LMG Försäkrings AB

Solvency and Financial Condition Report

Report for year 2023

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1. Summary

1.1 General information

LMG Försäkrings AB (hereinafter named as "the Company" or "LMG") is incorporated in Sweden and has been operating since 2011. The Company is a wholly owned subsidiary of LUX MED sp. z o.o., which is a part of Bupa Group.

LMG main activity is offering healthcare insurance, principally Private Medical Insurance (PMI). Sales and operations take place only in Poland through the LMG Branch.

The Company does not have any employees in Sweden and is managed by the Board of Directors, with assistance from external consultants. LMG employs its staff solely by the Branch in Poland.

1.2 Purpose and scope of SFCR

The Solvency and Financial Condition Report (SFCR) provides information on the Solvency II capital position of LMG Försäkrings AB as at 31st December 2023. Under Article 51 of EU Directive 2009/138/EC insurance undertakings are required to disclose publicly, on an annual basis, a report on their solvency and financial condition.

SFCR includes a description of the Company's:

- Business and performance up to 31st December 2023
- System of governance
- Risk profile and appetite
- Methods used for valuation of assets and liabilities
- Capital management
- ESG activities

1.3 LMG Solvency capital

In the table below, Solvency II capital position as at 31st December 2023 is presented.

Solvency II capital position (EUR, '000s)			
Item	2022	2023	Yearly change
Eligible own funds (EOF)	12.785	16.480	+29%
Solvency Capital Requirement (SCR)	8.401	10.948	+30%
Surplus	4.384	5.532	+26%
Solvency coverage ratio	152%	151%	-1p.p.

Further information on own funds is provided in section 6.1 (Own funds), while information on the valuation of assets and liabilities is provided in section 5 (Valuation for Solvency purposes).

The SCR is calculated in accordance with the full standard formula specified in the Solvency II legislation. Information on the SCR is provided in section 6.2 (Solvency Capital Requirement and Minimum Capital Requirement).

Solvency Capital Requirement has been continuously growing for the past quarters, due to the increasing Insurance Risk (business development), Market Risk (assets growth) and Operational Risk (company development). SCR elements share behaves in a stable way with no significant changes over the quarter. Own Funds value has increased in the last year, currently reaching the level of EUR 16,5 mln. The Company has stable Solvency situation with the positive outlook for 2024, where Solvency coverage ratio is expected to grow and the maturity of the underwritten business will contribute to the improvement of the capital situation.

1.4 Significant developments during the year

During 2023 following events were affecting LMG's operations:

- The main objective of the Company was the wide development of the hospital insurance. LMG was focusing on increasing the sales volume of the "Full Care" insurance, as well as new hospital variants that were introduced in the first quarter of the year.
- Cooperation with LUX MED (which is a main provider of medical services for LMG) was continued. The scope of the cooperation were analysis and reduction of potential risks in portfolio mix, claims handling and financial reporting processes.
- Russian invasion of Ukraine maintained increased uncertainty regarding security and economic situation, putting additional pressure on the inflation.
- The Company was working on implementation of the new IT policy system that was purchased in the previous year. There also has been an ongoing process of choosing a provider of claims IT system.
- Intensified process of renewals to cope with rising costs inflation, Pricing Strategy was defined to standardize and monitor the effectiveness of the price hikes.
- New product – freedom of treatment – was introduced. It is based on reimbursements for medical services that were done outside the contracted network of facilities.
- Further development of sales force in order to increase sales in the following years.
- The structure of the Company has been growing to address the general increase of the business volume and to be complaint with regulatory and reporting requirements.
- There was no further impact of the Covid-19 pandemic on the health sector and the Company, as the state of epidemic ended in Poland.

2. Business and Performance

2.1 Company information

LMG Försäkrings AB is incorporated in Sweden under registration number 516406-0831. The Company is a wholly owned subsidiary of Lux Med sp. z o.o.

The ultimate parent undertaking of the Company is The British United Provident Association Limited ("Bupa"), the company incorporated in England and Wales. Bupa is the parent company of multiple entities ("the Bupa Group"). Bupa does not have shareholders. Governance over Bupa is exercised by approximately one hundred association members who vote at an Annual General Meeting as to director reappointments and adoption of the financial accounts. These association members are not entitled to any of the assets or income of Bupa. No individual has 10% or more voting rights or any other mechanism of control of Bupa.

The Company’s supervisor is the Finansinspektionen (SFSA), Brunnsgatan 3, 111 38 Stockholm.

The Company’s external auditor is PwC.

2.2 Business activity

The principle activity of LMG is providing healthcare insurance, mainly Private Medical Insurance (PMI), in cooperation with LUX MED, its parent company.

LUX MED Group is the leading private medical services provider in Poland. The Group employs about 17.000 people (including about 9.000 MDs of a few dozen specialisations), owns a network of over 290 own facilities, cooperates with about 3.000 third-party clinics and provides care to over 2.500.000 patients.

As a leading international health and care company, Bupa offers health insurance and medical subscription products, runs care homes, retirement villages, hospitals, primary care and diagnostic centres and dental clinics. Bupa also provides workplace health services, home healthcare and health assessments. It funds healthcare for customers in over 190 countries, working in partnership with healthcare professionals to ensure customers receive access to the best possible care and advice. Bupa has over 43 million customers and 85,000 employees worldwide, spanning both insurance and non-insurance businesses. Where possible, Bupa seeks to combine funding and provision activities as an effective approach to deliver better customer experiences and health outcomes in a financially sustainable way. Where there is broader and deeper participation across healthcare pathways, Bupa is better positioned to influence the patient's journey, ensuring the advice and care is right for them, while managing the associated risk.

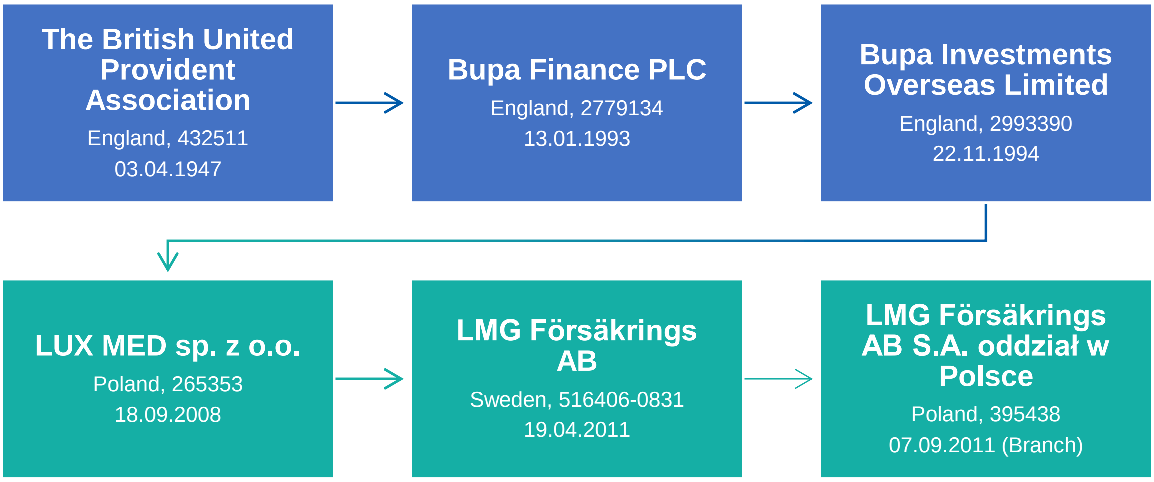
Bupa eagerly cooperates with other healthcare entities, including state healthcare systems, insurance companies and healthcare providers. For example, in Spain and United Kingdom, Bupa serves outpatient and long-term services on the basis of public-private partnership. Bupa reinvests profits to provide more and better healthcare.

