, not insurance)	-	-	-
Cash and cash equivalents	-	-	-
Any other assets, not elsewhere shown	3,688	-	3,688
Total assets	860,406	-	860,406
Liabilities			
Technical provisions			
Technical provisions calculated as a whole	498,330		
Best Estimate		(28,202)	470,128
Risk margin		14,187	14,187
Sub-total	498,330	(14,015)	484,315
Reinsurance payables	102,630	-	102,630
Payables (trade, not insurance)	534	-	534
Total liabilities	601,494	(14,015)	587,479
Free reserves	258,912	14,015	272,927

SMUAB

	2019 GAAP US\$000	Adjustments	2019 Solvency II US\$000
Assets			
Investments	112,853		112,853
Reinsurers' share of technical provisions	373,552	(18,230)	355,322
Insurance & intermediaries receivables	76,387		76,387
Receivables (trade, not insurance)	2,440		2,440
Cash and cash equivalents	766		766
Any other assets, not elsewhere shown	294		294
Total assets	566,292	(18,230)	548,062

D. Valuation for Solvency Purposes

Liabilities

Technical provisions			
Technical provisions calculated as a whole	441,312		
Best Estimate		(23,278)	418,034
Risk margin		4,267	4,267
Sub-total	441,312	(19,011)	422,301
Payables (trade, not insurance)	22,252		22,252
Total liabilities	463,564	(19,011)	444,553
Free reserves	102,728	781	103,509

SMUA

Assets

	2019 GAAP US\$000	Adjustments	2019 Solvency II US\$000
Deferred acquisition costs	468	(468)	0
Investments	60,757	0	60,757
Reinsurers' share of technical provisions	786,042	(79,510)	706,532
Insurance & intermediaries receivables	59,450	(4,720)	54,730
Receivables (trade, not insurance)	7,244		7,244
Cash and cash equivalents	53,862		53,862
Any other assets, not elsewhere shown	380		380
Total assets	968,203	(84,698)	883,505

Liabilities

Technical provisions			
Technical provisions calculated as a whole	830,387		
Best Estimate		(78,181)	752,206
Risk margin		15,236	15,236
Sub-total	830,387	(62,945)	767,442
Insurance & intermediaries payables	8,993	0	8,993
Reinsurance payables	19,682	(8,231)	11,451
Payables (trade, not insurance)	2,867		2,867
Any other liabilities, not elsewhere shown	865		865
Total liabilities	862,794	(71,176)	791,618
Free reserves	105,409	(13,522)	91,887

D. Valuation for Solvency Purposes

The investments are valued for Solvency II purposes on the same basis as the annual financial statements, which follow UK GAAP, except for a minor difference in the valuation of forward currency contracts.

The reinsurance recoverables have, for Solvency II purposes, been discounted using the risk-free rate term structure.

D.2 Technical Provisions

The key change under Solvency II is the economic valuation of technical provisions, comprising:

- the best estimate of all cashflows, positive and negative, discounted to reflect the time value of money;
- provisions at market value (hence, a risk margin must be added reflecting the cost of the capital tied up in running the liabilities);
- inclusion of legally bound contracts (even if not yet inception); and
- all future outcomes (including events not in [historical] data - or ENIDs - have to be considered).

Reconciliation of Technical Provisions

Below is a reconciliation of technical provisions reported in the published report and accounts and on a Solvency II basis for the Group, SMUAT, SMUAB and SMUA.

Group

	Gross	Reinsurers'	Net
	US\$000	US\$000	US\$000
Published Technical Provisions			
Unearned premium	2,979	-	2,979
Outstanding claims	827,408	219,952	607,456
UK GAAP Published technical provisions (outstanding claims)	830,387	219,952	610,435
Adjustments			
Remove unearned premium	(2,979)	-	(2,979)
Remove prudent margin	(37,649)	235	(37,884)
Add bound but not inception - premium	(319,900)	(53,036)	(266,864)
Add bound but not inception - claims and expenses	342,104	40,587	301,517
Add events not in data	10,000	-	10,000
Add provision for reinsurer default	-	(839)	839
Reclassification of (Re)Insurance debtors/creditors	(4,720)	(8,231)	3,511
Discount cash flows	(64,211)	(19,854)	(44,357)
Add risk margin	35,104	-	35,104
Total adjustments	(42,251)	(41,138)	(1,113)
Regulatory technical provisions	788,136	178,814	609,322

