



Financial Condition Report 2020

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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 of the Steamship regulatory group and each entity within the group as at 20 February 2020.

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. Steamship's financial year runs to 20 February each year, reporting its results in US dollars.

Definitions

| | |
|-------------------|--|
| Steamship | A collective term covering Steamship Mutual Underwriting Association Limited ("SMUA"), Steamship Mutual Underwriting Association (Europe) Limited ("SMUAE"), 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 | Prudential Regulation Authority ("PRA"), Financial Conduct Authority ("FCA"), Insurance Companies Control Service ("ICCS"), Bermuda Monetary Authority ("BMA") and 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 ("HKIA"). |

Regulatory terminology

| General Term | BMA | PRA / ICCS / 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 | (MMS) Minimum Margin of Solvency | (MCR) Minimum Capital Requirement |
| Capital resources | Available Statutory Capital & Surplus | Own Funds |

Executive Summary

Steamship 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 that 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 regulations Steamship is considered to be a regulatory group comprising SMUA, SMUAE, SMUAB, the Trust, and SMUAT. The supervisor for this group is the BMA and so Steamship calculates its group SCR using the BMA's standard formula.

At 20 February 2020, Steamship had a SCR of \$251.1m and total eligible capital resources of \$549.6m. The 2020 SCR ratio of 219% (2019: 219%) is evidence of the strength of Steamship's capital position, even after capital returns to Members in the last four financial years.

The following table shows the solvency position of Steamship and each entity within this group.

| \$000 | Entity | Steamship | SMUAT | SMUAB | SMUAE | SMUA |
|--------------------------|--------|----------------|---------|--------|--------|---------|
| Capital resources | | 549,565 | 300,489 | 61,707 | 32,877 | 134,284 |
| SCR | | 251,140 | 123,947 | 31,701 | 16,716 | 81,927 |
| SCR Ratio | | 219% | 242% | 195% | 197% | 164% |

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

| \$000 | 2020 | 2019 |
|---|----------------|----------|
| Underwriting risk | 186,952 | 188,126 |
| Counterparty default risk | 6,199 | 6,795 |
| Market risk | 86,491 | 68,867 |
| Operational risk | 32,254 | 33,417 |
| | 311,831 | 297,206 |
| Diversification between risk categories | (60,691) | (51,818) |
| SCR | 251,140 | 245,388 |

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 Steamship, reflecting a strategic emphasis on capital preservation over investment return.

Executive Summary

Own funds

\$000

| | 2020 | 2019 |
|---|----------------|-------------|
| Tier 1 capital - Free reserves on Solvency II basis | 461,059 | 455,359 |
| Tier 2 capital | | |
| Steamship Hydra Cell | 21,901 | 15,368 |
| Allowance for ability to make additional calls | 66,606 | 65,481 |
| Total eligible own funds | 565,565 | 536,208 |
| SCR Ratio | 219% | 219% |

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 free reserves in the financial statements of \$515.3m 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 the Steamship Hydra cell, \$21.9m, is available only to meet risks arising in the Hydra cell and is hence classified as Tier 2.

The Regulators recognise that Steamship can increase own funds (capital resources) by making additional premium calls under its Rules and in accordance with the approved formula. Capped at 50% of the SCR, these additional own funds of \$66.6m are included as Tier 2 capital.

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

Outlook for 2020

The financial year end coincided with the rapid escalation of the Covid-19 outbreak. All industries and all parts of society have been affected, including Steamship's Member insureds, with a knock-on effect to the uncertainty and volatility of Steamship's insurance business. The Directors and Managers have been focused on ensuring staff safety and operational continuity so that Members receive the service they expect in these unprecedented times. A combination of financial strength and operational resilience represent a very high degree of assurance that Steamship will meet this challenge successfully.

The Managers invoked the business continuity plan on 13 March 2020, enabling all staff to work remotely with no disruption to Member services, whilst ensuring compliance with the relevant regulatory conduct standards.

As a result of the United Kingdom's departure from the European Union, from 20 February 2020 the contracts of continuing Members with a country of management in the EEA were renewed into SMUAE, a newly authorised insurer incorporated in the Republic of Cyprus. The Rules, the scope and types of cover, the levels of service, and the financial security of SMUAE are comparable to those of SMUA. SMUA intends to transfer its EEA liabilities to SMUAE under Part VII of the Financial Services and Markets Act 2000. It is intended that the transfer of relevant assets and liabilities will be completed by 31 December 2020 based upon the latest transitional period.

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:

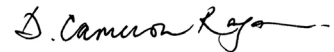
- (a) throughout the financial year in question, the Group and its solo insurance undertakings have complied in all material respects with the requirements of the BMA, PRA and ICCS rules and applicable Solvency II regulations; and
- (b) it is reasonable to believe that, at the date of the publication 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 2 June 2020.

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 insurer, otherwise known as a P&I Club, 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 International 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 \$ 10m up to, currently, approximately \$ 8.3 billion. The policy year of all P&I Clubs commences at noon Greenwich Mean Time on 20 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 its benefits for shipowners across the whole range of their insurance needs;
- Maintenance of a diverse membership in terms of geographical area, trade and vessel type;
- Maintenance of a prudent approach to investment policy prioritising capital preservation in order to provide financial security and stability;
- Provision of the highest levels of technical expertise and commitment on the part of the Club's staff and advisers and
- Provision service excellence, not only in the handling of claims, but also through extensive (in-house) 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. The Managers have operations in several locations to support these activities.

A. Business & Performance

Steamship Mutual Underwriting Association Limited (“SMUA”)

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”). SMUA 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.

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

Steamship Mutual Underwriting Association (Europe) Limited (“SMUAE”)

SMUAE was registered in Cyprus on 4 September 2019 as a Company limited by guarantee pursuant the requirements of Cyprus Companies Law, Cap. 113 and does not have share capital as it is owned by its Members (policyholders). The registered office of SMUAE is at Esperidon 5, 4th Floor, Strovolos, 2001, Nicosia, Cyprus.

SMUAE obtained an insurance licence from the ICCS on 25 October 2019 and its principal activity is the insurance and reinsurance of Protection and Indemnity risks (P&I), and of Freight, Demurrage and Defence (FD&D) risks on behalf of its Members.

The day to day operations of SMUAE are managed by “SPIM”. SMUAE is governed by a Board comprising a non-executive Chairman, five non-executive directors, and one member of SPIM. The Board mainly consists of representatives of the Members.

The Steamship Mutual Underwriting Association (Bermuda) Limited (“SMUAB”)

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 and all members of SMUA and SMUAE.

The operations of SMUAB are managed by Steamship Mutual Management (Bermuda) Limited and therefore SMUAB does not have any employees. SMUAB 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 and SMUAE.

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 “Trust”)

The 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 which enables it 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.

A. Business & Performance

SMUAT is governed by a Board comprising a non-executive Chairman, three non-executive directors, and the Chairmen of SMUA, and SMUAB.

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 BMA 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.

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 regulatory group lead) 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 (Europe)Limited

| Registered Office | Managers | External Auditors | Supervisory Authority |
|---|--|--|---|
| Esperidon 5 Floor 4 Strovolos, 2001 Nicosia Cyprus | Steamship P&I Management LLP Aquatical House 39 Bell Lane London E1 7LU +44 (0)20 7247 5490 Managers' Cyprus Representative Steamship Insurance Agency (Europe) Limited Floor One, Metis Tower 28 th October Avenue 3107 Limassol | Deloitte Limited Spyrou Kyprianou Avenue 24 Nicosia 1075 Cyprus +357 223 60300 | Superintendent of Insurance Insurance Companies Control Service P.O. Box 23364 682 Nicosia Cyprus +357 226 2990 |

A. Business & Performance

Cyprus

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 | Authorised and regulated by the 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 | | Regulated by the Financial Conduct Authority 25 The North Colonnade London E14 5HS +44(0)207 066 1000 |

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

Gross premium written by Member location

| | 2020 \$000 | 2019 \$000 |
|--------------------------|----------------|----------------|
| United States of America | 120,403 | 111,347 |
| Switzerland | 23,988 | 19,350 |
| South Korea | 18,195 | 22,131 |
| Netherlands | 13,713 | 16,393 |
| France | 13,014 | 10,986 |
| Taiwan | 10,903 | 12,647 |
| Hong Kong | 10,432 | 10,800 |
| China | 8,876 | 9,207 |
| Brazil | 8,538 | 8,910 |
| Italy | 8,191 | 8,725 |
| Chile | 8,144 | 8,100 |
| United Kingdom | 7,750 | 6,415 |
| Greece | 7,114 | 6,684 |
| India | 6,768 | 7,660 |
| Germany | 6,369 | 9,111 |
| Cyprus | 5,878 | 6,418 |
| Other countries | 30,449 | 31,777 |
| | 308,725 | 306,661 |

In 2020 gross premium totalled \$308.7m, compared to \$306.7m in the previous year, representing a 0.6% increase in premium income following a fifth successive renewal with no general increase, lower levels of premium churn and modest growth in the entered fleet.

A. Business & Performance

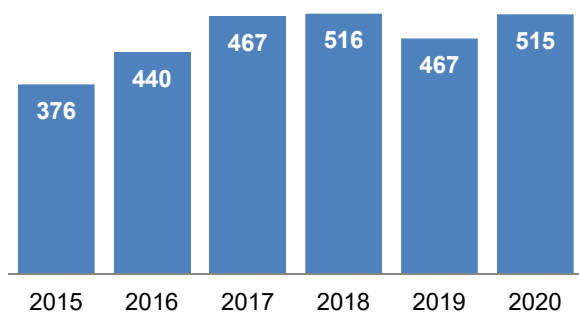
A.2 Performance

Despite eighteen pool claims (two against Steamship Members), Steamship's claims experience in the last policy year was relatively benign, whilst prior year claims development over the year was less than projected.

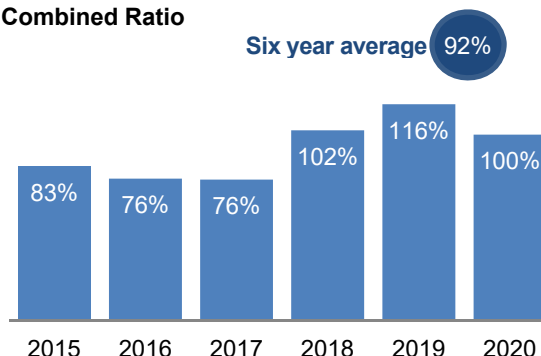
The result was a significant improvement (compared to the preceding year) in the 2019/20 financial year combined ratio to 99.8%. A very strong investment return meant that Steamship ended the year with free reserves of \$515m (after payment of a \$16m capital distribution to renewing members).