LMG’s four main segments of operation are:

- Outpatient Private medical insurance (PMI) provided for the employers and their employees, with the cover for reimbursement of externally provided services
- Hospital Inpatient insurance (InPMI)
- Other health insurances like hospital coordination, critical illness or drug insurance
- Accident insurance

Sales and operations take place only in Poland through the LMG’s Branch.

2.3 Legal structure



LMG is a wholly owned subsidiary of the LUX MED Group, which is part of Bupa Group. LMG was set up in 2011 with the first policies sold in March 2012. The Company has a branch in Poland.

2.4 Significant events in the year

Introduction and sales of Full Care hospital insurance was the event that set the direction for most activities in 2023. The Russian invasion of Ukraine still had visible impact on the situation in Poland. Both of them have impacted operations, plans and strategy.

The new InPMI hospital insurance is an innovative product in comparison to other products available on the Polish market, that is because:

- It is “All risk” insurance, which means that it automatically covers every risk that the contract does not explicitly omit.
- It requires expanded system of own LUX MED hospitals as well as network of contracted ones.
- There are three variants of the product, a full one, orthopaedic and accident-based.

LMG, together with LUX MED, decided to work on this product in order to increase the quality of the Polish healthcare system. The group has experience in running its own facilities and providing all the infrastructure for an outpatient clients and all this knowledge combined can now be expanded to hospital insurance, which has a significant growth potential on the market. Sales of hospital insurance in the first phase of offering it were lower than expected, but thanks to continuous improvement of service processes, increasing the competence of the sales network and working on customer awareness, the company managed to increase market penetration in this product category.

Russian invasion of Ukraine combined with dynamic rise in inflation in Poland challenged our initial plans regarding new business sales. As a result of energy prices growth, supply chains disruptions and increased demand, the war fuelled the inflation in Poland, which in 2023 was on the highest levels in this century.

In order to mitigate negative effects of the war and high inflation in Poland, the company took a significant number of initiatives across all divisions. The intensified cooperation with our current client base resulted in new renewal contracts that correctly reflect rising costs. For new business we put into life new processes that simplify sales and result in higher participation among clients.

Last year, the company continued its cooperation with LUX MED, which is a provider of medical services offered to the insureds. In addition to regular operational cooperation, the companies acted to improve the processes of claims handling, reporting monthly data and products development.

In the area of sales, the focus was on organic growth and keeping premium dynamics, which was successful and resulted in high growth. LMG plans to increase the level of the premium written in the coming years thanks to the development of "Full Care" and focus on sales capacity.

2.5 Underwriting Performance

This section summarizes the performance of the business underwritten.

2.5.1 Overview

Presented below is the Company's underwriting performance as reported in its financial statements.

Underwriting performance (EUR, '000s)			
Item	Type	2022	2023
Premiums written	Gross	26.520	50.104
	Reinsurance	1.673	216
	Net	24.847	49.888
Premiums earned	Net	21.281	40.727
Claims incurred	Gross	16.536	30.453
	Reinsurance	0	0
	Net	16.536	30.453
Operating expenses	Net	5.700	10.358
Total claims and expenses	Net	22.236	40.811
Loss Ratio		77%	75%
Combined Ratio		104%	100%

Loss Ratio (claims/premiums) at a level of 75% is an improvement comparing to the previous year (by 2p.p.). The situation of the ratio has been quite stable year over year, but we see changes in the portfolio mix, increasing claims severity (due to high medical inflation) compensated by premium increase strategy. We also had to incur high costs of hospital emergency rooms, that are covered in the Full Care product.

Combined Ratio (claims + expenses/premiums) decreased by 4p.p., but there has been many operational and capital expenses that were incurred over the year. Those can be attributed to the dynamic expansion of the company (sales costs, hiring) and new initiatives (IT policy system, product development, marketing).

In 2023, the only reinsurance contract in-force is for Best Help product, a treaty provided by Sirius RE (critical illness insurance). No new treaties were signed. The company has currently 4 active reinsurance proportional treaties.

2.5.2 Underwriting performance by Line of Business

Following products offered by LMG fall within Medical Expense Solvency II Line of Business:

- Outpatient care
- Hospital care
- Drug insurance
- Occupational medicine
- Freedom of treatment

The table below summarizes performance of the LoB

Medical Expense LoB performance (EUR, '000s)		
Item	2022	2023
Premium earned, Net	20.856	39.892
Claims incurred, Net	16.502	30.371
Operating expenses, Net	5.488	10.002
Underwriting profit/(loss) before investment income	-1.134	-481

In 2023 we have observed a significant growth of premium earned in the LoB (+91%) with increasing claims (caused by claims inflation and higher frequency, as well as high initial costs of emergency rooms in InPMI insurance) with simultaneous increase of expenses incurred (CapEx). All those combined resulted in worse underwriting result. There has also been a growth in IBNR level, which currently is over 1,5 mln EUR.

Following products offered by LMG fall within Income Protection Solvency II Line of Business:

- Accident Insurance (NNW)
- Best Help (critical illness)

The table below summarizes performance of the LoB

Income Protection LoB performance (EUR, '000s)		
Item	2022	2023

Premium earned, Net	426	835
Claims incurred, Net	34	82
Operating expenses, Net	202	314
Underwriting profit/loss before investment income	190	440

Gross premiums written and earned both increased in 2023 in the LoB and total level of net premium earned was much higher (almost doubled). Year 2023 ended with underwriting profit arising from the LoB. There were no changes in products construction as well as reserving methods.

2.6 Performance from investment activities

2.6.1 Investment income

Below all elements of investment income for the past year are presented.

Financial income (EUR, '000s)		
Item	2022	2022
Income from LUX MED Group undertakings:	68	118
Interest receivable	68	118
Rental income	0	0
Income from deposits with credit institutions	0	1
Realised capital gains on investments	24	83
Realised foreign exchange gains	0	0
Investment income as reported in the Company's profit and loss account	92	202
Unrealised gains on investments	13	0
Unrealised losses on investments	0	55
Total financial income	105	146

Interest income, except in relation to assets classified at fair value through profit or loss, is recognised in the profit and loss account as it accrues, using the effective interest method.

Changes in the value of financial assets designated as at fair value through profit or loss are recognised within financial income as an unrealised gain or loss while the asset is held. Upon realisation of these assets, the change in fair value since the last valuation is recognised within financial income as a realised gain or loss.

The majority of LMG investments are in cash and loan to parent company LUX Med. The Company has also invested in a limited portfolio of non-cash assets, principally bonds.

In the table below financial income by asset class is presented.