D. Valuation for Solvency Purposes

SMUAT

	Gross US\$000
Published Technical Provisions	
UK GAAP Published technical provisions (outstanding claims)	498,330
Adjustments	
Remove prudent margin	(35,252)
Add bound but not incepted - premium	(146,603)
Add bound but not incepted - claims and expenses	182,931
Add events not in data	9,000
Reclassification of (Re)Insurance debtors/creditors	0
Discount cash flows	(38,279)
Add risk margin	14,187
Total adjustments	(14,015)
Regulatory technical provisions	484,315

SMUAB

	Gross US\$000	Reinsurers' share US\$000	Net US\$000
Published Technical Provisions			
UK GAAP Published technical provisions (outstanding claims)	441,312	373,552	67,760
Adjustments			
Remove prudent margin	(23,691)	(23,691)	-
Add bound but not incepted - premium	(185,330)	(149,849)	(35,481)
Add bound but not incepted - claims and expenses	218,086	182,604	35,482
Add events not in data	4,500	4,500	-
Add provision for reinsurer default	-	(1,160)	1,160
Reclassification of (Re)Insurance debtors/creditors	-	-	-
Discount cash flows	(36,843)	(30,634)	(6,209)
Add risk margin	4,267	-	4,267
Total adjustments	(19,011)	(18,230)	(781)
Regulatory technical provisions	422,301	355,322	66,979

D. Valuation for Solvency Purposes

SMUA

	Gross	Reinsurers' share	Net
	US\$000	US\$000	US\$000
Published Technical Provisions			
Unearned premium	2,979	0	2,979
Outstanding claims	827,408	786,042	41,366
UK GAAP Published technical provisions (outstanding claims)	830,387	786,042	44,345
Adjustments			
Remove unearned premium	(2,979)	0	(2,979)
Remove prudent margin	(37,650)	(35,017)	(2,633)
Add bound but not incepted - premium	(319,900)	(235,120)	(84,780)
Add bound but not incepted - claims and expenses	340,020	251,929	88,091
Add events not in data	10,000	9,000	1,000
Add provision for reinsurer default	0	(2,685)	2,685
Reclassification of (Re)Insurance debtors/creditors	(4,720)	(8,232)	3,512
Discount cash flows	(62,952)	(59,385)	(3,567)
Add risk margin	15,236	0	15,236
Total adjustments	(62,945)	(79,510)	16,565
Regulatory technical provisions	767,442	706,532	60,910

Steamship values technical provisions using the methodology prescribed by the Solvency II Directive. This methodology is documented in Steamship's paper *Solvency II - Basis of Preparation*.

For UK GAAP the technical provisions are valued using undiscounted values.

For Solvency II purposes the technical provisions are the sum of the best estimate and the risk margin. The technical provisions are calculated separately for the premium provision and for the claims provision, both using a best estimate basis.

The best estimate is the probability weighted average of future cashflows discounted with the risk free term structure for US dollars provided by EIOPA. The probability-weighted average future cashflows are calculated according to actuarial best practice, using several methods and techniques such as the Development Factor Method (DFM) and the Bornhuetter-Ferguson technique for immature policy years.

As a monoline Protection & Indemnity insurer, Steamship currently uses one homogeneous risk group for the calculation of technical provisions.

The risk margin is the cost of holding the SCR to run off, determined by multiplying each year's projected SCR by the current prescribed cost of capital of 6% per annum.

The key source of uncertainty in the technical provisions is the randomness of claims both in terms of size and timing, and the impact on the ultimate cost of the unpaid claims.

D. Valuation for Solvency Purposes

D.3 Other information

No other material information is applicable.

E. Capital Management

Steamship is committed to maintaining a strong capital position in order to be a robust insurer for its Members (policyholders). The objective is to maintain a solvency level in line with the risk appetite statement. Sensitivity tests for the principal risks are performed periodically and annual stress tests are performed to test Steamship's robustness to withstand moderate to severe scenarios. A key objective is to maintain a capital position and a risk profile that supports a Standard & Poor's 'A' (Stable) rating.