By any standards this was a positive result, but of course since the 20 February the Covid-19 pandemic has taken its toll on almost all commercial enterprise, and Steamship's reserves may be adversely impacted in 2020/21. Steamship accumulates reserves in order to absorb and help shield its members from all kinds of financial shocks, including those that are unexpected.

Free Reserves (\$ms)



Combined Ratio



Steamship's has a strategic major goal is to achieve a financial year combined ratio of 100% or less. Premium for the last financial year increased by a modest \$2m reflecting lower levels of churn, growth in entered fleets and individual rating corrections; the 2019/20 policy year was the fifth successive renewal without any general increase. (In 2020/21, the general increase was 7.5%)

Members' records are generally assessed over a six-year period. Notwithstanding higher claims in recent years, Steamship's average combined ratio over the most recent six-year period is an acceptable 92.1%.

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.

The year ahead

The Global Sulphur Cap came into force on 1 January 2020. The number of issues reported to the Club has however been comparatively modest, with no fines having been reported.

The outbreak of Covid-19 has no doubt had an impact in various ways, diverting attention from and perhaps diminishing the investigation and enforcement of the new regulations. The Club nevertheless continues to monitor the situation very closely and provide assistance to Members wherever possible.

In a normal year, we might expect to be reporting positive expectations for the forthcoming policy year. Covid-19 is of course a serious threat and it is impossible to predict with any confidence what the eventual impact will be upon Steamship's premiums and claims. As would be expected the Managers are reviewing the position on a frequent and regular basis, taking account of numerous factors, including investments, operations, reinsurance and regulatory requirements.

A. Business & Performance

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

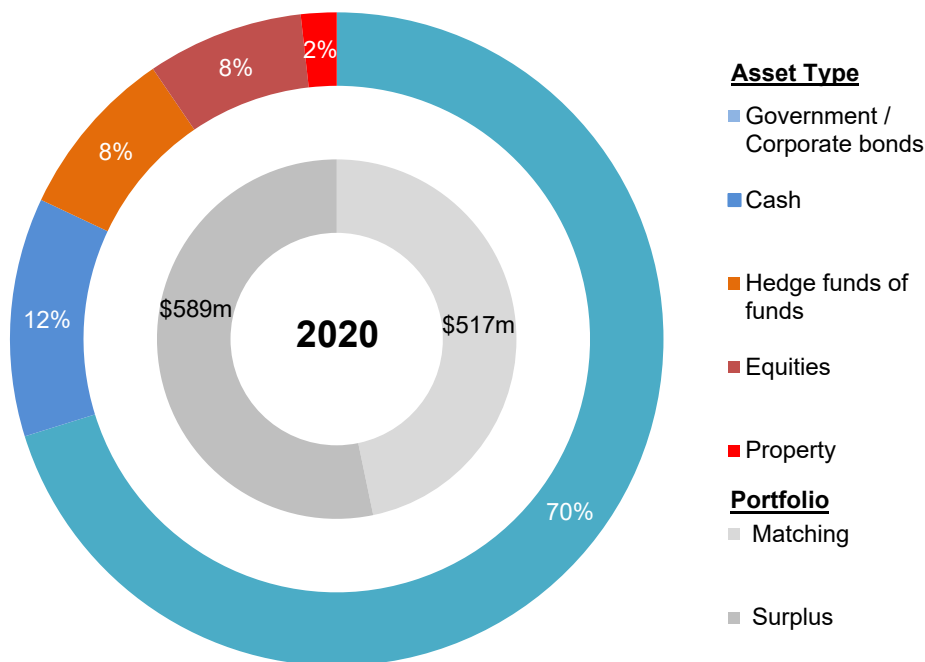
| Underwriting results | 2020 | 2019 |
|-----------------------------|----------------|----------|
| | \$000 | \$000 |
| Net earned premium (A) | 260,336 | 256,139 |
| Claims incurred (B) | 219,027 | 255,848 |
| Net operating expenses (C) | 40,780 | 41,623 |
| Technical account balance | 529 | (41,332) |
| Combined ratio (B+C)/A | 99.8% | 116.1% |

A. Business & Performance

A.3 Investment Performance

One of Steamship’s primary objectives is to maintain a prudent approach to investment policy, prioritising capital preservation in order to provide financial security and stability.

Steamship splits its investments into ‘core’ 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 in respect of SMUAE, 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 \$66.9m, a return of 6.1%, excluding fees, land and buildings which was significantly higher than the 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)

| | 2020 \$000 | 2019 \$000 |
|-----------------------------------|------------------|------------------|
| Equities | 87,174 | 73,020 |
| Alternative investments | 95,626 | 80,292 |
| Bonds | 790,222 | 677,434 |
| Money market instruments | 73,194 | 143,505 |
| Deposits with credit institutions | 26,126 | 28,629 |
| Cash and cash equivalents | 34,308 | 65,006 |
| Derivative financial instruments | (669) | 67 |
| Property | 19,829 | 19,951 |
| Total | 1,125,810 | 1,087,904 |

A. Business & Performance

| | 2020 | 2019 |
|---|----------------|---------|
| | \$000 | \$000 |
| Net investment return | | |
| Dividends and interest | 26,217 | 22,287 |
| Realised gains/(losses) | | |
| Investments | (3,935) | 1,798 |
| Foreign exchange | (1,924) | (8,459) |
| Investment income | 20,358 | 15,626 |
| Unrealised gains | | |
| Investments | 44,596 | (5,281) |
| Foreign exchange | (1,288) | 1,031 |
| Currency (gain)/losses allocated to Technical Account | 3,212 | 9,490 |
| Net investment return | 66,878 | 18,804 |
| Other income | 36 | 9 |

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 Boards comprising a non-executive Chairman and non-executive directors representing the Members. In addition the Boards of SMUA and SMUAE have insurance professional executive directors drawn from the Managers.

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

SMUAT Board

| | |
|--|--|
| A L Marchisotto, Moran Holdings Inc (Chairman) | A Pohan, NY Waterway |
| J G Conyers | S-M Edey, Sloman Neptun, Schiffahrts, AG |
| S Mehta | |
| 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 | A Pohan, NY Waterway |
| C J Ahrenkiel, C J Ahrenkiel Consulting Switzerland | B K Sheth, The Great Eastern Shipping Co Ltd |
| A Albertini, Marfin Management SAM | M Sloan, Carnival Corporation & plc |
| M W Bayley, Royal Caribbean International | C Sommerhage, Columbia Shipmanagement (Germany) GmbH |
| C Bouch | |
| D S Farkas, Norwegian Cruise Line | Song, Chunfeng, China Shipowners Mutual Assurance Association |
| M Frith | |
| 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 Ltda | E Yao, Orient Overseas Container Line Ltd (appointed 4 March 2019) |
| W J Kim, Polaris Shipping Co. Ltd | |
| C J Madinabeitia, Tradewind Tankers SL | A Zacchello, Seaarland Shipping Management BV |
| S J Martin, Steamship P&I Management LLP | R Zagari, Augustea Group |
| B A McAllister, McAllister Towing | S Zagury, Vale |

SMUAE Board

| | |
|---|--|
| C Sommerhage, Columbia Shipmanagement (Germany) GmbH (Chairman) (appointed 4 September 2019) | G W F Rynsard, Steamship P&I Management LLP (appointed 4 September 2019, resigned on 20 February 2020) |
| C Bouch (appointed 4 September 2019) | C Klerides (appointed 16 January 2020) |
| R W Harris, Steamship P&I Management LLP (appointed 4 September 2019) | R Ahlquist (appointed 10 March 2020) |
| C J Madinabeitia, Tradewind Tankers SL (appointed 4 September 2019) | |

D. Valuation for Solvency Purposes

SMUA Board

| | |
|---|--|
| A Pohan, NY Waterway (Chairman) | I Grimaldi, Grimaldi Holdings SpA |
| C B Adams, Steamship P&I Management LLP | S J Martin, Steamship P&I Management LLP |
| C J Ahrenkiel, C J Ahrenkiel Consulting Switzerland | A L Tung, Island Navigation Corp International Ltd |
| C Bouch | R Zagari, Augustea Group |
| C J Madinabeitia, Tradewind Tankers SL | |

The Boards of Directors have are ultimately responsible for the operations of the relevant entities in accordance with applicable laws and regulations. The Boards determine Steamship's strategic business plan and establish directives and instructions, as well as ensuring that appropriate internal instructions for risk management and controls exist in order to operate the business within risk appetite.

The Boards continuously monitor Steamship's operations, its financial performance and stability.

The Audit and Risk Committee of the Boards is responsible for the detailed review of published financial; internal and external audit reports and oversight of regulatory relationships. The Boards' Finance and Nomination Committee is responsible 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 regulators 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 Management & Certification Regime ("SM&CR").

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.

D. Valuation for Solvency Purposes

B.3 Risk management system (including the GSSA)

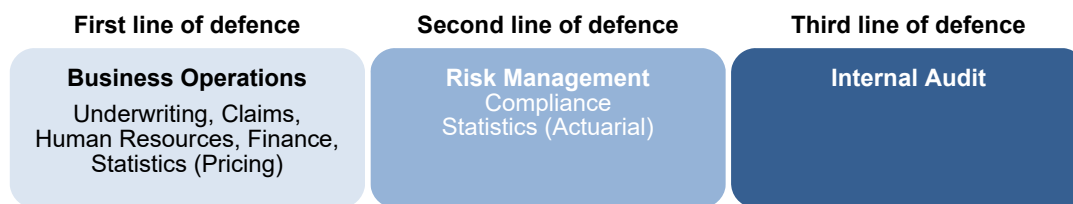
The objective of Steamship's risk management system is to ensure that the business is conducted within the overall risk appetite set by the Board. The system is characterised by a holistic, integrated and top-down enterprise risk management system, based on a shared risk culture.

B. System of Governance

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.

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 Chief Executive Officer and the Audit & Risk Committee.