Financial income by asset class (EUR, '000s)		
Item	2022	2023
Government bonds	28	83
Corporate bonds	0	0
Investment funds	0	0
Cash and deposits	255	265
Bank interest	218	321
FX effect	37	-55
Mortgages and loans	68	118
Property	0	0
Total financial income	351	466

2.6.2 Investment expenses

Investment expense in the year amounted to EUR 2k, with 6% increase in comparison to 2022.

2.6.3 Gains/losses recognised directly in equity

There is no such position for LMG.

2.7 Performance from other activities

The Company's business plan does not include any other income or expenses other than those summarised in sections 3 (Underwriting performance) and section 4 (Performance from investment activities).

3. System of Governance

3.1 General information on the system of governance

3.1.1 Board of Management

The LMG Board of Management consist of Managing Director, Chief Executive Officer (CEO) and four other Board members.

The Board closely monitors developments in corporate governance and assess how these can be applied at LMG. The governance arrangements continue to be reviewed in line with developments in best practice. The Board believe the existing structure is appropriate for the size and complexity of the Company.

The responsibilities of the Board of Management are:

- Agreeing on LMG long-term directions and objectives
- Developing and maintaining LMG business model and aligning it with the Bupa Group strategy, while ensuring that local regulation, legislation and market practice are also met
- Determining the nature and extent of the significant risks the Company is willing to take in achieving its strategic objectives
- Oversight of LMG operations
- Ensuring the appropriate and necessary financial and human resources are in place to meet LMG objectives
- Providing constructive challenge to the executive directors and senior management
- Ensuring the highest standards of governance are followed
- Developing LMG culture

The Board normally meets four times a year and at other times as required. Minutes of all Board meetings are recorded and reflect the substance of the discussion, as well as the decisions made.

3.1.2 Managing Director

The Managing Director is, according to chapter 8 section 29 of Swedish Companies Act, responsible for the continuous management of the Company according to the guidelines and procedures approved by the Board of Directors. The Managing Director shall provide for that the Company's book-keeping is fulfilled in accordance with laws and regulations and that the management of funds is handled in a safe way.

The Managing Director handles the company's current affairs. They consist of:

- Leading the Company's business and execute the decisions of the Board of Directors
- Deciding on legal actions in the event of minor disputes in which the company is a party; in the event of major disputes the Board of Directors shall make the decision
- Employment policy and deciding on salaries and benefits
- Proposing goals and procedures for the business to the Board of Directors
- Fulfilling information duties in accordance with current law requirements
- Making decisions and deciding on matters required for the efficient management of the Company's current affairs

3.1.3 Key functions

Key functions enlisted in Solvency II directive are embedded throughout Bupa (and LMG) with clear responsibilities and segregation of duties. Those are:

- Risk Management and Compliance Function

LMG established Risk Function and Compliance Function on the Main Office level as well as for Branch Office where there is a Risk and Compliance Director for whole LUX MED Group. The Director is responsible for the operation of the function. There is also a dedicated Risk Officer and Compliance Officer in the Branch structure.

- Internal Audit Function

LMG has Independent Monitoring Function (IMF) (Internal Audit) for Main Office and for Branch Office. The IMF attends the Risk Committees and can therefore escalate and report any findings of concern to the Board for their attention and action. Additionally, there is Bupa Global Internal Audit function for LUX MED and for LMG. The function helps LMG and Bupa to protect the assets, reputation and sustainability of the organisation.

- Actuarial Function

LMG actuarial activities are conducted by a qualified actuary in Sweden and Poland, as well as Actuarial Function which is set up in line with the Actuarial Operating Framework established by Bupa. The Branch Actuarial Function team consists of 5 people.

3.1.4 Remuneration policy and practices

LMG's remuneration policy is designed to deliver market competitive reward to help attract, retain and motivate high calibre employees, and promote a prudent approach to risk.

LMG does not have a separate Remuneration Committee. The Bupa Group Remuneration Committee is responsible for devising and governing remuneration systems and packages across the Bupa Group that drive sustainable, long-term performance, with a clear link to Bupa's strategic goals and purpose.

The objective of the Company is to insure certain risks of the parent group, therefore the consequences of possible excessive risk-taking is limited to the parent group and will not directly affect third parties. The Company does not have any employees and is managed by the Board of Directors, with assistance from external consultants. LMG's only employees are employed by the Polish branch.

This remuneration policy does not encourage excessive risk-taking and should therefore be considered to be in accordance with effective risk management.

Remuneration in the year for the LMG directors was as presented in the table.

Directors' remuneration (EUR, '000s)				
2023	2022	2021	2020	2019
377	233	48	42	45

3.2 Fit and proper requirements

LMG's "Fit and Proper Persons" policy sets out the principles and minimum standards for determining the fitness and propriety of individuals who hold, or are being considered for, appointment to a Director role. Compliance with the policy provides assurance to the Board, customers, suppliers and regulators that all of the Directors are personally and professionally equipped to fulfil their responsibilities effectively.

Before appointment, and on an ongoing annual basis, the Company reviews each role holder's qualifications, knowledge, experience and propriety to ensure that they have, and maintain, the relevant expertise and integrity to provide the Company with sound and prudent management. The fitness assessment is not limited to the moment at which a Board member/senior manager is employed. It includes arranging for further professional training as necessary, so that the individual is also able to meet changing or increasing requirements of their particular responsibilities.

Individuals are not each expected to possess expert knowledge, competence and experience within all areas of the undertaking. However, the collective knowledge, competence and experience of the Board and senior management team as a whole have to provide for a sound and prudent management of the business. When changes occur within the Board or the management team (like replacement of one of the members), the Company must be able to demonstrate at all times that the collective knowledge of the members of the Board/senior management team is maintained at an adequate level.

LMG implements set of policies and procedures to ensure the clear allocation of director and senior manager responsibilities and notification to regulators (where required). An individual's fitness to perform their role includes an assessment of their competence and capability, tailored to their particular role, such as an individual's knowledge and understanding of:

- Markets knowledge - an awareness and understanding of the wider business, economic and market environment in which the business operates and an awareness of the level of knowledge of and needs of customers, proportionate to the nature of the role.
- Business strategy and business model knowledge - a detailed understanding of the business' strategy and model.
- System of governance knowledge - an awareness and understanding of the risks the business is facing and the capability of managing them. It also includes the ability to assess the effectiveness of the business' arrangements to deliver effective governance, oversight and controls and, if necessary, oversee changes in these areas.
- Financial and, where relevant, actuarial analysis knowledge - the ability to interpret the business' financial and actuarial information, identify key issues, put in place appropriate controls and take necessary measures based on this information.
- Regulatory framework and requirements knowledge - awareness and understanding of the regulatory framework in which the business operates, in terms of both the regulatory requirements and expectations, and the capacity to adapt to changes to the regulatory framework without delay.

On completion of the background screening check LMG undertakes an assessment with the information provided to determine if the individual meets requirements. Subsequently, if the individual does meet these requirements, and is considered fit and proper, confirmation is provided to the regulator.

3.3 Risk management system including the own risk solvency assessment

The Company has adopted a “three lines of defence” approach to risk management.

