

SOLVENCY AND FINANCIAL CONDITION REPORT (SFCR) | 2020



Squarelife Insurance AG FL-000.2.197.226-9

Solvency and Financial Condition Report (SFCR)

Squarelife Insurance AG

over the reporting period 01.01.2020 – 31.12.2020

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Summary

Squarelife Insurance AG (Squarelife) is a creative life insurer that aims to offer innovative and flexible insurance solutions in Europe with transparent and cost-effective processes.

As a result of significant growth in new business, new partnerships and the consistent digital orientation in all processes, in 2020 Squarelife was able to achieve a profit of 616,892.00 CHF.

The number of contracts increased in 2020 from 27,792 contracts to 37,661 active contracts as of December 31. The gross premium increased by nearly 40%.

The solvency ratio SCR (Solvency Capital Requirement) contracted from 262% to 234% due to increasing business in biometric risks and to main income source in EUR. The solvency ratio MCR (Minimum Capital Requirement) contracted from 274% to 216% due to the acquisition of the license for health business in 2020. Squarelife solvency structure remains excellent.

The regulatory requirements for a small company like Squarelife are high. Squarelife meets these challenges through a risk-based approach on product design and also relies on technical support whenever possible, among other things.

For 2021, Squarelife will continue on the path it has chosen and will continue to focus on expanding with existing partners and entering into new partnerships.

The outlook for business development in general remains difficult due to the ongoing Corona pandemic. However, the development at the beginning of 2021 allows for a positive expectation. This is due both to Squarelife's business model of a 100% digital orientation and thus the "contactless" approach to clients and to Squarelife's broad positioning of being able to offer partners both life and health insurance products.

A. Business and performance

A.1 Business

A.1.1 General information about the company

Squarelife Insurance AG emerged from the former FinterLife Insurance AG (FinterLife) in spring 2013 through a change of ownership. At the beginning of 2020 it was a 100% subsidiary of Bracechange Holding SA, which has Lifeware SA as a further subsidiary. During 2020 100% of the shares were transferred from Bracechange Holding SA to Squarelife Holding SA. The shareholders of both Bracechange Holding and Squarlife Holding are the same. Squarelife is based in Ruggell in Liechtenstein.

Lifeware's business activities extend to the development of IT systems for the management of insurance portfolios and their application at various insurance companies. It has built up a very strong position in the technical management of life and accident portfolios.

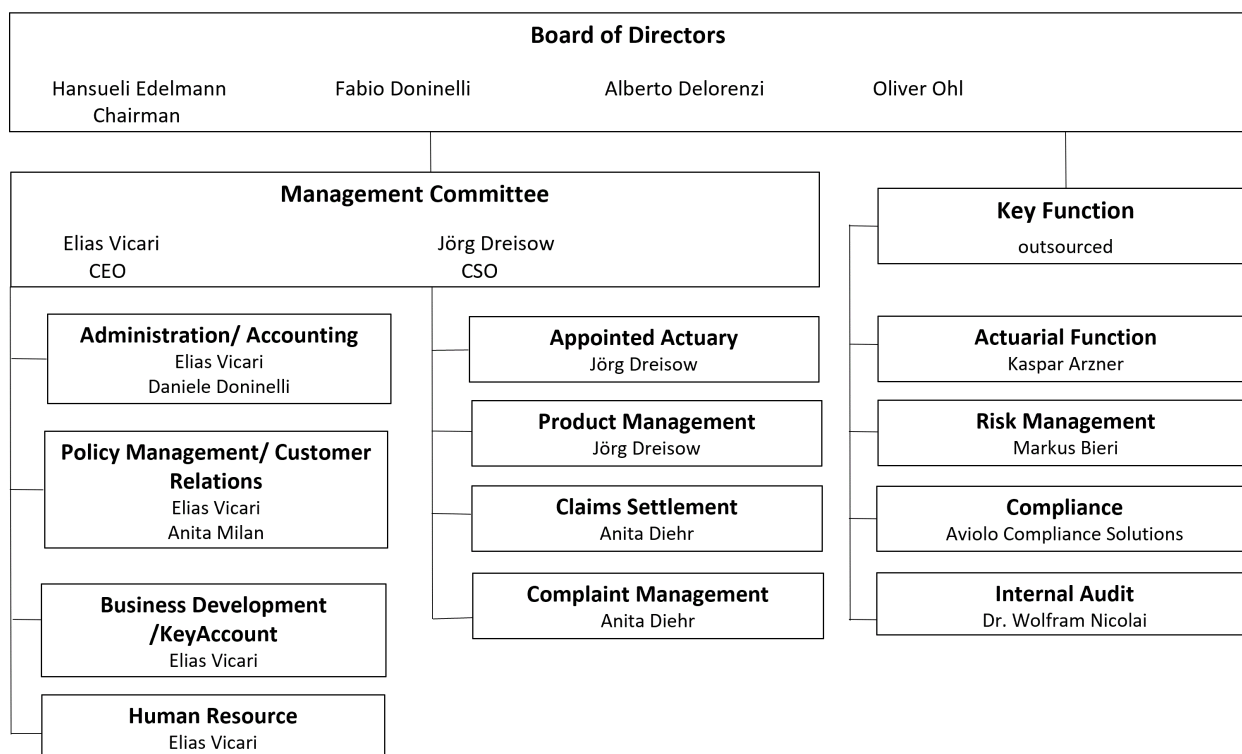
Lifeware has also observed that insurance companies increasingly want to outsource entire insurance portfolios, including customer service, to other insurers. The transfer of insurance portfolios requires an insurance carrier. For this reason, Bracechange Holding SA acquired FinterLife, renamed it Squarelife and obtained approval for the takeover from the FMA.

Neither Bracechange Holding nor Squarelife Bracechange SA are an insurance group, so the insurance company Squarelife has to be considered a stand-alone company under Solvency II.

Some supporting activities are outsourced to the related company Lifeware (see www.lifeware.ch) via an outsourcing agreement, which is particularly well suited for this thanks to its business model. Since both the owners and the operational management of the two companies are to large extent the same persons, the interfaces are handled very flexibly in practice. This also ensures that efficiency, effectiveness and risk management are given high priority. There is a vital interest in developing the innovations introduced by Solvency II into an efficient instrument and integrating them into corporate management.