Steamship's risk appetite statement requires that each regulated entity should hold Own Funds at least equal to 120% of the regulatory requirement.

Steamship undertakes a Group Solvency Self-Assessment (GSSA) annually and when the risk profile or business model changes. The GSSA exercise incorporates the business planning process which is typically considered over a five year time horizon. There have been no significant changes since 1 January 2016. Solvency ratios are regularly monitored by the Audit and Risk Committee and Boards.

E.1 Own funds

The tables below detail the capital position of the individual entities and the regulatory group as at 20 February 2019 together with the analysis of change from 20 February 2018. With respect to the capital position, the BMA rules and Solvency II regulations require insurers to categorise own funds into the following two tiers with differing qualifications as eligible available regulatory capital:

- Tier 1 capital consists of Free Reserves of the entities on a Solvency II economic basis (Basic Own funds 'Unrestricted'); and
- Tier 2 capital consists of ancillary own funds and encumbered assets relating to Steamship's Hydra cell which are only available to support the cell's liabilities.

Ancillary own funds consist of items other than basic own funds which can be used to absorb losses. Ancillary own fund items require the prior approval of the supervisory authority. Steamship has approved ancillary own fund items.

The rules impose limits on the amount of each tier that can be held to cover capital requirements with the aim of ensuring that the items will be available if needed to absorb any losses that might arise.

The following tables show the breakdown of eligible Own Funds to meet the SCR.

As at 20 February 2019

Own Funds by Tiers US\$000	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
Tier 1 Basic Own funds (Unrestricted)		455,359	272,927	89,214	91,887
Tier 2 Ancillary own funds		65,481	-	-	46,319
Tier 2 Encumbered assets (Hydra Restricted)		15,368	-	14,150	-
Total Eligible own funds to meet the SCR		536,208	272,927	103,363	138,206

As at 20 February 2018

Own Funds by Tiers US\$000	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
Tier 1 Basic Own funds (Unrestricted)		505,922	318,217	94,458	97,027
Tier 2 Ancillary own funds		68,018	-	-	44,802
Tier 2 Encumbered assets (Hydra Restricted)		25,565	-	23,042	-
Total Eligible own funds to meet the SCR		599,505	318,217	117,500	141,829

E. Capital Management

Steamship's Tier 1 Own Funds are made up 100% of free reserves which have arisen from past underwriting and investment surpluses. As such all capital is Tier 1 and there are no restrictions on the availability of Steamship's Tier 1 own funds to support the MMS or SCR.

Steamship also has approved Tier 2 ancillary own funds (AOF) of US\$65.481 million (2018: US\$68.018 million) for the ability to make an additional premium call on Mutual Members.

The BMA and PRA recognise that Steamship can increase own funds by making additional premium (also known as unbudgeted supplementary calls) under its Rules in extreme circumstances. The BMA and PRA have granted approval for a method of calculation of Ancillary Own Funds (AOF) and, subject to an annual confirmation by Steamship that key factors remain valid, the method is approved until 20 February 2020.

Under the BMA Rules and Solvency II regulations, up to 50% of the SCR may be supported by approved Ancillary Own Funds.

The future risk profile of Steamship is anticipated to remain relatively stable.

The following tables show the breakdown of eligible Own Funds to meet the Minimum Margin of Solvency.

As at 20 February 2019

Own Funds by Tiers US\$000	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
Tier 1 Basic Own funds (Unrestricted)		455,359	272,927	89,214	91,887
Tier 2 Ancillary own funds		-	-	-	-
Tier 2 Encumbered assets (Hydra Restricted)		15,368	-	14,150	-
Total Eligible own funds to meet the MMS		536,208	272,927	103,363	91,887

As at 20 February 2018

Own Funds by Tiers US\$000	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
Tier 1 Basic Own funds (Unrestricted)		505,922	318,217	94,458	97,027
Tier 2 Ancillary own funds		-	-	-	4,480
Tier 2 Encumbered assets (Hydra Restricted)		25,565	-	23,042	-
Total Eligible own funds to meet the MMS		531,487	318,217	117,500	101,507

E.2 Solvency Capital Requirement and Minimum Margin of Solvency

The SCR and Minimum Margin of Solvency (MMS) for the regulatory group and the individual entities have been determined using the 'Standard Formula' approach as set out in BMA's and Solvency II regulations.