- The first line of defence encompasses management and staff in the Company. LMG’s Directors are responsible for the identification and management of their risks. The risk committee, chaired by Risk and Compliance Director, scrutinise their risk profiles and generate mitigating actions where necessary covering both the funding and provision businesses.
- The second line of defence comprises of risk management professionals. The LMG Risk Function is led by the Risk and Compliance. Its role is to advise, challenge and oversee the first line risk management activities and to collate reports for management on his independent views on risk issues.
- The third line of defence is Internal Audit. Bupa has a global Internal Audit Function led by the Chief Internal Auditor at Centre. The Chief Internal Auditor oversees the execution of the Bupa approved Audit Plan, this includes also the LUX MED and LMG audits.

Risk appetite

The Company’s risk appetite reflects Bupa’s purpose and expresses the degree of risk LMG is prepared to accept while working to deliver on our strategy. The core risk appetite statements are focussed on:

- Management of our financial strength
- The treatment of customers and employees
- The sustainability of the business
- Operational risk

Our risk appetite statements are a key consideration in our business planning process and a central reference point for key decisions. These statements are not intended to automatically prevent activity outside of LUX MED’s (LMG’s) risk appetite, but rather to help identify any such instances in a timely manner so that the Managers can consider an appropriate response.

We review our risk appetite statements on an annual basis.

Risk management framework

LUX MED Group manages risks according to a Board approved Risk Management Framework covering funding and healthcare provision. This sets out the principles underpinning a robust and continuous risk management system for the first line. This ensures that:

- Current and emerging risks to the business are identified and the potential consequences of them are understood
- Appropriate and effective steps are taken to mitigate and manage identified risks
- Risk management information is utilised to make risk based decisions across the business
- There is clear ownership of and accountability for risk
- There is a culture in which appropriate risk behaviours are encouraged and rewarded, inappropriate behaviours are challenged and sanctioned, risk events are communicated as quickly as good news without fear of being blamed

There are well-established regular reporting mechanisms in place which ensure that all relevant top risks for all businesses are appropriately identified and escalated. These processes also ensure that strategies to manage and mitigate the risks to acceptable levels are identified and executed.

The business standards and policies define the way LMG does its business and covers funding and healthcare provision. These standards and policies are reviewed on an annual basis with material changes going to the appropriate Committees for approval and non-material changes going to the appropriate Committees for noting.

The Risk Management Framework articulates consistent methodologies for risks assessment and measurement across funding and healthcare provision. This ensures that the significance of each risk identified is understood and the appropriate mitigating actions are put in place. We also utilise a consistent risk categorisation model across Bupa which provides a standard approach for classifying the universe of different types of risks faced in pursuit of our purpose

The processes used to identify, measure, manage, monitor and report risks, include a programme of stress and scenario testing. We also undertake specific detailed reviews and deep dives on particular risks where considered necessary.

The effectiveness of the implementation of the Risk Management Framework is tested through the Internal Control and Risk Management Assessment. This aims to provide a mechanism to assess how well internal control and risk management practices are embedded across Bupa. This is a first line of defence self-assessment, subject to review and challenge by the second and third lines. It includes the results of the work of the operation of material controls (financial, operational and regulatory compliance) and compliance with enterprise policies. This assessment is conducted on a half yearly basis and the results are presented to the Audit Committee.

Risk Management Function

LMG outsources the Risk Management Function (RMF) to AON via an agreement for captive and insurance management services.

RMF, answerable to the Board, executes an independent risk control and shall, when needed, inform the Company's board of directors, management and others who might need the information. The Risk Management Function makes sure that the board of directors has set up guidelines regarding the Company's risk management and that the company has a process for the continuous update of these documents.

The Function at least once a year audit the Company's management and control of risks and report to the managing director and the board of directors in connection with a board meeting. A copy of the reports produced by the risk control function is handed to the Independent Monitoring Function.

LMG established Risk Function on the Main Office level as well as for Branch Office where we have Risk and Compliance Department for whole LUX MED Group. Risk and Compliance Director is responsible for the operation of the function.

In addition, the Risk and Compliance Committee is appointed and holds meetings once a quarter. The Committee regularly reviews the risks for LUX MED (including LMG) arising and the mitigating actions in place to reduce the level of risk. The Risk and Compliance Committee reports to the Managing Director and to the Board of Directors.

Own Risk and Solvency Assessment

LMG' Own Risk and Solvency Assessment (ORSA) comprises the series of activities by which it assesses all the risks inherent in its business and determines the corresponding capital needs. It therefore includes the following activities:

- The projection of own funds and future capital requirements as part of the three-year business plan presented to the Board for approval in December each year
- Annual review of capital risk appetite which is approved by the Board each year

- Quarterly review of risks and risk appetite
- Stress and scenario testing and reverse stress testing carried out at least annually

The outputs of the above activities are set out in the annual ORSA report which is approved by the Board latest in November or December.

The process for carrying out the ORSA is reviewed following the strategy sessions to take account of decisions made there and also to consider any other enhancements that can be made to the ORSA process. Proposed changes to the ORSA process are considered by the Bupa Risk Committee and then subsequently incorporated into the ORSA Policy which is approved by the Bupa Board for the whole Bupa Group (incl. LMG).

LMG determines its own solvency needs by reference to the projected own funds and future capital requirements reflecting the risk profile of the Company, its policy of maintaining a substantial buffer over the capital requirements.

3.4 Internal control system

The LUX MED Group has an ongoing process for the identification and management of its principle Risks and conducts the Internal Control and Risk Management Assessment (ICRMA) to review the effectiveness of internal controls and how well risk management and policy compliance is embedded in Bupa.

We test the effectiveness of our implementation of the Risk Management Framework through our ICRMA, the aim of which is to provide a mechanism to assess how well internal control and risk management practices are embedded across Bupa Group. This is a first line of defence self-assessment, subject to review and challenge by the second and third lines, and includes the results of the work of internal audit; the operation of material controls (financial, operational and regulatory compliance) and Enterprise Policy compliance. This assessment is conducted on a half yearly basis and the results are presented to the Audit Committee of Bupa.

The Audit Committee considered the result of the ICRMA at both the half and full year, which considered all material internal controls relevant to the preparation of the financial statements. During these reviews, the Committee identified a number of weaknesses, however, none of these were determined to be significant to the preparation of the financial statements.

The approach to the ICRMA continues to be subject to regular review and enhancement by the management to ensure its continued effectiveness.

3.5 Compliance function

LMG has established an Enterprise Regulatory Compliance Policy which is sponsored and owned by the Compliance function. This policy is reviewed annually. The Compliance function also maintains an operating model. Together these define the responsibilities, competencies and reporting duties of the Compliance function. The Regulatory Compliance Policy includes a requirement to maintain an annual compliance plan (including a monitoring plan). The enterprise compliance plan is approved by the LMG's the Board annually. The compliance plan sets out planned activities of the Compliance function which take into account relevant areas of the activities of the insurance and reinsurance undertakings within the Group and their exposure to compliance risk.

The Compliance function has authority to review all areas of the Bupa group and has full and unrestricted access to all activities, records, property and personnel necessary to complete its work.