The structure of Squarelife can be seen in the following chart. Due to the size of the company, transparency, uniform knowledge of employees and efficient information channels are immediately ensured. In addition, it is also guaranteed that at least two members of the administrative, management or supervisory body (AMSB) are involved in every important decision of the company.

Organization Chart Squarelife



The company is subject to the Liechtenstein Financial Market Authority.

Grant Thornton, Bahnhofstrasse 15, LI-9494 Schaan was appointed as the company's external auditor for 2020.

A.1.2 Business and risk strategy

Acquisition and takeover of life insurance portfolios, including acquisition of other insurance companies, are the first business focus of Squarelife. This is the continuation of the development which began with the acquisition of FinterLife and has now continued with the takeover of part of the Credit Suisse portfolio.

The Squarelife continues to review new possible portfolio acquisitions, but takes an extremely risk-averse position, maintaining a very low risk appetite.

With regard to the divisions that come into consideration, there is a concentration on the life branch, possibly in combination with (supplementary) accident insurance or (supplementary) health insurance.

Insurance risks are essentially limited to biometric risks. Conscious distance is kept from using savings products in which the policyholder does not bear the investment risk. This avoids the associated investment risks for Squarelife.

The strategy of Squarelife regarding risk-bearing capacity allows only for those takeovers in which the substance of the company/portfolio is inherently solid enough to be able to meet future obligations, if possible without raising additional own funds. If the risk-bearing capacity calculations show a different picture, the seller would have to provide missing funds or would have to make corresponding contractual agreements (e.g. in the form of guarantees) in order to keep losses/additional payments as low as possible.

The second business focus of Squarelife is to write new business in the area of wrapped products. These are newly designed, modern products for wealth management clients.

The third business focus is to develop an insurer which, following the guideline "profit before growth", designs innovative, customer-oriented products and places them on the market. The products offered are exclusively risk products (death, critical illness, disability) without any capital character. The provisions required to ensure that premiums remain constant each year are made without risk and without interest. In order to leverage synergies and thus keep cost structures low, the products are designed in such a way that they can generally be offered in all EU countries as well as in Switzerland and Liechtenstein.

Even if there have been no successful transaction regarding portfolio transfers or making new business in unit linked business in 2020, Squarelife adheres to this strategy. In 2020 Squarelife created two unit linked products being confirmed by Switzerland Tax Authority ESTV to fulfil the requirements for tax privileged status.

Since the abolition of the separation of lines between life, accident and health insurance as of January 01, 2016 (amendment of the Liechtenstein ISA), it has also been possible under certain conditions to offer accident or health insurance as stand-alone products. This strategic option is still being considered. A first attempt was made in 2018, but was not realized due to what Squarelife considers to be too high a requirement on the part of the FMA.

For such products without the potential for absolutely large risk gains per policy, the return is to be generated in particular via efficient contract management. The processes in the company are to be completely digital, thus absolutely "paperless" and without media breaks. Squarelife and Lifeware are jointly convinced that the "Digital Insurer" is the model of the future, at least for simpler products. Furthermore, due to the possibility of using Lifeware's efficient and fully integrated administration software, Squarelife appears to be the ideal choice for operating an online insurer.

The establishment of such a "digital insurer for risk products" requires a high level of competence in both IT and "classic product development". The IT area is represented by the demonstrably high know-how of the sister company Lifeware. The Lifeware employees can also contribute with their many years of experience in product development. This cooperation is flawlessly legally regulated by the outsourcing agreement between Squarelife and Lifeware.

Furthermore, the company Squarelife has been and will be gradually expanded with competencies in the field of product development. On the one hand by hiring suitable staff ("fit & proper"), on the other hand by "purchasing" know-how from companies (e.g. reinsurers, TPAs) or key people (people with very good market knowledge who act as freelancers for Squarelife).

Squarelife pays particular attention to professionally experienced claims settlement, which is already integrated in the product development (design of the insurance conditions).

Geographically, Squarelife remains limited to the EU, the EEA and Switzerland, as its license and existing competencies are designed for these regions.

A.1.3 Significant business transactions

There were no significant business transactions or events with a significant impact on the company in the reporting period.

A.2 Underwriting performance

The following premiums have been booked in the business areas for 2020:

Gross premiums in CHF	31.12.2020	31.12.2019	Changes in %
Fund-linked or index-linked life insurance	59,823	735,245	-91.86%
Term life insurance	1,591,167	473,036	236.37%
Term life insurance with supplementary Insurance	2,659,314	2,884,451	-7.81%
Occupational disability insurance	719,753	563,889	27.64%
Dread Disease	2,201,469	587,492	274.72%
Health insurance	544	0	-
Term life insurance (active reinsurance)	361	0	-
Occupational disability insurance (active reinsurance)	1,423	227	527.98%
Total	7,233,853	5,244,339	37.94%

A.3 Investment performance

85.9% of the company's investments consists of investments for the account and risk of life insurance policyholders, i.e. for which the policyholder bears the risk.

The remaining investments are exclusively for equity and are therefore attributable to the owners' sphere of influence. The balance of income and expenses from these investments results in an income of CHF -708,854.

This shows that the investment risk as a whole is not of great significance for Squarelife. For details, see chapter C. The very cautious investment policy, which is geared towards equity preservation, ensures that no losses are incurred on the investments managed by the company itself ("capital preservation strategy").

A.4 Performance of other business activities

As part of the active reinsurance, there is an associated service contract, the non-technical income of which is passed on to the IT company Lifeware, which is affiliated with Squarelife.

A.5 Other information

There are no other significant facts about the business activity and the business result that would have to be reported here for the reporting period.

B. System of Governance

B.1 General information on the system of governance

B.1.1 Administrative, management or supervisory body

The two bodies relevant to Squarelife are the Board of Directors and the Management Board. These are in regular contact and exchange (at least four times a year). The contents and decisions of all meetings are recorded in detail. Accordingly, in Squarelife, the AMSB (administrative, management or supervisory body) is defined as the grouping of the Board of Directors and the Management Board, taking into account their specific tasks, as well as persons from the circle of owners who do not belong to those boards. Additional bodies or committees as parts of the governing bodies do not exist and are not considered necessary.