No material simplified methods or undertaking-specific parameters have been used in this assessment.

The Group and SMUAB assessments have been prepared using the Accounting Consolidation based method.

E. Capital Management

The following tables show the breakdown of the Solvency Capital Requirement, together with the Minimum Margin of Solvency.

As at 20 February 2019

Risk Category US\$000	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
Non-life underwriting risks		188,126	84,321	18,629	37,206
Counterparty default risks		6,795	95	13,258	25,959
Market risks		68,867	72,110	4,262	13,328
Operational risks		33,417	1,169	289	32,450
Total before diversification between risks		297,206	157,695	36,439	108,943
Diversification between risk categories		(51,818)	(39,594)	(7,234)	(16,305)
Solvency Capital Requirement (SCR)		245,388	118,101	29,204	92,638
Minimum Margin of Solvency (MMS)		103,876	74,750	7,301	23,159

As at 20 February 2018

Risk Category US\$000	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
Non-life underwriting risks		304,303	140,894	16,274	36,976
Counterparty default risks		6,638	106	11,052	22,287
Market risks		79,900	63,538	5,781	4,553
Operational risks		35,114	1,165	201	36,278
Total before diversification between risks		425,955	205,703	33,308	100,094
Diversification between risk categories		(178,933)	(88,016)	(12,981)	(10,490)
Solvency Capital Requirement (SCR)		247,022	117,687	20,327	89,604
Minimum Margin of Solvency (MMS)		102,529	73,898	6,230	22,401

Solvency ratio

Ratio of eligible own funds to Solvency Capital Requirement:

	Entity Regulator	Group BMA	SMUAT BMA	SMUAB BMA	SMUA PRA
20 February 2019		219%	231%	354%	149%
20 February 2018		243%	270%	578%	158%

E.3 Use of Duration based equity risk sub-module in the calculation of SCR

The duration-based equity risk sub-module has not been used in the calculation of the SCR for either the Group or the individual entities.

E.4 Difference between Standard Formula and any Internal Model used

No internal or partial internal model has been used in the calculation of the SCR. However, Steamship's Standard Formula Appropriateness Assessment identified that the obligation to fund a defined benefit pension scheme operated by

E. Capital Management

the Managers' service company (SIMSL) was not being captured by the Standard Formula. Following an application for rule variation, on 5 January 2018 the PRA issued a written notice formalising the 'voluntary capital add-on' of US\$14.394 million (2018: US\$20.280 million) requiring the development of a partial internal model to incorporate this additional operational risk.

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

Steamship has set out to be fully compliant with the Standard Formula calculation of MCR and SCR and is not aware of any non-compliance.

The Group and the individual entities have maintained Own Funds (Free Reserves) in excess of the MCR and SCR throughout the period.