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 Statistics (Actuarial) function jointly constitute the second line of defence.

The third line of defence is Internal Audit. This function is fully independent, outsourced 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 (pre-controls) and residual (post-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 Key Risk Indicators; 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 Steamship's insurance activity or the wider maritime community whose liability risks Steamship underwrites. Together, Directors and Managers are either members of or attendees at meetings of the Board's key decision-making bodies whose deliberations inform Steamship's current and forward-looking risk profile.

The Strategic Business Plan, Risk Management Strategy & Charter, Risk Appetite Statement and Key Risk Indicator 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 GSSA report.

The GSSA has been carried out in accordance with the GSSA-ORSA Policy. The Policy states that the GSSA is performed at least annually when the Board considers 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.

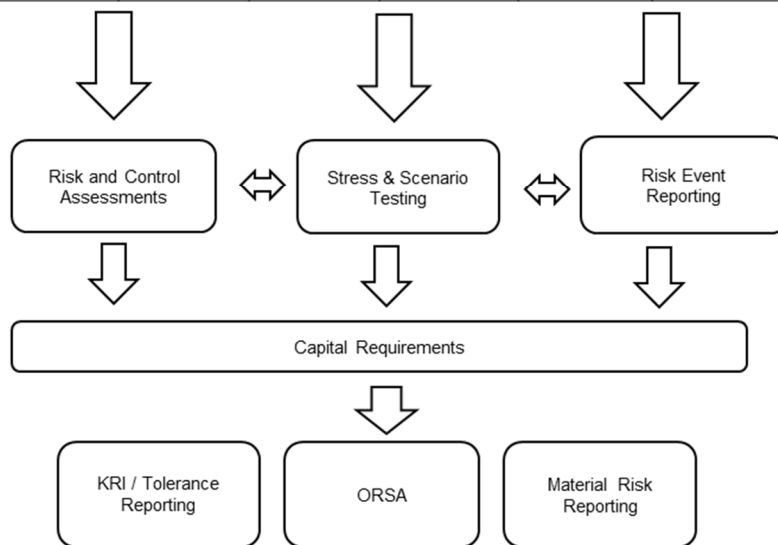
B. System of Governance

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



| Risk Types | | | | | | | |
|---------------------|--------------------|--------------------|--|-------------------|-----------------------------------|------------------|-------------------------|
| Underwriting Policy | Reinsurance Policy | Credit Risk Policy | Reserving and Claims Management Policy | Investment Policy | Asset Liability Management Policy | Liquidity Policy | Operational Risk policy |

| Other Policies | | | | | | | |
|--|------------------------|----------------------------------|---------------------------------------|--|---------------------------------|-----------------------|--------------------------------|
| Actuarial Policy | Data Policy | Validation Policy | Remuneration Policy (SIMSL) | Business Continuity and Disaster Recovery Policy | Internal Control Policy | Anti – Bribery Policy | Anti – Money Laundering Policy |
| Compliance Charter | Data Protection Policy | Stress Testing Policy | Code of Business Standards and Ethics | Outsourcing and Third Party Supplier Policy | Capital Management Policy | Anti – Fraud Policy | Whistleblowing Policy |
| Internal Audit Policy & Internal Audit Charter | Model Change Policy | Expenses Currency Hedging Policy | Conflicts of Interest Policy | Key Person Policy | Reporting and Disclosure Policy | Anti – Slavery Policy | Sanctions Policy |



The Risk Management Strategy & Charter and the GSSA-ORSA Policy 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.

The seventh GSSA was carried out in October 2019 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

B. System of Governance

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 (B)SCR and the Minimum Margin of Solvency (MMS) for the next three 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 (based in Bermuda), Risk and Compliance Director assisted by a Compliance Associate (based in London), and a local Head of Compliance (SMUAE, Cyprus).. The Compliance function is responsible for providing general oversight of control effectiveness through the administration of a programme of thematic internal controls reviews, the provision of remedial advice and the monitoring of relevant legislative and regulatory changes.

Risk Management function

The risk management function is responsible for:

- identifying, managing, monitoring and reporting on current and emerging risks;
- facilitating the calibration of 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, currently assisted by a risk management consultant. 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 PricewaterhouseCoopers LLP, who took over after from BDO LLP in July 2019 at which time the former firm had completed 10 years in this role. 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.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, SMUAT, SMUAB and SMUAE is fulfilled by Marta Munoz Vilar FIA.

D. Valuation for Solvency Purposes

The Actuarial Function resides in the Statistics Department of Steamship Insurance Management Services Limited and is responsible for: the calculation of technical provisions (for both financial reporting and solvency calculations); maintaining Steamship's Business Plan; maintaining Steamship's internal capital model and assisting with the effective running of the risk management system; production of the GSSA; and providing 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 Boards. The outsourcing policy ensures that outsourcing of critical or important functions or activities does not give rise 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 in accordance with Solvency II guidance 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 five functions that are deemed critical or 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. Software support and Cloud Outsourcing provided by Microsoft in respect of Microsoft Office 365 functionality.
4. Internal Audit services provided by PricewaterhouseCoopers LLP (BDO LLP to July 2019); and
5. Underwriting activities on the Steamship's behalf by Post & Co, a Rotterdam-based broker, concerning the so-called 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 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.

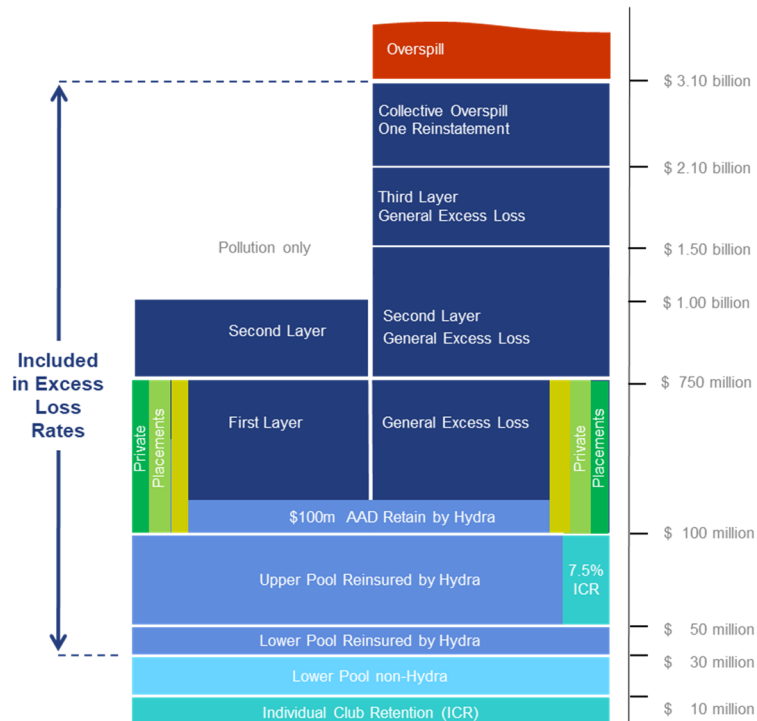
The principal risks faced by Steamship are insurance risk, market risk, credit risk, liquidity risk and operational risk.

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. The following diagram sets out the Layers of the 2020/21 Reinsurance Programme.



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.

C. Risk Profile

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, SMUAE 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 \$15m (S&P AA rated banks, or equivalent rating from other agencies), and \$10m (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 their Basel III 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, 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 fact that SMUA's legal obligation to fund the SIMSL (Managers) defined benefit pension scheme was not 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 \$12.483m for this obligation.

D. Valuation for Solvency Purposes

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 2019/20 the following stress tests were carried out:

- Cyber risks (insured risks/vessels)
- Sanctions
- Reinsurance failure as a result of insolvency/winding up (Reverse Stress Test)
- Bermuda Contingency Planning
- 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 2019/20 principally to help identify and test the suitable level of buffer above the 'AAA' Standard & Poor's requirement.

- Single claim of \$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 \$10m and is expected to continue to meet its Solvency requirements in all scenarios.

D. Valuation for Solvency Purposes

D.1 Assets

In accordance with the Solvency II Directive, SMUAE'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 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, SMUA and SMUAE.

Group

| | 2020 | Adjustments | 2020 |
|--|------------------|-----------------|--------------------|
| | GAAP | | Solvency II |
| | \$000 | | \$000 |
| Assets | | | |
| Deferred acquisition costs | 601 | (601) | 0 |
| Investments | 1,096,727 | | 1,096,727 |
| Reinsurers' share of technical provisions | 228,249 | (42,068) | 186,181 |
| Insurance & intermediaries receivables | 17,520 | (2,924) | 14,596 |
| Receivables (trade, not insurance) | 4,110 | | 4,110 |
| Cash and cash equivalents | 29,082 | | 29,082 |
| Any other assets, not elsewhere shown | 5,422 | | 5,422 |
| Total assets | 1,381,712 | (45,593) | 1,336,119 |
| Liabilities | | | |
| Technical provisions | | | |
| Technical provisions calculated as a whole | 824,889 | | |
| Best Estimate | | (37,217) | 787,673 |
| Risk margin | | 32,914 | 32,914 |
| Sub-total | 824,889 | (4,302) | 820,587 |
| Insurance & intermediaries payables | 9,489 | | 9,489 |
| Reinsurance payables | 9,651 | (9,196) | 455 |
| Payables (trade, not insurance) | 20,852 | | 20,852 |
| Any other liabilities, not elsewhere shown | 1,488 | (235) | 1,254 |
| Total liabilities | 866,370 | (13,733) | 852,637 |
| Free reserves | 515,342 | (31,860) | 483,482 |

SMUAT

| | 2020 | Adjustments | 2020 |
|---|----------------|-------------|--------------------|
| | GAAP | | Solvency II |
| | \$000 | | \$000 |
| Assets | | | |
| Investments | 871,299 | | 871,299 |
| Reinsurers' share of technical provisions | - | - | - |
| Insurance & intermediaries receivables | - | - | - |
| Receivables (trade, not insurance) | 146 | | 146 |
| Cash and cash equivalents | - | - | - |
| Any other assets, not elsewhere shown | 4,370 | | 4,370 |
| Total assets | 875,815 | - | 875,815 |