The AMSB consists to a large extent of people who also work for the sister company Lifeware and many of whom also belong to the group of owners. In this respect, ensuring good communication and governance structures is not just seen as a mandatory regulatory task, but is in the vital interest of the members of the AMSB. Due to the small size of the company, this does not require the development of complex formal systems. The processes and interfaces can be handled very flexibly and pragmatically. Nevertheless, all key functions are set up in accordance with the requirements of Solvency II and their tasks are described; see the corresponding sections in this chapter.

The governance system in its current form is considered suitable to meet the requirements of the AMSB and the regulatory requirements according to Solvency II. The extent to which expansions or refinements will be necessary in the future will depend on the company's growth rate. There were no changes to the system in the reporting period.

B.1.2 Remuneration policy

With only two employees who work exclusively for Squarelife, there is no need to develop a remuneration strategy or a differentiated remuneration system.

The employees essentially receive fixed remuneration, so that miscalculations due to wrong incentives in the remuneration system are excluded.

The members of the AMSB and other Lifeware employees who work for Squarelife only receive expense allowances. The financial treatment of the outsourcing of functions between the sister companies is properly regulated in the outsourcing agreements.

B.2 Fit and proper requirements

For the board of directors, members of the management and employees in key functions, specific requirements apply to their professional and personal competencies due to their responsibility for the management and supervision of the company.

The professional qualifications and experience of the members of the management as well as of persons who hold a key position are assessed in a personal interview on the basis of submission of the curriculum vitae and any other documents (such as training certificates). The assessment must be made in an overall view of the criteria listed below:

Education: (university degree, relevant courses)

Professional experience: Employees who hold a key position must be able to demonstrate relevant professional experience for their specific business areas

Management experience is desirable but not essential

Theoretical and practical knowledge in the respective subject areas

The results of the assessment and the relevant documents are listed in the personnel file.

In addition to the professional criteria, personal reliability and a good reputation are a prerequisite for suitability. A candidate has a good reputation if there is no reason to assume the opposite or if nothing contrary is known.

The following documents of the individual persons must therefore be submitted in detail:

- Curriculum vitae
- Copy of proof of identity
- Certificate of criminal records for the last three years in all relevant places of residence
- Confirmation of residence
- Declaration that no criminal, administrative or tax law proceedings (without territorial restrictions) are pending

During the hiring process, interviews are carried out by various people in order to get a comprehensive overall assessment of the candidate.

The facts ascertained here as well as the relevant documents are listed in the personnel file.

B.3 Risk management system, including own risk and solvency assessment

B.3.1 Description of the risk management system

The risk management system regulates the systematic handling of the risks resulting from the business strategy.

The first step in risk management is therefore to identify these risks and formulate how to deal with them in the risk strategy. This involves determining how the risks will be recorded, measured, evaluated and reported, and what measures and strategies will be considered to manage them. Measures may include, for example, avoiding the risks, mitigating them through reinsurance, or setting maximum limits for the business written.

The business strategy described in section A.1.2 directly includes the risk strategy based on pronounced risk aversion. Avoiding risks and preserving equity have clear priority over generating profits.

For all three business focuses described in A.1.2, no products are developed or assumed in which an investment risk would arise for the company. The products do not contain any interest rate guarantees, and no up-front acquisition commissions are paid. Biometric risks are only borne by the company itself to a limited extent appropriate to the size of the company. Risks exceeding defined limits are placed with reinsurers of unquestionable creditworthiness.

In the first business focus area, in the case of potential portfolio acquisitions, extensive risk-bearing capacity analyses are carried out to determine whether the business to be acquired will be self-supporting in the long term without the need for additional funding. If this is not the case, the seller would have to ensure sustainability through guarantees or Squarelife would refrain from the acquisition.

In the second business area, the stringent requirements of the risk strategy resulted in only a marginal amount of new business being written in the year under review.

In the third business focus, there is an additional stipulation whereby provisions are always made on a risk-free basis without an actuarial interest rate in order to enable premiums to remain constant.

B.3.2 Description of how the risk management system is integrated into the organizational structure and decision-making processes

The second step is to establish the processes with which the risks are to be monitored and controlled, and to determine how these processes are to be documented and integrated into the organizational structure and the existing decision-making processes in the company. It must be ensured that the above provisions in the risk strategy are also complied with in operational business management.

Due to the small size of Squarelife, there is no need to set up complex risk management processes as in a larger company. In line with the risk strategy, all business activities and business decisions of significant economic importance are reviewed for their risk impact. This always takes place at the level of AMSB or management, who are thus directly involved in all important strategic and operational decisions or ultimately make them. Specifically, this applies to the particularly risk-relevant decisions on product policy and cost control. With the exception of the actuarial function, which is used on a case-by-case basis, the key functions to be established in accordance with Solvency II are represented in the AMSB. The risk management function is outsourced to a Lifeware employee who belongs to the Squarelife owner group.

Overall, this ensures that the requirements of the risk strategy are fully taken into account in all important business activities.

B.3.3 Own Risk Solvency Assessment

Until further notice, the regular annual ORSA will be performed at the beginning of January for the respective previous year in order to always consider the business policy measures and their impact on the risk position in connection with the annual financial statements.

In addition, extraordinary ORSAs are carried out when special business situations arise. This could be triggered, for example, by the takeover of an insurance portfolio, strong CHF exchange rate fluctuations, new business areas, a significant decrease in SCR coverage or necessary corrections to assumptions regarding the development of new business.

The ORSA process takes place in the following steps:

- Step 1: Initiation and commissioning by management
- Step 2: Development of business planning and the corresponding plan dates in the conventional planning process with a time horizon of three years
- Step 3: Derivation of the concrete risk profile
- Step 4: Creation of scenarios and certain stress situations for the planned business development
- Step 5: Determination of the overall solvency requirements from the risk profile, taking into account the scenarios and stress
- Step 6: Analysis of limits and triggers

- Step 7: Implementation of the Pillar 1 calculation (standard formula) including technical provisions for the planning period of five years
- Step 8: Analysis of deviations from ORSA and Pillar 1
- Step 9: Preparation of the report for supervision
- Step 10: Finalisation, release, sign-off

The logging of the process execution (EIOPA Guideline 5) is archived in the system in the form of a logbook and is not explicitly presented in the ORSA report.