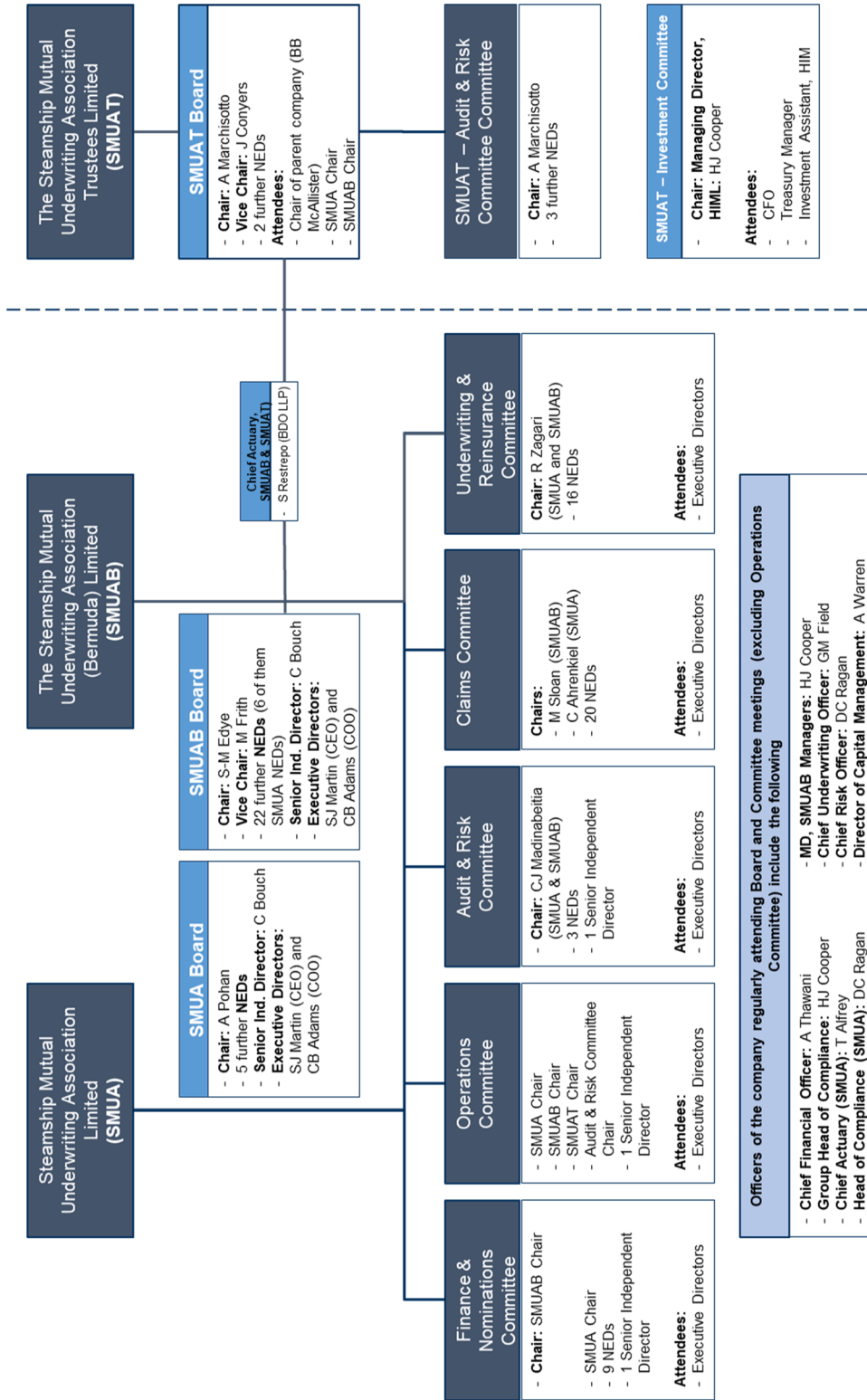
E.6 Other information

Steamship has an interactive Standard & Poor's rating of 'A' with a stable outlook.

Subsequent events

There are no subsequent events which require adjustment or disclosure in the Financial Condition Report. The financial statements were approved and authorised for issue by the Board on 14 May 2019