The Enterprise Regulatory Compliance Policy requires LMG to clearly identify the regulatory requirements that apply to our businesses and ensure that appropriate compliance resources are allocated to:

- Proactively identify and assess potential regulatory risks
- Advise on risk mitigation strategies
- Monitor adherence to regulatory requirements

The Compliance Function undertakes assurance activities to assess the adequacy of the measures adopted to prevent any non-compliance.

3.6 Internal audit function

LMG has Independent Monitoring Function (IMF) (Internal Audit) for Main Office and for Branch Office. The IMF attends the Risk Committees and can therefore escalate and report any findings of concern to the Board for their attention and action, independent of the Executive. Additionally, we have Bupa's Global Internal Audit function for LUX MED and for LMG. The function helps LMG and Bupa to protect the assets, reputation and sustainability of the organization.

3.7 Actuarial function

Actuarial function activities for LMG are conducted by qualified actuaries. The actuarial function has authority to review all areas of the LMG and has full and unrestricted access to all activities, records, property and personnel necessary to complete its work. The function is fulfilled by the main office and the branch office teams.

Key activities (including all mandatory tasks set out in Article 48 of Directive 2009/138/EC) are as follows:

- Coordinating and consolidating technical provisions (for IFRS and Solvency II reporting)
- Assessing the appropriateness of technical provision methodology and assumptions used
- Setting methodologies and ensuring consistency of use
- Ensuring that data quality and information technology systems meet the required standards
- Contributing to risk management activities by undertaking the solvency capital requirement calculation

An actuarial function report containing the actuarial function opinions and recommendations is prepared every year.

3.8 Outsourcing

LMG has implemented an Enterprise External Suppliers Policy. The purpose of this policy is to ensure that LMG has effective processes for selection, contracting and management of all external suppliers, allowing the risks posed by external suppliers to be managed throughout the supplier relationship lifecycle. The policy is based on four main principles; knowing, selecting, contracting with and managing our external suppliers. There are 21 specific requirements to fulfil.

Specifically around outsourcing, all key, critical or important outsourced arrangements are required to be identified and managed with additional rigour. The appointment of these arrangements must follow supplier selection criteria, with appropriate due diligence and robust contracts in place following legal terms. Contingency measures must be in place. The arrangements are reported to the local risk and compliance team to assess the need for regulatory notification.

- Outsourcing to LUX MED

LMG outsources the insurance administration activities to LUX MED via an agreement for services. The activities undertaken by LUX MED include collecting premiums from customers, handling claims and the payment of claims, maintenance of books of accounts and records. LUX MED holds the necessary assets and employs staff to carry out these functions under the agreement.

- Outsourcing to Aon Global Risk (AON)

LMG outsources the company and insurance administration activities to AON via an agreement for captive and insurance management services. The activities undertaken by AON include company secretarial, finance, actuarial function, compliance function and risk control function. AON holds the necessary assets and employs staff to carry out these functions under the agreement.

- Outsourcing to Aon Commercial Services (ACS)

LMG outsources the internal audit function to Aon Commercial Services Ireland Limited via an agreement for services. ACS holds the necessary assets and employs staff to carry out these functions under the agreement.

4. Risk profile

The Solvency Capital Requirement (SCR) is calculated in accordance with the standard formula specified in the Solvency II legislation.

Under Solvency II, LMG' risk profile is a key driver of the SCR. The distribution of the Company's quantifiable risks, as reflected in the SCR, is as presented in the table below.

Analysis of the Solvency Capital Requirement (EUR, '000s)				
Item	2022		2023	
Insurance Risk	6.287	75%	7.861	72%
Counterparty Risk	886	11%	1.221	11%
Market Risk	2.533	30%	2.631	24%
Diversification	-2.051	-25%	-2.388	-22%
Operational Risk	746	9%	1.623	15%
Total	8.401	100%	10.948	100%

Information on each of the risk categories is provided in sections below, as well as information on the calculation of the SCR.

4.1 Underwriting risk

Underwriting risk affects future cash flows of the Company. It can be subdivided into claims risk and pricing risk which represent the risk of adverse variances in claims outflows and premium inflows respectively.

- Pricing risk

Pricing risk arises from routine revisions to premium tariffs and from the processes, in certain businesses, to set bespoke premiums for large corporate health insurance customers. The adequacy of pricing tests on thorough actuarial analyses of past and most recent claims levels, combined with forward projections of the most recent observed trends. Pricing risk affects only future cash flows since new tariffs impact on levels of premium earned when health insurance contracts renew.

The Company's dominant product is an annually renewable health insurance contract. The annual renewability feature permits tariff revisions to be made in response to changes in claim experience. This is a significant mitigant to pricing risk.

- Claims risk

Claims risk is managed and controlled by the use of doctors networks in own LUX MED clinics and agreed networks of hospitals and charges.

Future adverse claims experience, for example, which is caused by external factors such as medical inflation, will affect cash flows after the date of the financial statements.

Generally, the Company's health insurance contracts contain terms and conditions that provide for the reimbursement of incurred medical expenses for treatment related to acute medical conditions. The contracts do not provide for capital sums or indemnified amounts. Therefore claims experience is necessarily underpinned by prevailing rates of illness. Additionally, claims risk is generally mitigated by the Company running control processes to ensure that both the treatments and the consequent reimbursements are appropriate.

- Reserving risk

Reserving risk is the risk that technical provisions for claims incurred prove to be insufficient in light of later events and claims experience. There is a relatively low exposure to reserving risk due to the short-term nature of claims development patterns. The short-tail nature of the Company's insurance contracts means that movements in claims development assumptions are generally not significant. The development patterns are kept under constant review to maintain the validity of the assumptions and hence, the validity of the estimation of recognised technical provisions.

The amount of claims provision at any given time that relates to potential claims payments that have not been resolved within one year is not material.

- Geographical concentration of risk

LMG is not exposed for such risks as the whole business is underwritten in Poland.

- Catastrophe risk

LMG is exposed for pandemic risks. It is related with the nature of the LMG's business, which is in majority outpatient services. By this we are taken into consideration risks of mass (pandemic) situation like e.g. flu pandemic.

4.2 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values of future cash flows of financial instruments from fluctuations in interest rates, foreign exchange rates, commodity prices, credit spread and equity prices. The focus of the Company's long-term financial strategy is to facilitate growth without undue balance sheet risk.

The Company actively manages price risk by ensuring that the majority of its cash and investments are held with highly rated credit institutions.

- Market concentration risk

The Company is exposed to Market Concentration Risk due to the partnership with LUX MED and mutual financial relationships between entities.

- Currency risk

The Company is exposed to foreign exchange risks as our main currency is Polish Zloty and this is currency of premium and claims but the same time the reporting currency is EUR.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to Interest rate risks as we have some (limited) financial instruments in our portfolio.

- Spread rate risk

The Company is exposed to spread risk as there are some (limited) financial instruments in the portfolio.

- Equity risk

Equity risk is the risk that the Company will suffer a financial loss as a result of an unfavourable development of contractual obligations related to held equity. In case of LMG this risk is insignificant.