The AMSB plays an active role in the ORSA process. It shall accompany it in accordance with the steps described and, in particular, ensure that the ORSA report fully complies with the requirements of the EIOPA-BoS-14/259 DE guidelines. It ensures completeness and relevance of the content, clarity and consistency of the presentation as well as revision-proof data management.

Staff shall be informed of the results of the ORSA to the extent necessary for the performance of their tasks.

In addition, once an ORSA has been fully completed and the results have been approved by the AMSB, all results, including the report to the Supervisory Authority, will be made available online within the company. Employees will be notified by e-mail as soon as the results are available.

The calculation of Squarelife's overall solvency requirement will be carried out using the EIOPA standard formula until further notice. With the exception of reputational risks and other risks, all risks relevant to Squarelife (see section C. Risk profile) are reflected in the standard formula. The appropriateness of the standard formula also for the ORSA derives from the fact that the assumptions made there are met to a high degree in Squarelife:

Market risk module: the investment risk in capital products is borne almost exclusively by the policyholder. Therefore the volatility of market parameters has an equal effect on these assets and the associated liabilities.

Life risk module: as a niche provider, Squarelife only partially meets the biometric assumptions underlying the standard formula (good diversification). However, Squarelife's products tend to appeal to customers in the upper socioeconomic stratum. As a result, the standard formula seems appropriate or rather cautious to implement here. Moreover, the benefit payments are not linked to inflation for any of the products. This is also in line with the assumptions of the standard formula.

At the present time, the company has no indication of any other approach being able to determine a more appropriate approximation for the overall solvency requirement. Whether this approach will be valid in the long term cannot be answered today. Increasing experience with the Solvency II instruments and the interdependencies they contain could possibly lead to other approaches or company-specific model adjustments in the future.

The presentation of the business and risk strategy in section A shows Squarelife's distinctly risk-averse position. Therefore, the risk-bearing capacity in the current situation results from the regulatory capital adequacy requirements and the central internal corporate objective of capital preservation. Also for this reason, the calculation of the overall solvency requirement by means of a standard formula seems reasonable.

Calculations using a standard formula adapted to the individual company would therefore tend to result in lower rather than higher capital requirements, presumably because of the extremely low risk appetite. This means that the current approach tends to be "on the safe side", which in turn fits in with the company's risk-averse attitude.

Among the risks explicitly taken into account in the standard formula, cost risk, exchange rate risk and lapse risk are of primary importance for Squarelife (see section C. Risk profile). The other market risks (spread, equity) are less decisive and the other risks are hardly significant.

Continuous growth - if possible in all three business areas - is crucial for Squarelife's healthy further development. The absence of growth represents the actual key risk for the company. The other risks mentioned above are to be regarded more as "consequential risks".

In this respect, it does not appear to make sense in the context of the scenario and projection calculations for the overall solvency requirement to mechanically stress individual risk modules, but instead to consider various potential business developments and develop corresponding scenarios. Conversely, this then results in the impact on the individual key risks, with the management of the cost risk being analyzed in separate scenarios.

B.4 Internal control system

B.4.1 Internal control function

Squarelife designs its internal control system in such a way that:

- it is appropriate to the nature, size and complexity of the company's activities (proportionality principle). Internal controls are carried out in relation to the size of the stock manageable and the company. The dimension will be adjusted in line with the planned expansion of new business and in relation to the risks arising.
- it is appropriately integrated into the structures and processes of the organisational and operational structure in order to fulfil its purpose.

The following principles are followed:

- Use of technical supervision mechanisms wherever possible (technical monitoring)
- Personal treatment (assessment, solution) of critical situations by experts (personal monitoring)
- External advice, where appropriate and necessary

Central areas of internal control are:

- Operations/Outsourcing: compliance with the Insurance Supervision Act and division of labor according to the approved business plan change in spring 2013
- Due Diligence: compliance with the Due Diligence Act, related ordinances and internal guidelines
- Asset Management: compliance with internal investment guidelines

B.4.2 Compliance function

Squarelife's governance system also includes an adequate and effective compliance function to monitor compliance with the relevant requirements.

This function was already instituted at Squarelife in 2015. It is set up in such a way that it is free at all times from influences that could impair objective, fair and independent performance of tasks.

As a result of the growing business and increasing regulatory complexity, it was decided to outsource the compliance function to AVIOLO Compliance Solutions at the end of 2020. It was confirmed by FMA in 2021.

The compliance function has unrestricted access to all information necessary for its work. The management ensures that both the members of the company's top management and the other corporate units actively inform the compliance function of all facts that may be necessary for it to perform its duties. This is ensured by appropriate specifications, for example in the written guidelines. Through training courses, the compliance function makes employees aware of compliance issues and works to ensure that they are observed in their daily work.

The compliance function monitors adherence to all laws and regulations to be observed and all regulatory requirements. In particular, compliance with the laws, regulations and regulatory requirements applicable to the operation of the insurance business is monitored intensively.

The compliance function also monitors whether observance of the regulatory requirements is promoted by appropriate and effective internal procedures. In doing so, it also ensures that the areas concerned establish appropriate and effective procedures on their own responsibility.

Changes in the law or new regulatory requirements are tracked through ongoing visits to public information events such as those held by the FMA or LVV, then internally analyzed and implemented accordingly. The compliance function generally assesses the impact of changes in the legal environment on the company's operations. The management is informed promptly of the consequences of possible changes in the legal environment so that it can take appropriate precautions and measures.

The compliance function also regularly informs the management about all current compliance issues. To this end, it prepares a written compliance plan, and regularly reports to the AMSB on adherence to this plan. Handling the respective topic as a reporting item in a management meeting with subsequent logging will generally suffice; in special situations, written reports will also be prepared. The reports or logs will list the monitoring measures carried out by the compliance function, the significant incidents and the countermeasures taken, as well as outlining legal change risks and how they are being dealt with.

B.5 Internal Audit function

The internal audit function monitors the regularity and efficiency of processes within the company as well as the consistent application of the internal control system and the other components of the governance system.

The internal audit function is in a position to communicate its findings, insights, concerns, recommendations for improvement, etc. directly to management, without prior modifying influence. The function is nevertheless open to commentary on its reports by others in the company.