Appendix 1 – Steamship Regulatory Group Governance Map



Appendix 2 – SMUA Quantitative Reporting Templates

List of reported templates

S.02.01.02 – Balance Sheet

S.05.01.02 – Premium, claims and expenses by line of business

S.05.02.01 – Premium, claims and expenses by country

S.17.01.02 – Non-Life Technical Provisions

S.19.01.21 – Non-Life insurance claims

S.21.01.01 – 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

Balance sheet

	Solvency II value
	C0010
Assets	
Goodwill	
Deferred acquisition costs	
Intangible assets	
Deferred tax assets	
Pension benefit surplus	
Property, plant & equipment held for own use	
Investments (other than assets held for index-linked and unit-linked contracts)	42,887,199
<i>Property (other than for own use)</i>	
<i>Holdings in related undertakings, including participations</i>	25,192
<i>Equities</i>	-
<i>Equities - listed</i>	
<i>Equities - unlisted</i>	
<i>Bonds</i>	17,232,638
<i>Government Bonds</i>	17,232,638
<i>Corporate Bonds</i>	
<i>Structured notes</i>	
<i>Collateralised securities</i>	
<i>Collective Investments Undertakings</i>	
<i>Derivatives</i>	-
<i>Deposits other than cash equivalents</i>	25,629,369
<i>Other investments</i>	
Assets held for index-linked and unit-linked contracts	
Loans and mortgages	-
<i>Loans on policies</i>	
<i>Loans and mortgages to individuals</i>	
<i>Other loans and mortgages</i>	
Reinsurance recoverables from:	706,532,428
<i>Non-life and health similar to non-life</i>	706,532,428
<i>Non-life excluding health</i>	706,532,428
<i>Health similar to non-life</i>	
<i>Life and health similar to life, excluding index-linked and unit-linked</i>	-
<i>Health similar to life</i>	
<i>Life excluding health and index-linked and unit-linked</i>	
<i>Life index-linked and unit-linked</i>	
Deposits to cedants	
Insurance and intermediaries receivables	11,140,452
Reinsurance receivables	43,589,613
Receivables (trade, not insurance)	7,244,460
Own shares (held directly)	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	
Cash and cash equivalents	71,731,976
Any other assets, not elsewhere shown	379,484
Total assets	883,505,612

	Solvency II value
	C0010
Liabilities	
Technical provisions - non-life	767,442,056
<i>Technical provisions - non-life (excluding health)</i>	767,442,056
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	752,206,377
<i>Risk margin</i>	15,235,679
<i>Technical provisions - health (similar to non-life)</i>	-
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
Technical provisions - life (excluding index-linked and unit-linked)	-
<i>Technical provisions - health (similar to life)</i>	-
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	-
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
Technical provisions - index-linked and unit-linked	-
<i>TP calculated as a whole</i>	
<i>Best Estimate</i>	
<i>Risk margin</i>	
Other technical provisions	
Contingent liabilities	
Provisions other than technical provisions	
Pension benefit obligations	629,421
Deposits from reinsurers	
Deferred tax liabilities	
Derivatives	
Debts owed to credit institutions	
<i>Debts owed to credit institutions resident domestically</i>	
<i>Debts owed to credit institutions resident in the euro area other than domestic</i>	
<i>Debts owed to credit institutions resident in rest of the world</i>	
Financial liabilities other than debts owed to credit institutions	
<i>Debts owed to non-credit institutions</i>	-
<i>Debts owed to non-credit institutions resident domestically</i>	
<i>Debts owed to non-credit institutions resident in the euro area other than domestic</i>	
<i>Debts owed to non-credit institutions resident in rest of the world</i>	
<i>Other financial liabilities (debt securities issued)</i>	
Insurance & intermediaries payables	8,993,137
Reinsurance payables	11,451,012
Payables (trade, not insurance)	2,866,425
Subordinated liabilities	-
<i>Subordinated liabilities not in BOF</i>	
<i>Subordinated liabilities in BOF</i>	
Any other liabilities, not elsewhere shown	236,317
Total liabilities	791,618,368
Excess of assets over liabilities	91,887,244

S.05.01.01
Premiums, claims and expenses by line of business

	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	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150		C0160
	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	Health	Casualty	Marine, aviation, transport	Property	
Premiums written						307,374,968											307,374,968.00
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share						220,290,672											220,290,672.00
Net	0.00	0.00	0.00	0.00	0.00	87,084,296	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,084,296.00
Premiums earned						306,661,090											306,661,090.00
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share	0.00	0.00	0.00	0.00	0.00	220,290,672	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	220,290,672.00
Net						86,370,418	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86,370,418.00
Claims incurred						271,482,856											271,482,856.00
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share	0.00	0.00	0.00	0.00	0.00	22,136,933	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,136,933.00
Net						249,345,923											249,345,923.00
Changes in other technical provisions																	
Gross - Direct Business																	
Gross - Proportional reinsurance accepted																	
Gross - Non-proportional reinsurance accepted																	
Reinsurers' share	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
Net																	
Expenses incurred						65,115,475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65,115,475.00
Other expenses																	
Total expenses	0.00	0.00	0.00	0.00	0.00	65,115,475	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65,115,475.00
Net																	65,115,475.00