D. Valuation for Solvency Purposes

| | 2020 GAAP \$000 | Adjustments | 2020 Solvency II \$000 |
|--|-----------------------|-----------------|------------------------------|
| Liabilities | | | |
| Technical provisions | | | |
| Technical provisions calculated as a whole | 468,934 | | |
| Best Estimate | | 380 | 469,314 |
| Risk margin | | 13,382 | 13,382 |
| Sub-total | 468,934 | 13,762 | 482,696 |
| Reinsurance payables | 33,102 | | 33,102 |
| Payables (trade, not insurance) | 59,057 | | 59,057 |
| | 472 | | 472 |
| Total liabilities | 561,564 | 13,762 | 575,326 |
| | | | |
| Free reserves | 314,251 | (13,762) | 300,489 |
| | | | |
| SMUAB | | | |
| | | | |
| | 2020 GAAP \$000 | Adjustments | 2020 Solvency II \$000 |
| Assets | | | |
| Investments | 139,014 | | 139,014 |
| Reinsurers' share of technical provisions | 373,353 | 14,928 | 388,280 |
| Insurance & intermediaries receivables | 33,102 | | 33,102 |
| Receivables (trade, not insurance) | 2,653 | | 2,653 |
| Cash and cash equivalents | 2,657 | | 2,657 |
| Any other assets, not elsewhere shown | 517 | | 517 |
| Total assets | 551,295 | 14,928 | 566,223 |
| | | | |
| Liabilities | | | |
| Technical provisions | | | |
| Technical provisions calculated as a whole | 455,949 | | |
| Best Estimate | | 13,895 | 469,844 |
| Risk margin | | 4,778 | 4,778 |
| Sub-total | 455,949 | 18,673 | 474,622 |
| Reinsurance payables | 13,204 | 0 | 13,204 |
| Payables (trade, not insurance) | 16,519 | | 16,519 |
| Total liabilities | 485,672 | 18,673 | 504,345 |
| | | | |
| Free reserves | 65,623 | (3,745) | 61,878 |

D. Valuation for Solvency Purposes

SMUA

| | 2020 GAAP \$000 | Adjustments | 2020 Solvency II \$000 |
|--|-----------------------|-----------------|------------------------------|
| Assets | | | |
| Deferred acquisition costs | 601 | (601) | 0 |
| Investments | 56,424 | 0 | 56,424 |
| Reinsurers' share of technical provisions | 779,780 | (63,965) | 715,815 |
| Insurance & intermediaries receivables | 89,780 | (2,924) | 86,856 |
| Receivables (trade, not insurance) | 1,386 | | 1,386 |
| Cash and cash equivalents | 24,036 | | 24,036 |
| Any other assets, not elsewhere shown | 513 | | 513 |
| Total assets | 952,520 | (67,490) | 885,030 |
| Liabilities | | | |
| Technical provisions | | | |
| Technical provisions calculated as a whole Best Estimate | 824,889 | (60,023) | 764,866 |
| Risk margin | | 13,888 | 13,888 |
| Sub-total | 824,889 | (46,135) | 778,754 |
| Insurance & intermediaries payables | 7,099 | 0 | 7,099 |
| Reinsurance payables | 9,650 | (9,196) | 454 |
| Payables (trade, not insurance) | 3,913 | | 3,913 |
| Any other liabilities, not elsewhere shown | 1,490 | | 1,490 |
| Total liabilities | 847,041 | (55,331) | 791,710 |
| Free reserves | 105,479 | (12,159) | 93,320 |

SMUAE

| | 2020 IFRS \$000 | Adjustments | 2020 Solvency II \$000 |
|---|-----------------------|---------------|------------------------------|
| Assets | | | |
| Investments | 30,031 | | 30,031 |
| Deferred Tax Assets | 1 | 235 | 236 |
| Reinsurers' share of technical provisions | - | 15,157 | 15,157 |
| Receivables (trade, not insurance) | 165 | | 165 |
| Cash and cash equivalents | 2,289 | | 2,289 |
| Total assets | 32,486 | 15,392 | 47,878 |
| Liabilities | | | |
| Technical provisions | | | |
| Technical provisions - IFRS | 0 | | |
| Best Estimate – Regulatory basis | | 17,291 | 17,291 |
| Risk margin | | 3,335 | 3,335 |
| Sub-total | 0 | 20,626 | 20,626 |
| Insurance & intermediaries payables | 2,390 | | 2,390 |
| Payables (trade, not insurance) | 106 | | 106 |
| Total liabilities | 2,496 | 20,626 | 23,122 |

D. Valuation for Solvency Purposes

| | 2020 | Adjustments | 2020 |
|---------------|---------------|----------------|--------------------|
| | IFRS | | Solvency II |
| | \$000 | | \$000 |
| Free reserves | 29,990 | (5,234) | 24,756 |

The investments are valued for Solvency II purposes on the same basis as the annual financial statements, which follow IFRS/UK GAAP.

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 incepted); and
- all future outcomes (including events not in [historical] data - or ENIDs - have to be considered).

D. Valuation for Solvency Purposes

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, SMUA and SMUAE.

Group

| | Gross \$000 | Reinsurers' share \$000 | Net \$000 |
|--|----------------|-------------------------------|----------------|
| Published Technical Provisions | | | |
| Unearned premium | 3,685 | - | 3,685 |
| Outstanding claims | 821,204 | 228,249 | 592,955 |
| UK GAAP Published technical provisions (outstanding claims) | 824,889 | 228,249 | 596,640 |
| Adjustments | | | |
| Remove unearned premium | (3,685) | - | (3,685) |
| Remove prudent margin | (85,229) | (24,820) | (60,409) |
| Add bound but not incepted | 62,044 | 394 | 61,651 |
| Add events not in data | 12,000 | - | 12,000 |
| Add provision for reinsurer default | - | (695) | 695 |
| Reclassification of (Re)Insurance debtors/creditors | (2,924) | (9,196) | 6,273 |
| Discount cash flows | (19,423) | (7,750) | (11,673) |
| Add risk margin | 32,914 | - | 32,914 |
| Total adjustments | (4,302) | (42,068) | 37,766 |
| Regulatory technical provisions | 820,587 | 186,181 | 634,406 |

SMUAT

| | Gross \$000 |
|--|----------------|
| Published Technical Provisions | |
| UK GAAP Published technical provisions (outstanding claims) | 468,934 |
| Adjustments | |
| Remove prudent margin | (55,758) |
| Add bound but not incepted | 56,297 |
| Add events not in data | 10,800 |
| Reclassification of (Re)Insurance debtors/creditors | - |
| Discount cash flows | (10,959) |
| Add risk margin | 13,382 |
| Total adjustments | 13,762 |
| Regulatory technical provisions | 482,696 |

D. Valuation for Solvency Purposes

SMUAB

| | Gross | Reinsurers' share | Net |
|---|----------------|----------------------|---------------|
| | \$000 | \$000 | \$000 |
| Published Technical Provisions | | | |
| UK GAAP Published technical provisions (outstanding claims) | 455,949 | 373,353 | 82,597 |
| Adjustments | | | |
| Remove prudent margin | (41,700) | (41,700) | - |
| Add bound but not incepted | 56,287 | 56,287 | - |
| Add events not in data | 10,800 | 10,800 | - |
| Add provision for reinsurer default | - | (1,202) | 1,202 |
| Reclassification of (Re)Insurance debtors/creditors | (11,492) | (9,257) | (2,235) |
| Discount cash flows | 4,778 | - | 4,778 |
| Add risk margin | 18,673 | 14,928 | 3,745 |
| Total adjustments | 474,622 | 388,281 | 86,342 |
| Regulatory technical provisions | 455,949 | 373,353 | 82,597 |

SMUA

| | Gross | Reinsurers' share | Net |
|---|-----------------|----------------------|---------------|
| | \$000 | \$000 | \$000 |
| Published Technical Provisions | | | |
| Unearned premium | 3,685 | - | 3,685 |
| Outstanding claims | 821,204 | 779,780 | 41,424 |
| UK GAAP Published technical provisions (outstanding claims) | 824,889 | 779,780 | 45,109 |
| Adjustments | | | |
| Remove unearned premium | (3,685) | - | (3,685) |
| Remove prudent margin | (85,229) | (80,577) | (4,652) |
| Add bound but not incepted | 45,003 | 40,924 | 4,079 |
| Add events not in data | 8,400 | 7,560 | 840 |
| Add provision for reinsurer default | 0 | (2,285) | 2,285 |
| Reclassification of (Re)Insurance debtors/creditors | (2,924) | (9,197) | 6,273 |
| Discount cash flows | (21,589) | (20,390) | (1,199) |
| Add risk margin | 13,888 | - | 13,888 |
| Total adjustments | (46,136) | (63,965) | 17,829 |
| Regulatory technical provisions | 778,753 | 715,815 | 62,938 |

D. Valuation for Solvency Purposes

SMUAE

| | Gross | Reinsurers' share | Net |
|--|---------------|----------------------|--------------|
| Published Technical Provisions | \$000 | \$000 | \$000 |
| IFRS Published technical provisions (outstanding claims) | 0 | 0 | 0 |
| Adjustments | | | |
| Add bound but not incepted | 14,942 | 13,066 | 1,876 |
| Add events not in data | 3,600 | 3,240 | 360 |
| Add provision for reinsurer default | - | (47) | 47 |
| Discount cash flows | (1,251) | (1,102) | (149) |
| Add risk margin | 3,335 | - | 3,335 |
| Total adjustments | 20,626 | 15,157 | 5,469 |
| Regulatory technical provisions | 20,626 | 15,157 | 5,469 |

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*.

The IFRS reserves for SMUAE at 20 February 2020 was \$ nil as the first bound policies began on midday 20 February 2020.

For IFRS and 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.3 Other information

The Solvency II balance sheet for SMUAE includes a deferred tax asset of \$236,000 arising from the temporary differences between technical provisions under Solvency II compared to those under IFRS (which are not used for income tax purposes).

There are no other differences between the valuation bases, methods and main assumptions used for the purposes of solvency or financial statement calculations.

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 capacity 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 equivalent to at least 120% of (B)SCR.

Steamship undertakes a GSSA annually as well as when the risk profile or business model materially changes. The GSSA incorporates the business planning process which is typically considered over a three-year time horizon. 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 2020. 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 ("AOF").