All internal audit findings and recommendations are communicated to the AMSB, which decides what action to take on each specific issue, and ensures that it is implemented. In this respect, internal audit is established as an auxiliary function of the AMSB in the exercise of its monitoring function.

Management makes extremely sensitive use of its right to issue instructions so as not to interfere, even indirectly, with the independence of Internal Audit in carrying out the examination, evaluating the results, and reporting on these results. This is the only way to provide management with the information and decision-making resources it needs.

It is ensured that Internal Audit does not assume any operational functions or activities. It performs its duties independently and without friction with other key functions, the management or the board of directors. It is currently exercised by a member of the board of directors.

The internal audit function includes the following tasks:

- Formulation, implementation and update of an audit plan
- Prioritization of audits based on a risk-based approach
- Presentation of the audit plan to the management board and the board of directors
- Drafting an internal audit report based on the results of the evaluation within one month after it was carried out with the following content:
 - Findings and recommendations
 - Recommended time period within which deficiencies should be addressed
 - Identification of responsible individuals in charge of correcting deficiencies
 - Commenting on progress regarding remediation of deficiencies identified in the past
- Writing a report and submitting it to the management and the board of directors at least once a year and after ad hoc identification of anomalies
- Reviewing the resolutions of the board of directors for conformity with relevant laws and regulations (compliance)

The risk-based approach focuses on the following aspects of internal auditing:

- Review of the organization and implementation of the outsourcing function agreement with Lifeware
- Appropriate compliance with the Due Diligence Act and other internal controls
- Appropriate compliance with investment guidelines
- Monitoring of the remediation of previously identified deficiencies
- Ensuring operational processes are in place, particularly for claims settlement

Audit planning is designed to precede external auditing so that any existing weaknesses can be identified in good time and corrected promptly. Internal Audit is free to conduct ad hoc inspections at any time and unannounced.

As a result of the growing business, it was decided to outsource the compliance function from Mr. Alberto DeLorenzi - member of AMSB - to Mr. Wolfram Nicolai at the end of 2020. It was confirmed by FMA in 2021.

B.6 Actuarial function

The actuarial function to be set up in accordance with Solvency II shall, in particular, fulfill the following tasks:

1. Calculation of the technical provisions (according to Solvency II)
 - Ensure the appropriateness of the methods and assumptions used
 - Assessment of the sufficiency and quality of the data used in the calculation
 - Comparison of the best estimates with empirical values

2. Information of the AMSB on the reliability and appropriateness of the calculation of the technical provisions
3. Formulation of an opinion on the general subscription and acceptance policy
4. Formulation of an opinion on the adequacy of the reinsurance agreements

In addition to the ORSA report and the risk report, which shows the activities of the risk management function, the actuarial function report is a central information medium under Solvency II.

Squarelife's actuarial function is outsourced to Lifeware (see organizational chart). The employee has no other functions at Squarelife, so that conflicts of interest can be ruled out.

Squarelife's actuarial function will present and explain a report to the AMSB (at least) once a year, which is based on the following structure developed by the German Actuarial Association:

1. Introduction
2. Key findings
3. Tasks of the actuarial function
4. Technical provisions under Solvency II
5. Reinsurance
6. Subscription and Acceptance Policy

The actuarial function reports are presented to the AMSB at least once a year.

B.7 Outsourcing

There is a contractually regulated outsourcing relationship with the sister company Lifeware, which has been approved by the FMA. Under this contract, Lifeware primarily provides services in the administration of insurance contracts, data storage, as well as system maintenance and IT support. The outsourcing agreement was revised and submitted to the FMA at the end of 2018. Approval was granted on November 18, 2019.

Since Lifeware is a related company to Squarelife, a close connection, daily cooperation and seamless exchange of information is possible and ensured.

Naturally, Squarelife's board of directors and management remain ultimately responsible for the fulfillment of the company's obligations. Management regularly monitors the performance of tasks outsourced to Lifeware and also obtains information about activities in turn outsourced by Lifeware to a third party (for example, provision of the data center) in order to comply with its own responsibility and to ensure that all outsourced services are provided satisfactorily.

Taking into account the principle of economic prudence and striving for the greatest possible automation in cooperation with Lifeware, Squarelife will regularly review the distribution of tasks between the two companies for appropriateness as the volume of business grows and, if necessary and reasonable, transfer additional tasks at the Liechtenstein location.

B.8 Other information

There is no other material information regarding the system of governance.

C. Risk profile

C.1 Underwriting risk

C.1.1 Biometric risks: mortality, longevity, disability

Squarelife is conservative with regard to bearing biometric risks. This means that a maximum amount of self-financing is determined for each insured risk. Any amounts insured beyond this are covered by reinsurance arrangements with reinsurers with good credit ratings.

The risks existing at the time FinterLife was acquired are limited to coverage of the risk of death with small sums insured. These are currently borne by the company itself without reinsurance. A reinsurance contract has been concluded for new business.

As a matter of principle, death insurance policies are not issued without a health declaration. Squarelife relies not only on its own know-how, but also on the proven expertise of large (=extensive and top-rated) reinsurers.

Longevity risk is avoided because Squarelife does not cover lifelong pensions. In addition, high age at expiry are also avoided in the "digital insurer" business focus. In principle, the maximum age at expiry is the statutory retirement age.

Squarelife also operates with cautious, conservative values for the calculation criteria for disability or dread diseases, as it does for mortality. In addition, no policy is issued without a health check.

- » Mortality risk is currently low for Squarelife.
- » Longevity risk currently plays no role for Squarelife.

C.1.2 Cancellation

Squarelife is still a young insurance company with relatively small portfolios. Therefore, the cost withdrawals from the portfolios are substantial for the result and the solvency.

- » Cancellation risk has a great importance for Squarelife.

C.1.3 Costs

Cost risk forms trend and change risks that exist in relation to the company's actual expenses.

The cost risk is the dominant risk for Squarelife and shows the importance that growth in the three business areas has for company.

- » Cost risk will continue to be of central importance for Squarelife in the years to come.

C.1.4 Auditing

There is no audit risk in business focus 1 and 2.