S.17.01.01
Non-Life Technical Provisions

	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Direct business and accepted 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 reinsurance - health	Non-proportional reinsurance - casualty	Non-proportional reinsurance - marine, aviation and transport	Non-proportional reinsurance - property	
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Best estimate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TP as a whole	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Best estimate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	13,056,850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,056,850
Best estimate	0.00	0.00	0.00	0.00	0.00	13,056,850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,056,850
TP as a whole	0.00	0.00	0.00	0.00	0.00	13,056,850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,056,850
Best estimate	0.00	0.00	0.00	0.00	0.00	13,056,850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,056,850
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	8,986,395	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,986,395
Best estimate	0.00	0.00	0.00	0.00	0.00	8,986,395	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,986,395
TP as a whole	0.00	0.00	0.00	0.00	0.00	8,986,395	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,986,395
Best estimate	0.00	0.00	0.00	0.00	0.00	8,986,395	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,986,395
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	4,070,455	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,070,455
Best estimate	0.00	0.00	0.00	0.00	0.00	4,070,455	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,070,455
TP as a whole	0.00	0.00	0.00	0.00	0.00	4,070,455	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,070,455
Best estimate	0.00	0.00	0.00	0.00	0.00	4,070,455	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,070,455
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	739,149,527	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739,149,527
Best estimate	0.00	0.00	0.00	0.00	0.00	739,149,527	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739,149,527
TP as a whole	0.00	0.00	0.00	0.00	0.00	739,149,527	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739,149,527
Best estimate	0.00	0.00	0.00	0.00	0.00	739,149,527	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739,149,527
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	700,230,977	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700,230,977
Best estimate	0.00	0.00	0.00	0.00	0.00	700,230,977	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700,230,977
TP as a whole	0.00	0.00	0.00	0.00	0.00	700,230,977	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700,230,977
Best estimate	0.00	0.00	0.00	0.00	0.00	700,230,977	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700,230,977
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	41,603,494	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,603,494
Best estimate	0.00	0.00	0.00	0.00	0.00	41,603,494	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,603,494
TP as a whole	0.00	0.00	0.00	0.00	0.00	41,603,494	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,603,494
Best estimate	0.00	0.00	0.00	0.00	0.00	41,603,494	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,603,494
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	752,206,377	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	752,206,377
Best estimate	0.00	0.00	0.00	0.00	0.00	752,206,377	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	752,206,377
TP as a whole	0.00	0.00	0.00	0.00	0.00	752,206,377	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	752,206,377
Best estimate	0.00	0.00	0.00	0.00	0.00	752,206,377	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	752,206,377
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	45,673,949	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,673,949
Best estimate	0.00	0.00	0.00	0.00	0.00	45,673,949	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,673,949
TP as a whole	0.00	0.00	0.00	0.00	0.00	45,673,949	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,673,949
Best estimate	0.00	0.00	0.00	0.00	0.00	45,673,949	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,673,949
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions calculated as a sum of BE and RM	0.00	0.00	0.00	0.00	0.00	15,235,679	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,235,679
Best estimate	0.00	0.00	0.00	0.00	0.00	15,235,679	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,235,679
TP as a whole	0.00	0.00	0.00	0.00	0.00	15,235,679	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,235,679
Best estimate	0.00	0.00	0.00	0.00	0.00	15,235,679	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,235,679
Risk margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Technical provisions calculated as a whole
 Direct business
 Accepted proportional reinsurance business
 Accepted non-proportional reinsurance
 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default, associated to TP as a whole

Technical provisions calculated as a sum of BE and RM
 Best estimate
 Premium provisions
 Gross - Total
 Gross - direct business
 Gross - accepted proportional reinsurance business
 Gross - accepted non-proportional reinsurance business
 Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default
 Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses
 Recoverables from SPV before adjustment for expected losses
 Recoverables from Finite Reinsurance before adjustment for expected losses
 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
 Net Best Estimate of Premium Provisions

Claims provisions
 Gross - Total
 Gross - direct business
 Gross - accepted proportional reinsurance business
 Gross - accepted non-proportional reinsurance business
 Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default
 Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses
 Recoverables from SPV before adjustment for expected losses
 Recoverables from Finite Reinsurance before adjustment for expected losses
 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
 Net Best Estimate of Claims Provisions