Ancillary own funds consist of items other than basic own funds which can be used to absorb losses. AOF items require the prior approval of the supervisory authority. Steamship has approved AOF 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 2020

| Own Funds by Tiers \$000 | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | SMUA PRA |
|---|---------------------|----------------|--------------|--------------|---------------|-------------|
| Tier 1 Basic Own funds (Unrestricted) | | 461,059 | 300,489 | 41,542 | 24,519 | 93,320 |
| Tier 2 Ancillary own funds | | 66,606 | - | - | 8,358 | 40,964 |
| Tier 2 Encumbered assets (Hydra Restricted) | | 21,901 | - | 20,165 | - | - |
| Total Eligible own funds to meet the SCR | | 549,565 | 300,489 | 61,707 | 32,877 | 138,206 |

As at 20 February 2019

| Own Funds by Tiers \$000 | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | 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 |

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/MCR or SCR.

Steamship has also been granted Tier 2 ancillary own funds (AOF) of \$66.6m which reflect its ability to make additional premium calls on Mutual Members.

E. Capital Management

SMUAE has also been granted Tier 2 AOF of \$16.6m which reflect its ability to make additional premium calls on Mutual Members.

SMUA has also been granted Tier 2 AOF of \$51.3m which reflect its ability to make additional premium calls on Mutual Members.

The BMA recognises that Steamship can increase own funds by making additional premium calls under its rules in extreme circumstances. The BMA 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 2022.

The PRA and ICCS recognise that SMUA and SMUAE can increase own funds by making additional premium calls under its Rules in extreme circumstances. The PRA and ICCS have granted approvals for a method of calculation of AOF and, subject to annual confirmations by SMUA and SMUAE that the key factors remain valid, this method is approved until 20 April 2023.

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

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 (MMS) / Minimum Capital Requirement ("MCR").

As at 20 February 2020

| Own Funds by Tiers \$000 | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | SMUA PRA |
|---|---------------------|----------------|--------------|--------------|---------------|-------------|
| Tier 1 Basic Own funds (Unrestricted) | | 461,059 | 300,489 | 41,542 | 24,519 | 93,320 |
| Tier 2 Ancillary own funds | | - | - | - | - | - |
| Tier 2 Encumbered assets (Hydra Restricted) | | 21,901 | - | 20,165 | - | - |
| Total Eligible own funds to meet the MMS | | 482,960 | 300,489 | 61,707 | 24,519 | 93,320 |

As at 20 February 2019

| Own Funds by Tiers \$000 | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | 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 |

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The SCR and MMC/MCR for the regulatory group and the individual entities have been determined using the 'Standard Formula' approach as set out in the BMA's Rules and those of the 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 table show the breakdown of the SCR and MMS.

As at 20 February 2020

| Risk Category \$000 | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | SMUA PRA |
|--|---------------------|----------------|--------------|--------------|---------------|-------------|
| Non-life underwriting risks | | 186,952 | 80,788 | 22,088 | 11,189 | 36,416 |
| Counterparty default risks | | 6,199 | 113 | 12,663 | 7,276 | 22,367 |
| Market risks | | 86,491 | 82,750 | 3,682 | 294 | 6,005 |
| Operational risks | | 32,254 | 1,227 | 314 | 519 | 28,508 |
| Total before diversification between risks | | 311,831 | 164,877 | 38,747 | 19,278 | 93,296 |
| Diversification between risk categories | | (60,691) | (40,934) | (7,046) | (2,562) | (11,369) |
| Solvency Capital Requirement (SCR) | | 251,140 | 123,943 | 31,701 | 16,716 | 81,927 |
| Minimum Margin of Solvency (MMS) | | 101,912 | 70,340 | 7,925 | 4,179 | 20,482 |

As at 20 February 2019

| Risk Category \$000 | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | 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 |

Solvency ratio

Ratio of eligible own funds to Solvency Capital Requirement:

| | Entity Regulator | Group BMA | SMUAT BMA | SMUAB BMA | SMUAE ICCS | SMUA PRA |
|-------------------------|---------------------|--------------|--------------|--------------|---------------|-------------|
| 20 February 2020 | | 219% | 242% | 195% | 197% | 164% |
| 20 February 2019 | | 219% | 231% | 354% | - | 149% |

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.

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 the Managers' service company (SIMSL) was not captured by Standard Formula calculations. This resulted in a voluntary capital add-on of \$12.483m for this operational risk.

E. Capital Management

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.

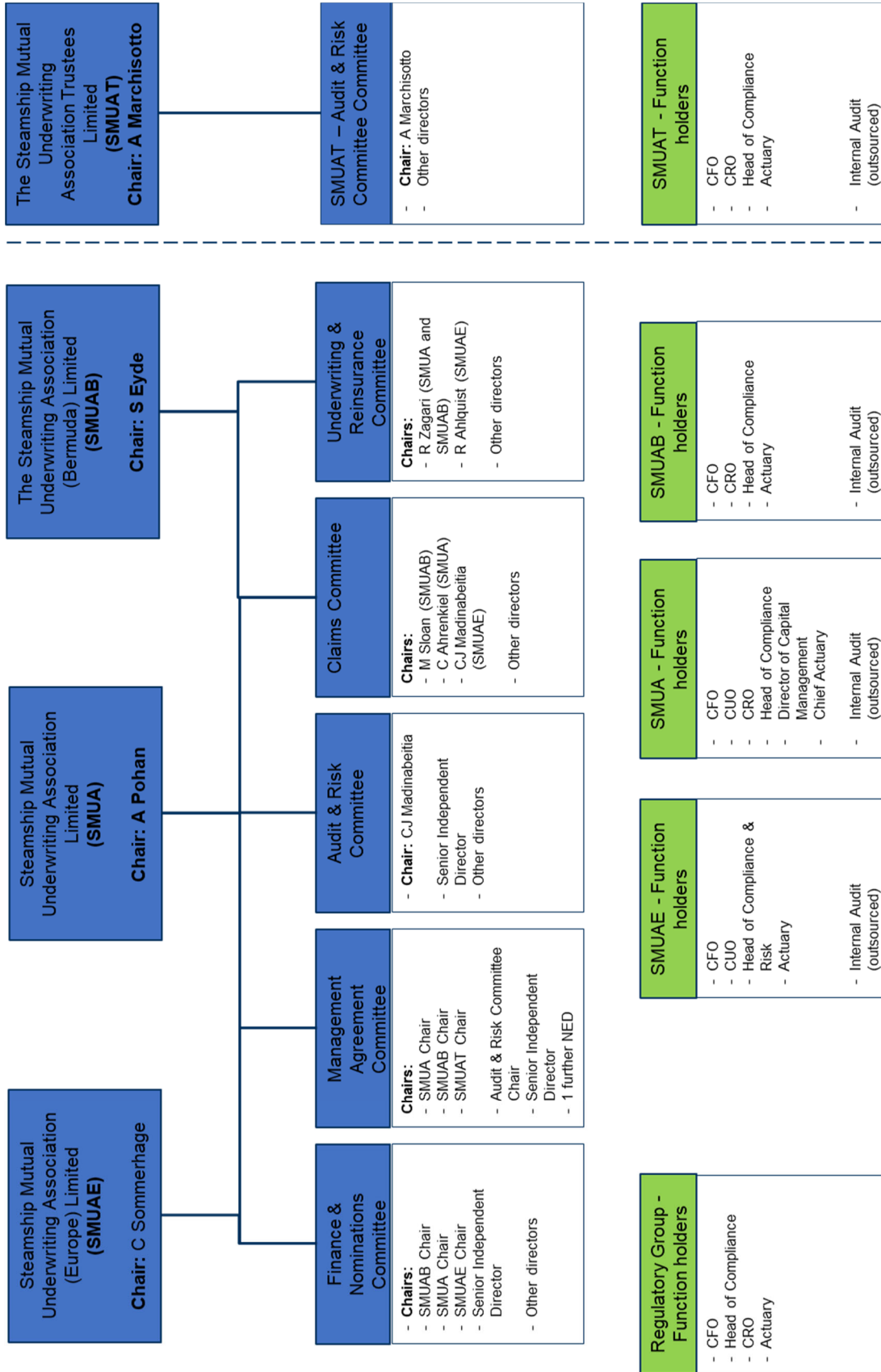
Subsequent events

In response to Brexit, and the anticipated abolition of existing United Kingdom freedom of services passporting rights in the EEA, SMUA intends to transfer its EEA liabilities to SMUAE under Part VII of the Financial Services and Markets Act 2000 to ensure continuity of service in respect of the affected liabilities. It is intended that the transfer of relevant assets and liabilities will be completed by 31 December 2020; that is, within the current Brexit transition period.

The financial year end coincided with the rapid escalation of the Covid-19 outbreak. All industries and parts of society have been affected, as have Members. This has introduced uncertainty and volatility across all aspects of the business. Steamship's financial strength and operational resilience exist in order to ensure its ability to withstand such events. The slowdown in global trade is inevitably having an impact on Members, some more than others, and a portion of Steamship's owned entry has gone into lay-up. The Board does not consider that this will lead to a material impact on the prospective operating performance because the likelihood remains that, as with previous global economic recessions, there will be a corresponding reduction in net incurred claims costs. The pandemic is also having an adverse impact on expected claims, particularly in passenger vessels. Reinsurance and other counterparty security is being closely monitored, with no significant risks currently emerging. The pandemic is considered within the bound but not incepted liabilities within the Solvency II technical provisions as at 20 February 2020.