Business focus 3 "Digital Insurer" is not susceptible to changes in statutory regulations. The benefit triggers are of a purely medical nature (definition of death, medical conditions or disability are always made without reference to statutory regulations) and process adjustments to underwriting, administration or claims settlement are possible at any time and without great expense.

- » Overall, the revision risk is not significant for Squarelife.

C.1.5 Catastrophe risk

While catastrophe risk (for example, pandemics) is not relevant for the first two business areas, Squarelife is very aware of how it impacts the third business area and therefore places a very strong focus on a corresponding reinsurance solution if the simulations carried out as part of the profit testing give indications of unacceptable risks.

- » Overall, catastrophe risk has not been of material significance for Squarelife to date. However, in the wake of the experience with a pandemic (Corona), a special focus will be placed on the impact in 2021.

C.2 Market risk

For the wrapper policy portfolio, responsibility for the investment of customer funds lies fundamentally with the customers, banks, asset managers and intermediaries. Squarelife does not invest itself and strictly does not give any specific investment advice.

However, negative market developments can mean a reduction in income for Squarelife, as this is based predominantly on a percentage of the value of tied investments. On the other hand, a negative market development has a positive effect on the biometric risk, as this is expressed as a percentage of the value of the tied investments.

Squarelife, nevertheless, has a responsibility in the selection and control of partners and investment instruments: Which partners are accepted, which are not? Which investment instruments are accepted, which are not?

When assessing new companies or portfolios to acquire, or when writing new business, it is important to ensure that the market risk as a whole can be represented within the framework of the standard formula.

C.2.1 Interest

There is a certain interest rate risk for the investments that are balanced against equity. However, investments are made exclusively in assets that

- have good credit ratings
- do not involve higher interest rates (correspondingly higher risk) than the base level
- are issued on stable markets by impeccable issuers and do not involve any unusual inflation or deflation risks

The products developed in the "Digital Insurer" business focus generally do not contain any interest rate guarantees. Consequently, technical interest rates or guaranteed actuarial interest rates play no role in this business focus.

- » Overall, interest rate risk is not of significant importance for Squarelife.

C.2.2 Equity

Squarelife's investment strategy deliberately avoids any risk appetite, it focuses on capital preservation and currently provides for very minimal investments in equities.

There is some equity risk in the investments of customer funds, as the management costs include components that are proportional to the investment value. While Squarelife consistently refrains from investing customer funds itself or providing customers with specific investment tips, it can also help shape risk exposure in a general way for new customers by limiting the investment strategies/management mandates to be made available to customers. In this context, particular attention is paid to

- investing in Type 1 equities wherever possible, meaning having an equity portfolio that is well diversified in terms of geographic distribution (industrialized countries), market capitalization ("large, mid, small, micro caps"), sectors and investment styles (growth, value, income, etc.).
- ensure that a Type 2 equity portfolio, as described above, is also well diversified. In principle, investments in Type 2 stocks would tend to be avoided.

Risk minimization is generally sought (through setting upper limits) for all investments (also for example hedge funds, commodities, etc.).

The current portfolio shows that customers also tend to be risk-averse: their portfolios have relatively high bond holdings, rather low equity holdings, and almost no commodities, precious metals, or alternative investments.

When analyzing portfolios to be taken over and finding investment structures that do not correspond to the above-mentioned pattern desired by Squarelife, the takeover should be avoided.

- » The equity risk is therefore not of great importance for Squarelife at the moment.

C.2.3 Currency/exchange rate

Squarelife is highly exposed to exchange rate risk, as income from the insurance business is generated in the contract currency, mainly in EUR, but a large portion of expenses is in CHF.

Squarelife counters this risk mainly through the following measures:

- Adequate product design (issuing a cost guarantee only for products with short durations), incorporating the exchange rate risk into profit testing and setting appropriate margins in the costs included)
 - Coverage for losses and loss adjustment expenses exclusively in the contract currency.
 - Permanent liquidity management
 - Investment of own funds in CHF if possible; foreign currency positions should be covered accordingly.
- » Currency risk is therefore of great significance.

C.2.4 Real estate

Squarelife is currently not invested in any real estate investments, meaning

- » a real estate risk does not currently exist for Squarelife.

In the case of future investments or acquisitions involving investments in real estate, it would be ensured that the properties are located in mature European real estate markets and would be represented via the Investment Property Databank (IPD) indexes used in the Real Estate sub-module of the standard formula.

C.2.5 Spread

The application of the standard formula shows that the spread risk is certainly significant. Appropriate management measures (increase/decrease of the cash portion) succeeds in keeping this risk at an economically appropriate level.

- » The possibility to control the spread risk means that it is not of significant importance for Squarelife.

C.2.6 Market risk concentration

Squarelife can only exert limited influence on this risk as far as customer investments are concerned. Given the professional investment policy of banks, this risk is considered to be low. In particular, the current portfolio has a good diversification.

As far as own investments are concerned, excessive accumulation of exposures to the same counterparty is avoided.

- » Market concentration risk is currently not of significant importance for Squarelife.

C.3 Credit risk

Exposure Type 2 risks (as defined by EIOPA) are avoided by the product strategy on the one hand (currently no business with periodic premiums, no loans to policyholders) and the business strategy on the other (e.g. no advance financing).

For exposure Type 1 receivables, risks arise from cash positions with banks and from reinsurance contracts. Squarelife has decided on three basic measures for this:

- To work only with banks with good credit ratings
- To conclude contracts only with reinsurers with good credit ratings
- To avoid deposits with reinsurers

The evaluation and assessment of the banks and reinsurers is presented to the AMSB annually through the actuarial function report. In this context, the AMSB issues a minimum requirement for the creditworthiness of counterparties (based on rating agencies).

- » Credit risk is therefore effectively of no significance.

C.4 Liquidity risk

Due to the current market situation, considerably more of equity capital is held in cash than would be indicated by liquidity management. Therefore, no separate consideration of this risk is necessary.

- » Liquidity risk is not currently of any considerable significance.

C.5 Operational risk

C.5.1 Internal procedures

Whenever possible, the company tries to integrate internal procedures into its administrative system in order to ensure high quality.

All processes are on principle digitalized and mapped within a single IT system, so everything is designed to minimize risk. The entire process, from policy underwriting and administration to claims payment and invoicing, does not require any manual operations or reconciliation with other IT systems.