4.3 Credit Risk

The Company is calculating Credit Risk based on the rating of the counterparties that are issuers of securities and debtors. The rules of calculation are in line with the requirements of the Standard Formula. Total value of the risk in 2023 is similar as in the previous year, as the amount of the instruments has not changed significantly over the last year.

4.4 Liquidity risk

Liquidity risk is the risk that the Company will not have available funds to meet its liabilities when they fall due. The Company enjoys a strong liquidity position and adheres to strict liquidity management policies as set by its Risk Committee.

The Company's liquidity risk is addressed by holding liquid assets and through controls.

Liquidity is managed by limitation in type of assets which could be bought by the Company. As end of 2022 LMG has only Governmental Bond and cash.

4.5 Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, or from personnel, systems or external events. This includes conduct risk – the risk that LMG behaviour or actions result in unfair outcomes or detriment for customers.

- Whilst LMG has a low tolerance for operational risk arising from the health funding business that it conducts, it seeks to minimise operational risk where it is cost effective to do so. It is done thanks to maintenance of robust internal control processes and governance frameworks, the approval of risk policies.

Operational Risk is forecasted to increase in line with business volumes with no significant anticipated change in the nature or management of operational risks.

The Company has Business Continuity Plans in place to ensure appropriate operation of key processes and controls. Business continuity issues are reported to the Business Continuity Committee of the LUX MED Group, with significant issues being escalated to the Group Risk Committee, which is responsible for ensuring appropriate controls are in place to mitigate potential risks. As a result of the governance structures and controls in place, there was no event disrupted operations of LMG during 2022.

The services provided by the Company are underpinned by information technology systems and infrastructure that enable the delivery of core processes and products. Failure of these systems may reduce the ability of the Company to deliver products and services to its customer base or increase the risk of information security breaches.

The Company's information technology (IT) services are provided by LUX MED, which has a number of dedicated IT teams who are responsible for the development, maintenance and monitoring of IT services. A programme of work is in place to ensure the continued development and enhancement of all IT services to provide the levels of services required by the business and adequately protect sensitive customer and business data.

4.6 Other material risks - stress and scenario testing

A key part of LMG' risk management framework involves identifying the scenarios that could adversely impact the Company and assessing its ability to withstand them. The assessment takes the form of stress and scenario testing. The stress and scenario testing evaluates the impact of adverse scenarios on the Company's business plans, including an assessment of whether the Company will continue to have sufficient capital resources to cover both its own assessment of risks and regulatory minimum capital requirements.

Stress testing generally relates to a single risk factor e.g. adverse claims experience. Scenario analysis generally relates to combinations of risks tied to a single event e.g. economic recession triggering higher lapses and falling asset values.

There are two parts to the stress and scenario exercise:

- Bupa Group exercise, which applies consistent stress and scenario tests across the Group (worldwide scenario)
- LMG specific exercise (local scenario)

The results of the stress and scenario testing are reviewed by the Risk Committee and are a key element of the ORSA. The scenarios have historically considered a number of macro and microeconomic impacts on the business such as an economic slowdown in China, Greek exit from the EU and the resulting impact on the Eurozone, a strengthening of the US economy and the US dollar and rising interest rates or changes in the tax law. The 2023 scenarios considered the economy slowdown as an effect of climate change.

5. Valuation for Solvency purposes

Solvency II requires an economic market consistent approach to the valuation of assets and liabilities. A number of assets and liabilities require different valuation methods to those used in the financial statements included in LMG Försäkrings Annual Report and Accounts for the year ended 31 December 2023. The financial statements were prepared under International Financial Reporting Standards (IFRS). The table below provides a summary of the Solvency II and the IFRS valuation of assets. An explanation of the Solvency II valuation methods is provided in the sections following the table below.

Assets and liabilities under Solvency II and IFRS (EUR, '000s)

	Solvency II		IFRS		SII-IFRS difference	
Assets	2022	2023	2022	2023	2022	2023
Intangible assets	0	0	1.581	4.024	-1.581	-4.024
Deferred tax assets	0	0	0	0	0	0
Property, plant and equipment	127	120	127	120	0	0
Investments	1.335	2.143	1.335	2.143	0	0
Loans and mortgages	2.090	1.968	2.090	1.968	0	0
Reinsurance recoverable	-3	-7	42	53	-45	-60
Insurance and intermediaries receivables	1.423	3.807	14.851	26.762	-13.428	-22.955
Reinsurance receivables	0	0	0	0	0	0
Receivables (trade, not insurance)	738	-64	738	-64	0	0
Cash and cash equivalents	9.011	11.176	9.011	11.176	0	0
Any other assets, not shown elsewhere	809	1.584	809	1.584	0	0
Total assets	15.529	20.727	30.583	47.765	-15.054	-27.038
Liabilities	2022	2023	2022	2023	2022	2023
Technical provisions	783	2.323	16.683	30.585	-15.900	-28.262
Provisions other than technical provisions	106	190	106	190	0	0
Insurance & intermediaries payables	0	0	1.288	2.242	-1.288	-2.242
Deferred tax liabilities	494	732	18	-4	476	736

Derivatives	0	0	0	0	0	0
Reinsurance payables	0	0	93	108	-93	-108
Payables (trade, not insurance)	1.323	951	1.323	951	0	0
Subordinated liabilities in BOF	0	0	0	0	0	0
Any other liabilities, not elsewhere shown	37	51	37	51	0	0
Total liabilities	2.744	4.247	19.548	34.122	-16.804	-29.875
Excess of assets over liabilities	12.785	16.480	11.035	13.644	1.750	2.836

5.1 Assets

- Tangible assets

Tangible assets represent mainly system and small software.

- Property, plant and equipment held for own use.

The Company has no property and plant held for own use, has IT equipment not amortised.

- Investments, loans and mortgages

The majority of LMG investments are in cash and loan to parent company LUX MED. The Company has also invested in a limited portfolio of non-cash assets, principally bonds.

The Company has no participations.

Financial investments (government bonds and deposits other than cash equivalents) are recognised in the Solvency II balance sheet at fair value.

The Company has loan to parent company LUX MED.

- Reinsurance recoverable

Reinsurance recoverable represent the reinsurer's share of technical provisions.

- Insurance and intermediaries receivables, reinsurance receivables

In the Solvency II balance sheet insurance and intermediaries receivables and reinsurance receivables represent amounts due or past due at the balance sheet date and are carried at fair value. In the IFRS insurance balance sheet these assets are held at amortised cost less impairment losses. Those receivables that are not yet due at the balance sheet date are transferred to technical provisions and form part of the valuation of technical provisions. Therefore, due to the short term nature of the assets remaining in the insurance and intermediaries payables line in the Solvency II balance sheet, the IFRS carrying value is not materially different from the fair value under Solvency II. Therefore, other than the reclassification described no adjustment is necessary to calculate the Solvency II value.

- Receivables (trade, not insurance)

Receivables (trade, not insurance) are carried at fair value in the Solvency II balance sheet. The IFRS current trade and other receivables are carried at amortised cost less impairment losses. Due to the short term nature of the receivables, the invoice amount is considered to be a fair approximation of fair value and therefore the Solvency II value is considered equal to the IFRS value. A fair value review is performed on an annual basis to ensure that there are no material differences between the carrying value and fair value.