The financial statements were approved and authorised for issue by the Board on 2 June 2020

Appendix 1 – Steamship Regulatory Group Governance Map



Appendix 2 – SMUA – Quantitative Reporting Templates

List of reported templates

S.02.01.01 – 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.17.01.01 – Non-Life Technical Provisions

S.19.01.21 – Non-Life insurance claims

S.23.01.01 – Own Funds

S.25.01.01 – 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



| | Solvency II value | Statutory accounts value | Reclassification adjustments |
|--|--------------------|--------------------------|------------------------------|
| | C0010 | C0020 | EC0021 |
| Liabilities | | | |
| Technical provisions - non-life | 778,753,599 | 824,889,194 | |
| <i>Technical provisions - non-life (excluding health)</i> | 778,753,599 | 824,889,194 | |
| <i>TP calculated as a whole</i> | | | |
| <i>Best Estimate</i> | 764,865,482 | | |
| <i>Risk margin</i> | 13,888,117 | | |
| <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 | 1,277,018 | 1,277,018 | |
| 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> | - | - | 0.00 |
| <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 | 7,099,180 | 7,099,180 | |
| Reinsurance payables | 453,865 | 9,650,074 | |
| Payables (trade, not insurance) | 3,912,441 | 3,912,441 | |
| Subordinated liabilities | - | - | 0.00 |
| <i>Subordinated liabilities not in BOF</i> | | | |
| <i>Subordinated liabilities in BOF</i> | | | |
| Any other liabilities, not elsewhere shown | 213,554 | 213,555 | |
| Total liabilities | 791,709,657 | 847,041,462 | 0.00 |
| Excess of assets over liabilities | 93,320,218 | 105,478,710 | |

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 | Original currency |

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

| Year | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | Development year | | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160 | C0170 | C0180 |
|--------------|------------|-------------|-------------|-------------|------------|------------|------------------|------------|------------|-----------|---------|---------|---------|-------|-------|--------|--------------------|---------------------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | In Current year | Sum of years (cumulative) |
| Prior | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-14 | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-13 | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-12 | 4,527,171 | 5,239,293 | 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 | 135,658 | | | | 135,658 | 7,534,799 |
| N-11 | 4,926,413 | 9,481,738 | 6,873,713 | 5,771,055 | 5,468,530 | 3,474,036 | 4,039,632 | 3,878,827 | 961,641 | 1,219,566 | 570,947 | 651,433 | | | | | 651,433 | 47,317,531 |
| N-10 | 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 | 459,050 | | | | | | 459,050 | 98,814,054 |
| N-9 | 11,569,540 | 30,467,996 | 12,645,943 | 11,592,249 | 7,446,667 | 7,484,429 | 6,945,751 | 2,355,782 | 2,296,150 | 2,410,387 | | | | | | | 2,410,387 | 95,214,894 |
| N-8 | 17,348,064 | 196,272,845 | 291,645,903 | 202,957,642 | 65,354,177 | 34,161,886 | 32,575,867 | 23,224,091 | 3,909,719 | | | | | | | | 3,909,719 | 867,450,194 |
| N-7 | 16,479,103 | 62,909,419 | 34,599,024 | 25,517,852 | 26,163,192 | 9,772,256 | 4,590,144 | | | | | | | | | | 5,830,120 | 185,861,110 |
| N-6 | 10,960,454 | 22,195,600 | 39,030,618 | 18,535,323 | 11,158,611 | 10,016,066 | 10,236,112 | | | | | | | | | | 10,236,112 | 122,132,784 |
| N-5 | 13,090,042 | 58,873,708 | 48,845,482 | 15,076,929 | 7,705,123 | 6,658,272 | | | | | | | | | | | 6,658,272 | 150,249,556 |
| N-4 | 41,729,634 | 110,476,043 | 83,225,229 | 29,497,180 | 30,226,063 | | | | | | | | | | | | 30,226,063 | 295,154,149 |
| N-3 | 25,748,748 | 54,787,688 | 46,538,323 | 26,807,034 | | | | | | | | | | | | | 26,807,034 | 153,881,793 |
| N-2 | 41,306,859 | 117,293,543 | 34,767,778 | | | | | | | | | | | | | | 34,767,778 | 193,368,180 |
| N-1 | 26,215,441 | 58,885,030 | | | | | | | | | | | | | | | 58,885,030 | 85,100,471 |
| N | 45,005,660 | | | | | | | | | | | | | | | | 45,005,660 | 45,005,660 |
| Total | | | | | | | | | | | | | | | | | 225,982,316 | 2,332,015,577 |

Reinsurance Recoveries received (non-cumulative)
(absolute amount)

| Year | C0600 | C0610 | C0620 | C0630 | C0640 | C0650 | Development year | | C0680 | C0690 | C0700 | C0710 | C0720 | C0730 | C0740 | C0750 | C0760 | C0770 |
|--------------|------------|-------------|-------------|-------------|------------|------------|------------------|------------|------------|-----------|---------|---------|---------|-------|-------|--------|--------------------|---------------------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | In Current year | Sum of years (cumulative) |
| Prior | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-14 | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-13 | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-12 | 4,075,000 | 4,715,000 | 6,249,000 | 3,485,621 | 1,992,243 | 4,139,717 | 1,397,538 | 292,175 | 38,038,797 | 989,945 | 422,411 | 524,860 | 135,658 | | | | 135,658 | 10,464,451 |
| N-11 | 4,511,000 | 8,534,000 | 6,187,000 | 5,188,859 | 5,181,913 | 3,474,036 | 4,039,632 | 3,878,827 | 961,641 | 1,219,566 | 570,947 | 651,433 | | | | | 651,433 | 44,398,854 |
| N-10 | 8,714,000 | 7,520,000 | 6,962,000 | 6,840,987 | 3,514,018 | 2,345,196 | 34,238,866 | 8,838,226 | 12,292,995 | 3,106,086 | 459,050 | | | | | | 459,050 | 94,831,424 |
| N-9 | 10,387,000 | 27,423,000 | 11,847,000 | 11,592,298 | 7,446,667 | 7,484,429 | 6,945,751 | 2,355,782 | 2,296,150 | 2,410,387 | | | | | | | 2,410,387 | 90,188,464 |
| N-8 | 15,714,000 | 193,019,000 | 291,645,000 | 202,959,401 | 65,354,177 | 34,161,886 | 32,575,867 | 23,224,091 | 3,909,719 | | | | | | | | 3,909,719 | 862,564,141 |
| N-7 | 14,839,000 | 59,559,000 | 34,599,000 | 25,517,852 | 26,163,192 | 9,772,256 | 4,590,144 | | | | | | | | | | 5,830,120 | 180,870,564 |
| N-6 | 9,766,000 | 19,985,000 | 36,320,395 | 18,535,323 | 11,158,611 | 10,016,066 | 10,236,112 | | | | | | | | | | 10,236,112 | 116,017,507 |
| N-5 | 11,809,000 | 54,588,677 | 48,845,482 | 15,076,929 | 7,705,123 | 6,658,272 | | | | | | | | | | | 6,658,272 | 144,683,483 |
| N-4 | 37,890,667 | 106,254,454 | 78,952,223 | 27,178,074 | 28,020,938 | | | | | | | | | | | | 28,020,938 | 278,296,356 |
| N-3 | 23,173,873 | 49,422,075 | 42,026,312 | 24,417,650 | | | | | | | | | | | | | 24,417,650 | 139,039,910 |
| N-2 | 37,176,173 | 110,766,980 | 31,693,037 | | | | | | | | | | | | | | 31,693,037 | 179,636,190 |
| N-1 | 23,593,897 | 53,429,079 | | | | | | | | | | | | | | | 53,429,079 | 77,022,976 |
| N | 40,731,519 | | | | | | | | | | | | | | | | 40,731,519 | 40,731,519 |
| Total | | | | | | | | | | | | | | | | | 208,582,974 | 2,237,816,937 |

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

| Year | C1200 | C1210 | C1220 | C1230 | C1240 | C1250 | Development year | | C1280 | C1290 | C1300 | C1310 | C1320 | C1330 | C1340 | C1350 | C1360 | C1370 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|----------|-------|-------|-------|-------|-------|-------|-------|--------|-------------------|---------------------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | In Current year | Sum of years (cumulative) |
| Prior | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| N-14 | 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 | 0.00 |
| N-13 | 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 | 0.00 |
| N-12 | 452171.00 | 524293.00 | 694332.00 | 389791.00 | 221361.00 | 459969.00 | 155282.00 | 32464.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,929,652 |
| N-11 | 415413.00 | 947738.00 | 686713.00 | 582196.00 | 286617.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,918,677 |
| N-10 | 961,470 | 836,166 | 772,666 | 761,304 | 390,447 | 260,577 | - | - | - | - | - | - | - | - | - | - | - | 3,982,630 |
| N-9 | 1,182,540 | 3,044,996 | 798,943 | 49 | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,026,430 |
| N-8 | 1,634,064 | 3,253,845 | 97 | 1,759 | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,886,053 |
| N-7 | 1,640,103 | 3,350,419 | 24 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,990,546 |
| N-6 | 1,194,454 | 2,210,600 | 2,710,223 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,115,277 |
| N-5 | 1,281,042 | 4,285,031 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,566,073 |
| N-4 | 3,838,967 | 4,221,589 | 4,273,006 | 2,319,106 | 2,205,125 | | | | | | | | | | | | 2,205,125 | 16,857,793 |
| N-3 | 2,574,875 | 5,365,613 | 4,512,011 | 2,389,384 | | | | | | | | | | | | | 2,389,384 | 14,841,883 |
| N-2 | 4,130,686 | 6,526,563 | 3,074,741 | | | | | | | | | | | | | | 3,074,741 | 13,731,990 |
| N-1 | 2,621,544 | 5,455,951 | | | | | | | | | | | | | | | 5,455,951 | 8,077,495 |
| N | 4,274,141 | | | | | | | | | | | | | | | | 4,274,141 | 4,274,141 |
| Total | | | | | | | | | | | | | | | | | 17,399,342 | 94,198,640 |