C.5.2 People

In order to prevent unauthorized and illegal actions, processing errors and other "malfunctions" of the people working for Squarelife, there are high demands on the training and professional background. Processes are designed and digitalized in the system in a way that errors and inconsistencies can be detected and corrected promptly. Reporting structures are put in place that allow for regular monitoring and targeted cleanup of errors. Colleagues are encouraged to develop their skills on the basis of continuous training.

C.5.3 Systems

The IT structure, system security, data integrity, data availability, etc. are guaranteed by the outsourcing partner Lifeware. In addition to the naturally aligned interest of Squarelife and Lifeware, the quality of Lifeware has been proven for years by their customers (insurance companies), by insurance supervision and by regular internal and external audits.

C.5.4 External events

When acquiring insurers or portfolios, the legal environment and the assessment of external events are of particular importance.

(1) Legislation: all activities take place only in markets with secure legislation and jurisdictions. In the first business focus, transactions are only conducted with companies that operate in such markets, and in the second business focus, only such markets are pursued. Extreme caution is required in the choice of investments and in controls. This applies particularly since, in the event of a legal dispute, judges at the customer's domicile tend to give greater weight to the protection of the policyholder than to the interests of a foreign insurance company operating under the freedom to provide services.

(2) Business partners: the situation of the existing business partners (intermediaries, asset managers, deposit banks, etc.) is important in assessing the quality of the existing portfolio and potential complaints, lawsuits, etc.. Criteria such as reputation, creditworthiness, qualification, selection procedure, contractual form of cooperation, etc. are used to obtain a comprehensive picture.

(3) Change in market needs or framework conditions: cooperation with specialized external information services should ensure that Squarelife is informed in a timely manner when there are changes in the framework conditions (tax, supervision, etc.) and/or when new financial instruments are introduced to the market to meet the same needs, and can react accordingly. Changes in preferences or new trends in the financial industry may lead to reduced demand for existing products and must also be monitored very closely.

(4) Outsourcing: functional outsourcing is subject to strict regulatory requirements in European markets, which are currently the only terrain for potential takeovers, so it can generally be assumed that the outsourcing companies involved will be closely monitored by national regulators. Existing outsourcing constellations are subject to the same scrutiny as functions performed internally.

(5) Illegal acts: in the first area of business, if takeover candidates/inventories are subject to illegal acts, appropriate contractual arrangements in the form of guarantees, "stop loss" clauses, etc. must be agreed with the seller in order to avert any damage that may occur to Squarelife.

With regard to the third business focus, risks may arise from changes in legislation or jurisdiction. However, the impact of these risks is more significant for underwriting risk than for operational risk, so the analysis and handling of these risks are recorded in that section. Therefore, no key indicator or risk tolerance is defined for operational risk.

C.6 Other material risks

C.6.1 Reputational risk

Reputational risks have no separate consideration in Squarelife, similarly to the basic approach of the standard formula. No investments are made in securities of companies whose trustworthiness offers the risk of loss of revenues or destruction of shareholder value. Furthermore, reputational risks are avoided in advance through company guidelines. High ethical standards are set with regard to commissions, money laundering and insurance needs. There is a clear commitment to this both internally and in the external representation (see Squarelife homepage).

C.6.2 Inflation risk

Beyond the cost inflation rates of one percentage point, which are taken into account in the standard formula anyway, Squarelife does not have to consider any further price increase rates. Only for products with short maturities does Squarelife provide cost guarantees to policyholders. These can be replaced at any time by new generations of products. For products with long terms, the adjustment of administrative costs is explicitly permitted in the general insurance terms and conditions in order to compensate for price increases.

C.6.3 Risk of contagion

There is no risk of contagion, as Squarelife is not part of an insurance group for which an adverse event or situation could spread from one company to another.

C.6.4 Legal environment risk

Squarelife operates exclusively in countries where there is the greatest possible degree of legal certainty. Entering new markets and launching new products is always accompanied by obtaining legal opinions in order to meet local requirements.

C.7 Other information

There is no other material information regarding the risk profile.

D. Valuation for Solvency Purposes

D.1 Assets

The assets section of the solvency balance sheet and the statutory balance sheet as of December 31, 2020 contains the following values:

S.02.01.01.01 Assets

	Solvency II value	Statutory accounts value
	C0010	C0020
[R0010] Assets		
[R0010] Goodwill		
[R0020] Deferred acquisition costs		
[R0030] Intangible assets		0.00
[R0040] Deferred tax assets		

[R0050] Pension benefit surplus		
[R0060] Property, plant & equipment held for own use	0.00	0.00
[R0070] Investments (other than assets held for index-linked and unit-linked contracts)	10,654,681.25	9,992,245.67
[R0080] Property (other than for own use)		
[R0090] Holdings in related undertakings, including participations		
[R0100] Equities	1,011,869.60	0.00
[R0110] Equities - listed	1,011,869.60	0.00
[R0120] Equities - unlisted		
[R0130] Bonds	4,453,635.90	4,382,570.50
[R0140] Government Bonds		
[R0150] Corporate Bonds	4,453,635.90	4,382,570.50
[R0160] Structured notes		
[R0170] Collateralised securities		
[R0180] Collective Investments Undertakings	5,189,175.75	5,609,675.17
[R0190] Derivatives		
[R0200] Deposits other than cash equivalents	0.00	0.00
[R0210] Other investments		
[R0220] Assets held for index-linked and unit-linked contracts	64,847,641.23	64,847,641.23
[R0230] Loans and mortgages		
[R0240] Loans on policies		
[R0250] Loans and mortgages to individuals		
[R0260] Other loans and mortgages		
[R0270] Reinsurance recoverables from:	-11,645,790.46	0.00
[R0280] Non-life and health similar to non-life		
[R0290] Non-life excluding health		
[R0300] Health similar to non-life		
[R0310] Life and health similar to life, excluding health and index-linked and unit-linked	-11,645,790.46	0.00
[R0320] Health similar to life	-11,645,790.46	0.00
[R0330] Life excluding health and index-linked and unit-linked		

[R0340] Life index-linked and unit-linked	0.00	
[R0350] Deposits to cedants		
[R0360] Insurance and intermediaries receivables	193,501.34	193,501.34
[R0370] Reinsurance receivables	943,402.61	943,402.61
[R0380] Receivables (trade, not insurance)	410,340.19	410,340.19
[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	4,656,688.79	4,656,688.79
[R0420] Any other assets, not elsewhere shown	0.00	14,184.62
[R0500] Total assets	70,060,464.94	81,058,004.45

As a result of the investment of more than 90% of the assets for the account and risk of policyholders and the fact that the remaining assets are almost exclusively offset by statutory equity, there are only minimal valuation differences.