Total best estimate - gross
 Total best estimate - net
 Risk margin
 Amount of the transitional on Technical Provisions
 TP as a whole
 Best estimate
 Risk margin

S-19.01.01
Non-Life Insurance Claims Information

Line of business	Marine, aviation and transport insurance
Accident year / underwriting year	Underwriting year
Currency	USD
Currency conversion	Reporting currency

Year	Development year															C0180 Sum of years (cumulative)		
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150		C0160	C0170 In Current year
Prior																		0.00
N-14																		0.00
N-13																		0.00
N-12	1,717,467	14,463,411	6,608,342	8,316,868	7,336,656	2,692,827	184,008	229,576	521,526	496,478	1,409,819	402,251	238,720				238,720	44,140,009
N-11	4,527,171	5,239,493	6,943,321	3,875,412	2,213,604	4,599,686	1,552,820	324,639	38,038,797	989,945	422,411	524,860					524,860	7,670,457
N-10	4,926,413	9,481,738	6,873,713	5,771,055	5,468,530	3,474,036	4,939,632	3,878,827	961,641	1,219,566	570,947						570,947	46,666,098
N-9	9,675,470	8,356,166	7,734,666	7,602,291	3,904,465	2,605,773	34,238,866	8,838,226	12,292,995	3,106,086							3,106,086	98,555,004
N-8	11,569,540	30,467,896	12,645,943	11,592,249	7,446,667	7,484,423	6,945,751	2,355,782	2,296,150								2,296,150	92,804,507
N-7	17,348,064	196,272,845	291,645,903	202,957,842	65,354,177	34,161,886	32,975,867	23,224,091									23,224,091	863,940,475
N-6	16,479,103	62,909,419	34,159,024	25,517,852	26,163,192	9,772,256	4,590,144										4,590,144	180,690,990
N-5	10,960,454	22,195,600	39,030,618	18,535,323	11,158,611	10,016,066											10,016,066	111,896,672
N-4	13,090,042	58,873,708	48,845,482	15,076,929	7,705,123												7,705,123	143,591,284
N-3	41,729,634	110,476,043	83,225,229	29,497,180													29,497,180	264,928,086
N-2	25,748,748	54,787,688	46,538,323														46,538,323	127,074,759
N-1	41,306,859	117,293,543															117,293,543	158,600,402
N	26,215,441																271,339,234	2,150,173,270
Total																		

Year	Development year															C0360 Year end (discounted data)		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340		C0350	C0360
Prior																		
N-14																		
N-13																		
N-12																		36,102,430
N-11													38,350,313					8,668,525
N-10												44,034,186						16,841,299
N-9												12,081,218						3,454,502
N-8												11,744,827						11,944,347
N-7												6,835,914						13,565,965
N-6												3,784,955						27,610,658
N-5												20,665,680						23,419,203
N-4												17,146,443						64,078,503
N-3												15,233,811						74,615,915
N-2												40,787,577						168,755,038
N-1												20,665,680						252,792,698
N												17,146,443						739,149,527
Total																		

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

	Net solvency capital requirement	Gross solvency capital requirement
Market risk	13,327,809	13,327,809
Counterparty default risk	25,959,224	25,959,224
Life underwriting risk		
Health underwriting risk		
Non-life underwriting risk	37,205,679	37,205,679
Diversification	- 16,305,257	- 16,305,257
Intangible asset risk		-
Basic Solvency Capital Requirement	60,187,455	60,187,455
Calculation of Solvency Capital Requirement	C0100	
Adjustment due to RFF/MAP nSCR aggregation		
Operational risk	18,056,236.50	
Loss-absorbing capacity of technical provisions	-	
Loss-absorbing capacity of deferred taxes		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		
Solvency Capital Requirement excluding capital add-on	78,243,691.50	
Capital add-ons already set	14,393,981	
Solvency capital requirement	92,637,672.50	
Other information on SCR		
Capital requirement for duration-based equity risk sub-module		
Total amount of Notional Solvency Capital Requirements for remaining part		
Total amount of Notional Solvency Capital Requirements for ring fenced funds		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios		
Diversification effects due to RFF nSCR aggregation for article 304		
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation		
Net future discretionary benefits		