| Gross Reported but not Settled Claims (RBNS) | | | | | | | | | | | | | | | | | |
|--|------------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|-----------|------------|------------|-----------|-----------|-------|--------|--------------------|
| (absolute amount) | | | | | | | | | | | | | | | | | |
| Year | C0400 | C0410 | C0420 | C0430 | C0440 | C0450 | C0460 | C0470 | C0480 | C0490 | C0500 | C0510 | C0520 | C0530 | C0540 | C0550 | C0560 |
| | Development year | | | | | | | | | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | |
| Prior | | | | | | | | | | | | | | | | | 0.00 |
| N-14 | | | | | | | | | | | | | | | | | 0.00 |
| N-13 | | | | | | | | | | | | | | | | | 0.00 |
| N-12 | 13,032,335 | 14,920,477 | 9,197,909 | 6,769,229 | 5,837,705 | 2,456,433 | 1,065,504 | - | 21,601,309 | 9,200,530 | 8,374,621 | 10,480,428 | 5,781,289 | 4,240,313 | | | 4,240,313 |
| N-11 | 18,554,912 | 18,929,750 | 16,115,404 | 15,117,180 | 9,610,646 | 5,549,160 | 12,459,736 | 7,311,787 | 5,631,029 | 6,270,939 | 17,193,464 | 16,116,577 | | | | | 16,116,577 |
| N-10 | 25,962,606 | 23,736,426 | 19,190,956 | 17,162,241 | 15,301,235 | 69,639,298 | 26,263,165 | 15,225,187 | 6,545,124 | 2,709,858 | 909,646 | | | | | | 909,646 |
| N-9 | 34,832,772 | 24,930,114 | 24,328,281 | 18,500,384 | 29,164,540 | 20,313,598 | 11,499,261 | 13,042,520 | 11,813,282 | 9,131,514 | | | | | | | 9,131,514 |
| N-8 | 222,662,256 | 262,297,272 | 187,981,717 | 169,068,012 | 114,883,444 | 80,783,777 | 51,285,360 | 25,344,189 | 21,145,852 | | | | | | | | 21,145,852 |
| N-7 | 75,436,633 | 59,470,097 | 77,613,212 | 52,195,869 | 19,375,550 | 14,983,857 | 7,502,360 | 928,128 | | | | | | | | | 928,128 |
| N-6 | 44,600,771 | 88,552,833 | 53,107,342 | 39,844,923 | 32,882,363 | 24,380,523 | 14,145,440 | | | | | | | | | | 14,145,440 |
| N-5 | 101,629,222 | 67,750,402 | 33,502,230 | 26,452,222 | 19,739,443 | 10,627,557 | | | | | | | | | | | 10,627,557 |
| N-4 | 151,871,721 | 78,912,853 | 58,031,137 | 43,177,963 | 25,346,623 | | | | | | | | | | | | 25,346,623 |
| N-3 | 63,080,836 | 71,411,052 | 58,324,230 | 33,316,429 | | | | | | | | | | | | | 33,316,429 |
| N-2 | 184,251,891 | 119,258,631 | 79,841,181 | | | | | | | | | | | | | | 79,841,181 |
| N-1 | 134,040,277 | 120,094,899 | | | | | | | | | | | | | | | 120,094,899 |
| N | 109,362,202 | | | | | | | | | | | | | | | | 109,362,202 |
| Total | | | | | | | | | | | | | | | | | 445,206,361 |

| Reinsurance RBNS Claims | | | | | | | | | | | | | | | | | |
|-------------------------|------------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|-----------|------------|------------|-----------|-----------|-------|--------|--------------------|
| (absolute amount) | | | | | | | | | | | | | | | | | |
| Year | C1000 | C1010 | C1020 | C1030 | C1040 | C1050 | C1060 | C1070 | C1080 | C1090 | C1100 | C1110 | C1120 | C1130 | C1140 | C1150 | C1160 |
| | Development year | | | | | | | | | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | |
| Prior | | | | | | | | | | | | | | | | | 0.00 |
| N-14 | | | | | | | | | | | | | | | | | 0.00 |
| N-13 | | | | | | | | | | | | | | | | | 0.00 |
| N-12 | 10,476,335 | 12,879,477 | 7,848,909 | 5,806,658 | 5,096,493 | 2,173,047 | 933,718 | - | 21,601,309 | 9,200,530 | 8,374,621 | 10,480,428 | 5,781,289 | 4,240,313 | | | 4,240,313 |
| N-11 | 16,032,912 | 17,349,750 | 15,223,404 | 14,801,244 | 9,610,646 | 5,549,160 | 12,459,736 | 7,311,787 | 5,631,029 | 6,270,939 | 17,193,464 | 16,116,577 | | | | | 16,116,577 |
| N-10 | 21,916,606 | 20,525,426 | 16,754,956 | 15,485,072 | 14,014,512 | 69,639,298 | 26,263,165 | 15,225,187 | 6,545,124 | 2,709,858 | 909,646 | | | | | | 909,646 |
| N-9 | 30,975,772 | 24,120,114 | 24,328,281 | 18,500,384 | 29,164,540 | 20,313,598 | 11,499,261 | 13,042,520 | 11,813,282 | 9,131,514 | | | | | | | 9,131,514 |
| N-8 | 219,385,256 | 262,297,272 | 187,981,717 | 169,068,012 | 114,883,444 | 80,783,777 | 51,285,360 | 25,344,189 | 21,145,852 | | | | | | | | 21,145,852 |
| N-7 | 72,065,633 | 59,470,097 | 77,614,895 | 52,195,869 | 19,375,550 | 14,983,857 | 7,502,360 | 928,128 | | | | | | | | | 928,128 |
| N-6 | 35,815,771 | 81,848,412 | 49,113,352 | 39,844,923 | 32,882,363 | 24,380,523 | 14,145,440 | | | | | | | | | | 14,145,440 |
| N-5 | 89,441,165 | 60,225,042 | 33,502,230 | 26,452,222 | 19,739,443 | 10,627,557 | | | | | | | | | | | 10,627,557 |
| N-4 | 135,594,487 | 67,926,832 | 50,830,103 | 38,327,018 | 22,840,162 | | | | | | | | | | | | 22,840,162 |
| N-3 | 48,213,649 | 61,341,543 | 51,583,099 | 28,690,211 | | | | | | | | | | | | | 28,690,211 |
| N-2 | 168,014,232 | 109,329,928 | 73,907,291 | | | | | | | | | | | | | | 73,907,291 |
| N-1 | 115,891,750 | 108,240,000 | | | | | | | | | | | | | | | 108,240,000 |
| N | 94,288,954 | | | | | | | | | | | | | | | | 94,288,954 |
| Total | | | | | | | | | | | | | | | | | 405,211,645 |

| Net RBNS Claims | | | | | | | | | | | | | | | | | |
|-------------------|------------------|------------|------------|-----------|-----------|-----------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------------------|
| (absolute amount) | | | | | | | | | | | | | | | | | |
| Year | C1600 | C1610 | C1620 | C1630 | C1640 | C1650 | C1660 | C1670 | C1680 | C1690 | C1700 | C1710 | C1720 | C1730 | C1740 | C1750 | C1760 |
| | Development year | | | | | | | | | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | |
| Prior | | | | | | | | | | | | | | | | | 0.00 |
| N-14 | 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 |
| N-13 | 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 |
| N-12 | 2556000.00 | 2041000.00 | 1349000.00 | 962571.00 | 741212.00 | 283386.00 | 131786.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| N-11 | 2522000.00 | 1580000.00 | 892000.00 | 315936.00 | 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 |
| N-10 | 4,046,000 | 3,211,000 | 2,436,000 | 1,677,169 | 1,286,723 | - | - | - | - | - | - | - | - | - | - | - | - |
| N-9 | 3,857,000 | 810,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| N-8 | 3,277,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| N-7 | 3,371,000 | - | 1,683 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| N-6 | 8,785,000 | 6,704,421 | 3,993,990 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| N-5 | 12,188,057 | 7,525,360 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| N-4 | 16,277,234 | 10,986,021 | 7,201,034 | 4,850,945 | 2,506,461 | | | | | | | | | | | | 2,506,461 |
| N-3 | 14,867,187 | 10,069,509 | 6,741,131 | 4,626,218 | | | | | | | | | | | | | 4,626,218 |
| N-2 | 16,237,659 | 9,928,703 | 5,933,890 | | | | | | | | | | | | | | 5,933,890 |
| N-1 | 18,148,527 | 11,854,899 | | | | | | | | | | | | | | | 11,854,899 |
| N | 15,073,248 | | | | | | | | | | | | | | | | 15,073,248 |
| Total | | | | | | | | | | | | | | | | | 39,994,716 |



**S.23.01.01
Own Funds**

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

Ordinary share capital (gross of own shares)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares
Reconciliation reserve
Subordinated liabilities
An amount equal to the value of net deferred tax assets
Other own fund items approved by the supervisory authority as basic own funds not specified above

| Total | Tier 1 unrestricted | Tier 1 restricted | Tier 2 | Tier 3 |
|------------|------------------------|----------------------|--------|--------|
| C0010 | C0020 | C0030 | C0040 | C0050 |
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| 93,320,218 | 93,320,218 | | | |
| - | | | | |
| - | | | | |
| - | | | | |

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

| |
|--|
| |
|--|

Deductions

Deductions for participations in financial and credit institutions

| | | | |
|---|--|--|--|
| - | | | |
|---|--|--|--|

Total basic own funds after deductions

| | | | | |
|------------|------------|---|---|---|
| 93,320,218 | 93,320,218 | - | - | - |
|------------|------------|---|---|---|

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
Unpaid and uncalled preference shares callable on demand
A legally binding commitment to subscribe and pay for subordinated liabilities on demand
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Other ancillary own funds

| | | | | |
|------------|--|--|------------|---|
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| 51,290,834 | | | 51,290,834 | |
| - | | | | |
| - | | | | |
| 51,290,834 | | | 51,290,834 | - |

Available and eligible own funds

Total available own funds to meet the SCR
Total available own funds to meet the MCR
Total eligible own funds to meet the SCR
Total eligible own funds to meet the MCR

| | | | | |
|----------------|------------|---|---------------|---|
| 144,611,052 | 93,320,218 | - | 51,290,834 | - |
| 93,320,218 | 93,320,218 | - | - | |
| 134,283,621.85 | 93,320,218 | - | 40,963,403.85 | - |
| 93,320,218 | 93,320,218 | - | - | |

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

| |
|---------------|
| 81,926,807.70 |
| 20,481,701.93 |
| 163.91% |
| 455.63% |

Reconciliation reserve

Excess of assets over liabilities
Own shares (held directly and indirectly)
Foreseeable dividends, distributions and charges
Other basic own fund items
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

| C0060 |
|------------|
| 93,320,218 |
| |
| |
| - |
| |
| 93,320,218 |

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
Expected profits included in future premiums (EPIFP) - Non- life business
Total Expected profits included in future premiums (EPIFP)

| |
|---|
| |
| |
| - |



S.25.01.01

Solvency Capital Requirement - for undertakings on Standard Formula

| | C0030 | C0040 | C0050 |
|---|----------------------------------|------------------------------------|--|
| | Net solvency capital requirement | Gross solvency capital requirement | Allocation from adjustments due to RFF and Matching adjustments portfolios |
| Market risk | 6,005,197 | 6,005,197 | 0.00 |
| Counterparty default risk | 22,367,289 | 22,367,289 | 0.00 |
| Life underwriting risk | | | 0.00 |
| Health underwriting risk | | | 0.00 |
| Non-life underwriting risk | 36,416,432 | 36,416,432 | 0.00 |
| Diversification | - 11,370,239 | - 11,370,239 | |
| Intangible asset risk | | - | |
| Basic Solvency Capital Requirement | 53,418,679 | 53,418,679 | |
| Calculation of Solvency Capital Requirement | | | |
| Adjustment due to RFF/MAP nSCR aggregation | | | |
| Operational risk | 16,025,603.70 | | |
| 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 | 69,444,282.70 | | |
| Capital add-ons already set | 12,482,525 | | |
| Solvency capital requirement | 81,926,807.70 | | |
| 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 | | | |