- Cash and cash equivalents

Cash and cash equivalents in the Solvency II balance sheet consists of deposits that can be exchanged for currency on demand at par value and are valued at their par value.

- Any other assets, not shown elsewhere

There are no material differences between IFRS and Solvency II valuation.

Taking into consideration assets structure of LMG it not necessary to apply any specific assumptions or judgments.

5.2 Technical provisions and other liabilities

The technical provisions for solvency purposes are an estimate of the cost at which insurance contracts could be transferred to another knowledgeable insurer in an arm's length transaction.

The technical provisions have been calculated as the sum of the Best Estimate Liability (BEL) and a Risk Margin. The BEL comprises a claims provision (for claims and expenses incurred prior to the valuation date) and a premium provision (for claims and expenses expected to be incurred between the valuation date and the contract boundary).

It should be noted that due to the inclusion of the future premiums, premium provision calculated using above cash-flow methodology might be negative regardless of the estimated claim and combined ratio, especially for the profitable business with premiums paid in instalments. Such situation is also in line with the market benchmarks.

The value of technical provisions for solvency purposes, as at 31 December 2023 was as presented in the table below.

Technical provisions – Year End (EUR, '000s)		
Item	Medical Expense	Income Protection
Claims provision	4.976	152
Premium provision	-3.350	-22
Risk Margin	559	15
Total technical provisions	2.185	145

The technical provisions calculations do not apply the matching adjustment, volatility adjustment or transitional measures referred to in Articles 77 (b),(d) and 308(c),(d) of Directive 2009/138/EC.

- Claims provision

Claims provision represents the estimated cost of claims incurred but not settled as at the balance sheet date. The provision includes an allowance for claims management and claims handling expenses.

The ultimate cost of outstanding claims is estimated using “triangles” projection techniques. It should be noted that the only minor part of the LMG’s OCP is calculated in this manner. This comes from the fact of the business model between LMG and LUX MED.

LMG OCP processes are subject to annual review against Bupa’s Claims Reserving Standards.

- Premium Provision

Premium provision represents the estimated cost of future claims and expenses arising from current and bound insurance contracts, net of future premium receipts.

The cost of future claims and expenses is estimated using actuarial projections of members covered by current insurance contracts and assumptions for expected claims and expenses incurred per member. These assumptions are based on current year experience appropriately adjusted for trends, inflation and discounting.

- Risk Margin

Risk Margin is added to the best estimate provisions to allow for the inherent uncertainty of future cashflow projections. This uncertainty generally relates to the risk that past claims patterns and trends may not apply in the future; for example, as a result of changes in public healthcare provision, economic conditions or LMG claims management procedures.

The Risk Margin has been calculated based on the cost of capital methods as prescribed in regulation.

- Methodology and assumption changes

There have been no material changes in the methodology to calculate technical provisions during the reporting period.

- Other liabilities

Other liabilities are those which include tax, social security and accrued expenses and prepaid income.

- Alternative methods for valuation

There are no material assets or liabilities for which alternative valuation methods are used.

- Any other information

There is no other material information to be disclosed in this section.

6. Capital management

6.1 Own funds

The Company’s own funds represent net assets valued on a Solvency II basis, together with eligible subordinated liabilities. The summary of own funds level is presented below.

Own funds (EUR, ‘000s)		
Item	2022	2023
Share capital	4.800	4.800
Other capital	7.985	11.680

Capital – Tier 1 unrestricted	12.785	16.480
Capital – Tiers 2 and 3, Tier 1 restricted	0	0
Total available own funds to meet the MCR	12.785	16.480

6.2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

The LMG SCR has been calculated using the standard formula specified in the Solvency II directive. We do not use simplification calculations as allowed for under the Solvency II in determining the standard formula Solvency Capital Requirement.

The overall level of the SCR has increased since December 2022, but during the same time the Own Funds increased with the similar pace, so overall solvency ratio is close to the level observed at the end of December 2022.

The table below shows the breakdown of the LMG solvency capital requirement by the standard formula risk modules.

Solvency Capital Requirement by risk module (EUR, '000s)		
Item	2022	2023
Market risk	2.533	2.631
Interest rate	172	154
Currency	1.935	2.151
Equity	58	60
Spread	188	118
Market risk concentration	1.478	1.373
Diversification	-1.298	-1.225
Underwriting risk	6.287	7.861
Premium and reserve	6.207	7.771
Including Lapse	456	1.109
Health Cat	236	335
Diversification	-173	-245
Counterparty risk	886	1.221

Basic SCR after diversification	7.655	9.325
Operational risk	746	1.623
Total	8.401	10.948

- Use of the duration-based equity risk sub-module in the calculation of the SCR

This section is not applicable to LMG. LMG does not use the duration-based equity risk sub-module.

- Differences between standard formula and any internal model used

This section is not applicable to LMG. LMG does not use the internal model for Solvency validations.

- Non-compliance with the minimum capital requirement and solvency capital requirement

There was no non-compliance with either the MCR or the SCR during the reporting period and no non-compliance is foreseen over the business planning period.

7. Annexes

- Board approval

As it is expected for the governing body to acknowledge and evidence in writing its responsibility for the SFCR and to make this available to potential readers of the SFCR by signing the SFCR and attaching the written acknowledgment to the SFCR.

Hereof, the Board confirms that:

(a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the SFSA rules and Solvency II Regulations as applicable to the insurer; and

(b) it is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued so to comply, and will continue so to comply in future.

Board Members:

- Anna Rulkiewicz, Managing Director
- Michał Rybak, Chief Executive Officer
- Tomasz Koniecki, Board Member
- Sławomir Łopalewski, Board Member
- Grzegorz Maliszewski, Board Member
- Jacob Schlawitz, Board Member

- Reporting templates

The commission implementing regulation 2015/2452 specifics the QRTs to be included in the SFCR, as a minimum. These are listed below.

S.02.01.02 Balance sheet

S.04.05.21 Premiums, claims and expenses by country

S.05.01.02 Premiums, claims and expenses

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 using standard formula

S.28.01.01 Minimum Capital Requirement

8. Glossary

	Definitions
LMG or the Company	LMG Försäkrings AB
Bupa	The British United Provident Association Limited
the Bupa Group	The British United Provident Association Limited and subsidiaries
InPMI	LMG’s hospital insurance introduced in 2022
the LUX MED Group or the Group	LUX MED sp. z o.o. and subsidiaries
Delegated Regulation	Commission Delegated Regulation (EU) 2015/35
Plan	Three-year plan from 2023 to 2025
The Regulated Entities	Collectively Bupa’s Solvency II regulated entities (like LMG)
Solvency II Directive	Directive 2009/138/EC of the European Parliament and of the Council
Solvency II Requirements	The Directive, the Delegated Regulation and the Technical Standards combined

ANNEX I - QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 - Balance Sheet

S.04.05.21 - Premiums, claims and expenses by country

S.05.01.02 - Premiums, claims and expenses

S.17.01.02 - Non Life technical provisions

S.19.01.21 - Claim development triangles

S.23.01.01 - Own funds

S.25.01.21 - SCR using standard formula

S.28.01.01 - MCR

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010 Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	120
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	2,143
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	2,143
R0140	Government Bonds	2,143
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	1,968
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	1,968
R0270	Reinsurance recoverables from:	-7
R0280	Non-life and health similar to non-life	-7
R0290	Non-life excluding health	
R0300	Health similar to non-life	-7
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	3,807
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	-64
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	11,176
R0420	Any other assets, not elsewhere shown	1,584
R0500	**Total assets**	20,727