Appendix 3 – SMUAE – 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.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



STEAMSHIP MUTUAL

S.02.01.02 – Balance Sheet

| | Solvency II value |
|--|----------------------|
| | C0010 |
| Assets | |
| Goodwill | |
| Deferred acquisition costs | |
| Intangible assets | |
| Deferred tax assets | 235,898 |
| Pension benefit surplus | |
| Property, plant & equipment held for own use | |
| Investments (other than assets held for index-linked and unit-linked contracts) | 30,030,523 |
| <i>Property (other than for own use)</i> | |
| <i>Holdings in related undertakings, including participations</i> | |
| <i>Equities</i> | - |
| <i>Equities - listed</i> | |
| <i>Equities - unlisted</i> | |
| <i>Bonds</i> | - |
| <i>Government Bonds</i> | |
| <i>Corporate Bonds</i> | |
| <i>Structured notes</i> | |
| <i>Collateralised securities</i> | |
| <i>Collective Investments Undertakings</i> | 30,030,523 |
| <i>Derivatives</i> | |
| <i>Deposits other than cash equivalents</i> | |
| <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: | 15,156,925 |
| <i>Non-life and health similar to non-life</i> | 15,156,925 |
| <i>Non-life excluding health</i> | 15,156,925 |
| <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 | |
| Reinsurance receivables | |
| Receivables (trade, not insurance) | 164,798 |
| 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 | 2,288,879 |
| Any other assets, not elsewhere shown | |
| Total assets | 47,877,023 |



STEAMSHIP MUTUAL

| | Solvency II value |
|--|----------------------|
| | C0010 |
| Liabilities | |
| Technical provisions - non-life | 20,626,161 |
| <i>Technical provisions - non-life (excluding health)</i> | 20,626,161 |
| <i>TP calculated as a whole</i> | |
| <i>Best Estimate</i> | 17,291,166 |
| <i>Risk margin</i> | 3,334,995 |
| <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 | |
| Deposits from reinsurers | |
| Deferred tax liabilities | |
| Derivatives | |
| Debts owed to credit institutions | |
| Financial liabilities other than debts owed to credit institutions | |
| Insurance & intermediaries payables | |
| Reinsurance payables | |
| Payables (trade, not insurance) | 2,496,030 |
| Subordinated liabilities | - |
| <i>Subordinated liabilities not in BOF</i> | |
| <i>Subordinated liabilities in BOF</i> | |
| Any other liabilities, not elsewhere shown | |
| Total liabilities | 23,122,191 |
| Excess of assets over liabilities | 24,754,832 |

S.05.02.01 – Premium, claims and expenses by country

Non-life

| C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 |
|--------------|--|-------|-------|-------|-------|------------------------------|
| Home Country | Top 5 countries (by amount of gross premiums written) - non-life obligations | | | | | Total Top 5 and home country |
| C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 |

| Premiums written | | | | | | | | |
|---|-------|---------|---|---|---|---|---|---------|
| Gross - Direct Business | R0110 | - | | | | | | - |
| Gross - Proportional reinsurance accepted | R0120 | | | | | | | - |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | - |
| Reinsurers' share | R0140 | - | | | | | | - |
| Net | R0200 | - | - | - | - | - | - | - |
| Premiums earned | | | | | | | | |
| Gross - Direct Business | R0210 | - | | | | | | - |
| Gross - Proportional reinsurance accepted | R0220 | | | | | | | - |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | - |
| Reinsurers' share | R0240 | - | | | | | | - |
| Net | R0300 | - | - | - | - | - | - | - |
| Claims incurred | | | | | | | | |
| Gross - Direct Business | R0310 | - | | | | | | - |
| Gross - Proportional reinsurance accepted | R0320 | | | | | | | - |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | - |
| Reinsurers' share | R0340 | - | | | | | | - |
| Net | R0400 | - | - | - | - | - | - | - |
| Changes in other technical provisions | | | | | | | | |
| Gross - Direct Business | R0410 | | | | | | | - |
| Gross - Proportional reinsurance accepted | R0420 | | | | | | | - |
| Gross - Non-proportional reinsurance accepted | R0430 | | | | | | | - |
| Reinsurers' share | R0440 | | | | | | | - |
| Net | R0500 | - | - | - | - | - | - | - |
| Expenses incurred | | | | | | | | |
| Other expenses | R1200 | 170,512 | | | | | | 170,512 |
| Total expenses | R1300 | 170,512 | | | | | | 170,512 |

S.19.01.21 – Non-Life insurance claims

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

| Gross Claims Paid (non-cumulative) | | | | | | | | | | | | | | | | | | | |
|------------------------------------|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|---------------------------|-------|--|
| (absolute amount) | | | | | | | | | | | | | | | | | | | |
| Year | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160 | C0170 | C0180 | |
| | Development year | | | | | | | | | | | | | | | In Current year | Sum of years (cumulative) | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | | | |
| Prior | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-14 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-13 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-11 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-10 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-9 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-8 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | | | | | | | | | | | | | | | | | | | |

| Gross Undiscounted Best Estimate Claims Provision | | | | | | | | | | | | | | | | | | | |
|---|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|---------------------------|-------|--|
| (absolute amount) | | | | | | | | | | | | | | | | | | | |
| Year | C0600 | C0610 | C0620 | C0630 | C0640 | C0650 | C0660 | C0670 | C0680 | C0690 | C0700 | C0710 | C0720 | C0730 | C0740 | C0750 | C0760 | C0770 | |
| | Development year | | | | | | | | | | | | | | | In Current year | Sum of years (cumulative) | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 & + | | | |
| Prior | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-14 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-13 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-11 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-10 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-9 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-8 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N-1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| N | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | | | | | | | | | | | | | | | | | | | |

S.23.01.01 – Own Funds
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

Ordinary share capital (gross of own shares)
 Share premium account related to ordinary share capital
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
 Subordinated mutual member accounts
 Surplus funds
 Preference shares
 Share premium account related to preference shares
 Reconciliation reserve
 Subordinated liabilities
 An amount equal to the value of net deferred tax assets
 Other own fund items approved by the supervisory authority as basic own funds not specified above

| Total | Tier 1 unrestricted | Tier 1 restricted | Tier 2 | Tier 3 |
|------------|------------------------|----------------------|--------|---------|
| C0010 | C0020 | C0030 | C0040 | C0050 |
| - | | | | |
| - | | | | |
| 30,000,000 | 30,000,000 | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| 5,481,066 | 5,481,066 | | | |
| - | | | | |
| 235,898 | | | | 235,898 |
| - | | | | |

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

| |
|--|
| |
|--|

Deductions

Deductions for participations in financial and credit institutions

| | | | |
|---|--|--|--|
| - | | | |
|---|--|--|--|

Total basic own funds after deductions

| | | | | |
|------------|------------|---|---|---------|
| 24,754,832 | 24,518,934 | - | - | 235,898 |
|------------|------------|---|---|---------|

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
 Unpaid and uncalled preference shares callable on demand
 A legally binding commitment to subscribe and pay for subordinated liabilities on demand
 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Other ancillary own funds

Total ancillary own funds

| | | | | |
|------------|--|--|------------|---|
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| - | | | | |
| 16,638,070 | | | 16,638,070 | |
| - | | | | |
| - | | | | |
| 16,638,070 | | | 16,638,070 | - |

Available and eligible own funds

Total available own funds to meet the SCR
 Total available own funds to meet the MCR
 Total eligible own funds to meet the SCR
 Total eligible own funds to meet the MCR

| | | | | |
|------------|------------|---|------------|---------|
| 41,392,902 | 24,518,934 | - | 16,638,070 | 235,898 |
| 24,518,934 | 24,518,934 | - | - | |
| 32,876,817 | 24,518,934 | - | 8,357,883 | - |
| 24,518,934 | 24,518,934 | - | - | |

SCR
MCR
Ratio of Eligible own funds to SCR
Ratio of Eligible own funds to MCR

| |
|------------|
| 16,715,766 |
| 4,178,942 |
| 197% |
| 587% |

Reconciliation reserve

Excess of assets over liabilities
 Own shares (held directly and indirectly)
 Foreseeable dividends, distributions and charges
 Other basic own fund items
 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

| C0060 |
|------------|
| 24,754,832 |
| |
| 30,235,898 |
| - |
| 5,481,066 |

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
 Expected profits included in future premiums (EPIFP) - Non-life business
 Total Expected profits included in future premiums (EPIFP)

| |
|---|
| |
| |
| - |

S.25.01.21 – Solvency Capital Requirement – for undertakings on standard formula

| | C0030 | C0040 | C0050 |
|---|----------------------------------|------------------------------------|--|
| | Net solvency capital requirement | Gross solvency capital requirement | Allocation from adjustments due to RFF and Matching adjustments portfolios |
| Market risk | 293,327 | 293,327 | - |
| Counterparty default risk | 7,275,728 | 7,275,728 | - |
| Life underwriting risk | | | - |
| Health underwriting risk | | | - |
| Non-life underwriting risk | 11,189,390 | 11,189,390 | - |
| Diversification | - 2,561,414 | - 2,561,414 | |
| Intangible asset risk | | - | |
| Basic Solvency Capital Requirement | 16,197,031 | 16,197,031 | |
| Calculation of Solvency Capital Requirement | | | |
| Adjustment due to RFF/MAP nSCR aggregation | | | |
| Operational risk | 518,735 | | |
| 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 | 16,715,766 | | |
| Capital add-ons already set | | | |
| Solvency capital requirement | 16,715,766 | | |
| 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 | | | |