S.02.01.02 - Balance Sheet (In thousands of EUR)

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	2,323
R0520	Technical provisions – non-life (excluding health)	0
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	
R0550	Risk margin	
R0560	Technical provisions - health (similar to non-life)	2,323
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	1,749
R0590	Risk margin	574
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	190
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	732
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	951
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	51
R0900	Total liabilities	4,247
R1000	**Excess of assets over liabilities**	16,480

S.04.05.21 - Premiums, claims and expenses by country (In thousands of EUR)

Non-life insurance and reinsurance obligations

		Home country	Top 5 countries: non-life				
	R0010		PL				
		C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)							
Gross Written Premium (direct)	R0020		50,104				
Gross Written Premium (proportional reinsurance)	R0021						
Gross Written Premium (non-proportional reinsurance)	R0022						
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030		40,727				
Gross Earned Premium (proportional reinsurance)	R0031						
Gross Earned Premium (non-proportional reinsurance)	R0032						
Claims incurred (gross)							
Claims incurred (direct)	R0040		30,453				
Claims incurred (proportional reinsurance)	R0041						
Claims incurred (non-proportional reinsurance)	R0042						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050		10,315				
Gross Expenses Incurred (proportional reinsurance)	R0051						
Gross Expenses Incurred (non-proportional reinsurance)	R0052						

Life insurance and reinsurance obligations

		Home country	Top 5 countries: life and health SLT				
	R1010						
		C0010	C0020	C0021	C0022	C0023	C0024
Gross Written Premium	R1020						
Gross Earned Premium	R1030						
Claims incurred	R1040						
Gross Expenses Incurred	R1050						

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	45,002	1,077							
Gross - Prop reinsurance accepted	R0120	4,025								
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140		216							
Net	R0200	49,027	861	0	0	0	0	0	0	0
Premiums earned										
Gross - Direct Business	R0210	36,617	1,043							
Gross - Prop reinsurance accepted	R0220	3,275								
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240		208							
Net	R0300	39,892	835	0	0	0	0	0	0	0
Claims incurred										
Gross - Direct Business	R0310	30,177	82							
Gross - Prop reinsurance accepted	R0320	194								
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400	30,371	82	0	0	0	0	0	0	0
Expenses incurred	R0550	10,002	314							
Balance - other technical expenses/income	R1210									
Total technical expenses	R1300									

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								46,078
Gross - Prop reinsurance accepted	R0120								4,025
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								216
Net	R0200	0	0	0	0	0	0	0	49,888
Premiums earned									
Gross - Direct Business	R0210								37,660
Gross - Prop reinsurance accepted	R0220								3,275
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								208
Net	R0300	0	0	0	0	0	0	0	40,727
Claims incurred									
Gross - Direct Business	R0310								30,259
Gross - Prop reinsurance accepted	R0320								194
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	0	0	0	0	0	30,453
Expenses incurred	R0550								10,315
Balance - other technical	R1210								
Total technical expenses	R1300								10,315

S.05.01.02 - Premiums, claims and expenses (In thousands of EUR)

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	TOTAL
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	R1700	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900									0
Balance - other technical	R2510									
Total technical expenses	R2600									0
Total amount of surrenders	R2700									0

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060	-3,350	-29										
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		-7										
Net Best Estimate of Premium Provisions	R0150	-3,350	-22	0	0	0	0	0	0	0	0	0	0
Claims provisions													
Gross	R0160	4,976	152										
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	4,976	152	0	0	0	0	0	0	0	0	0	0
Total Best estimate - gross	R0260	1,626	123	0	0	0	0	0	0	0	0	0	0
Total Best estimate - net	R0270	1,626	130	0	0	0	0	0	0	0	0	0	0
Risk margin	R0280	559	15										
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	2,185	138	0	0	0	0	0	0	0	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	-7	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	2,185	145	0	0	0	0	0	0	0	0	0	0

S.17.01.02 - Non Life technical provisions (In thousands of EUR)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					-3,379
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					-7
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	-3,372
Claims provisions						
Gross	R0160					5,128
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	5,128
Total Best estimate - gross	R0260	0	0	0	0	1,749
Total Best estimate - net	R0270	0	0	0	0	1,756
Risk margin	R0280					574
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	2,323
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	-7
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	2,330

S.19.01.21 - Claim development triangles (In thousands of EUR)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100												0	0
N-9	R0160	2,000	429										0	2,429
N-8	R0170	4,497	460										0	4,957
N-7	R0180	5,979	460										0	6,440
N-6	R0190	6,281	554										0	6,835
N-5	R0200	6,071	311										0	6,381
N-4	R0210	5,787	515										0	6,303
N-3	R0220	6,307	686										0	6,993
N-2	R0230	10,215	1,047										0	11,262
N-1	R0240	14,996	1,679										1,679	16,675
N	R0250	25,350											25,350	25,350
												Total	27,029	93,626

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100												
N-9	R0160	505											
N-8	R0170	512											
N-7	R0180	498											
N-6	R0190	521											
N-5	R0200	352											
N-4	R0210	542											
N-3	R0220	691											
N-2	R0230	1,090											
N-1	R0240	1,583											
N	R0250	5,638											5,638
												Total	5,638

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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)	R0010	4,800	4,800			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	11,680	11,680			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	16,480	16,480	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of EUR)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	16,480	16,480	0	0	0
Total available own funds to meet the MCR	R0510	16,480	16,480	0	0	
Total eligible own funds to meet the SCR	R0540	16,480	16,480	0	0	0
Total eligible own funds to meet the MCR	R0550	16,480	16,480	0	0	
SCR	R0580	10,948				
MCR	R0600	2,737				
Ratio of Eligible own funds to SCR	R0620	1.505346488				
Ratio of Eligible own funds to MCR	R0640	6.021387053				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	16,480
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	4,800
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	11,680
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	2,784
Total Expected profits included in future premiums (EPIFP)	R0790	2,784

S.25.01.21 - SCR using standard formula (In thousands of EUR)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	2,631		
Counterparty default risk	R0020	1,221		
Life underwriting risk	R0030			
Health underwriting risk	R0040	7,861		
Non-life underwriting risk	R0050			
Diversification	R0060	-2,388		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	9,325		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	1,623
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	10,948
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	10,948
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	

Calculation of loss absorbing capacity of deferred taxes

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

S.28.01.01 - MCR (In thousands of EUR)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	2,471

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	1,626	49,027
Income protection insurance and proportional reinsurance	R0030	130	861
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0

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

Overall MCR calculation		C0070
Linear MCR	R0300	2,471
SCR	R0310	10,948
MCR cap	R0320	4,927
MCR floor	R0330	2,737
Combined MCR	R0340	2,737
Absolute floor of the MCR	R0350	2,500
Minimum Capital Requirement	R0400	2,737