These mainly relate to the "bonds" (R0130) and "collective investments undertakings" (R0180) items, where there are slightly higher market values in the solvency balance sheet. However, the majority of the statutory equity is covered by the item "cash and cash equivalents" (R0410), where there are no valuation differences.

D.2 Technical Provisions

The liabilities section of the solvency balance sheet and the statutory balance sheet as of December 31, 2020 contains the following values:

S.02.01.01 Liabilities

	Solvency II value	Statutory accounts value
	C0010	C0020
[R0510] Liabilities		
[R0510] Technical provisions - non-life		
[R0520] Technical provisions - non-life (excluding health)		
[R0530] Technical provisions calculated as a whole		
[R0540] Best Estimate		
[R0550] Risk margin		
[R0560] Technical provisions - health (similar to non-life)		

[R0570] Technical provisions calculated as a whole		
[R0580] Best Estimate		
[R0590] Risk margin		
[R0600] Technical provisions - life (excluding index-linked and unit-linked)	-9,801,200.65	1,991,769.86
[R0610] Technical provisions - health (similar to life)	-9,801,200.65	1,991,769.86
[R0620] Technical provisions calculated as a whole		
[R0630] Best Estimate	-12,780,154.37	
[R0640] Risk margin	2,978,953.73	
[R0650] Technical provisions - life (excluding health and index-linked and unit-linked)	0.00	0.00
[R0660] Technical provisions calculated as a whole		
[R0670] Best Estimate	0.00	
[R0680] Risk margin		
[R0690] Technical provisions - index-linked and unit-linked	64,481,755.85	64,847,641.23
[R0700] Technical provisions calculated as a whole		
[R0710] Best Estimate	64,253,696.21	
[R0720] Risk margin	228,059.64	
[R0730] Other technical provisions		1,575,118.93
[R0740] Contingent liabilities		
[R0750] Provisions other than technical provisions	38,307.00	38,307.00
[R0760] Pension benefit obligations		
[R0770] Deposits from reinsurers		
[R0780] Deferred tax liabilities		
[R0790] Derivatives		
[R0800] Debts owed to credit institutions		
[R0810] Financial liabilities other than debts owed to credit institutions		
[R0820] Insurance & intermediaries payables	494,728.36	494,728.36
[R0830] Reinsurance payables	146,944.44	146,944.44
[R0840] Payables (trade, not insurance)	146,318.45	146,318.45

[R0850] Subordinated liabilities		
[R0860] Subordinated liabilities not in Basic Own Funds		
[R0870] Subordinated liabilities in Basic Own Funds		
[R0880] Any other liabilities, not elsewhere shown	78,226.73	78,226.73
[R0900] Total liabilities	55,585,080.18	69,319,055.00

Technical provisions for the wrapper policies are derived from the market value of the investments (hedgeable provisions). The valuations of the various custodian banks, most of which are imported electronically (portfolio of the former Finter Bank now held by Bank Vontobel), provide the basis for these calculations. For the remaining custodian banks, they are entered manually.

As these investments are all at the risk of the policyholders, the corresponding provisions result accordingly. Valuation issues are not applicable.

Each contract is individually priced in its contract currency, assuming the relevant risk-free interest rates of EIOPA. The cost model consists of a dominant share of fixed costs and a small share of variable costs.

Actuarial mortality tables are used as best estimate mortality rates for the death risk. Empirical values are used for the biometric risk from supplementary insurance and an individual case reserve is formed in the event of a claim (see R0610).

D.3 Other liabilities

Outside of equity and technical provisions, there are no relevant liabilities.

D.4 Alternative methods for valuation

Squarelife applies no alternative methods for valuation as of year-end 2020.

D.5 Other information

There are no other facts to report at this point.

E. Capital management

E.1 Own funds

In the Solvency II statement, the excess of liabilities over assets amounts to CHF 14,475,385.

Own funds correspond to investments (market evaluation) that are not allocated to policyholders or other third parties. They are all basic own funds of Class 1 (Tier 1) and are therefore fully eligible for covering both the SCR and the MCR.

E.2 Solvency capital requirement and minimum capital requirement

Squarelife uses the standard formula to determine the SCR and MCR coverage ratios. It does not perform simplified calculations, nor does it use internal models/company-specific parameters.

The total solvency capital requirement (SCR), the minimum capital requirement (MCR) and the respective coverage ratio as of December 31, 2020 are as follows:

CHF	MCR	SCR
Own funds	14,475,384.76	14,475,384.76
Capital requirement	6,706,230.00	6,195,322.98
Coverage	215.85%	233.65%

The SCR consists of the Basic Solvency Capital Requirement (BSCR) of CHF 5,842,710 and the operational risk of CHF 352,613.

Since Squarelife is still a young company that has only been writing new business since 2016, the MCR is (still) smaller than the SCR. As outlined in section C (Risk profile), the largest solvency capital requirements arise from cost risk and currency risk.

E.3 Use of the duration-based sub-module equity risk in the calculation of the Solvency Capital Requirement

Squarelife does not use the duration based equity risk sub-module.

E.4 Differences between the standard formula and possibly applied internal models

Squarelife does not use an internal model.

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

Squarelife complies with the MCR and SCR requirements.



Notes

(Blank columns are omitted for clarity)



S.05.01.01.02 Premiums, claims and expenses by line of business

	Line of Business for: life insurance obligations Health insurance	Line of Business for: life insurance obligations Index-linked and unit-linked insurance	Life reinsurance obligations Health reinsurance	Total
	C0210	C0230	C0270	C0300
[R1410] Premiums written				
[R1410] Gross	7,172,246.86	59,823.00	1,783.55	7,233,853.41
[R1420] Reinsurers' share	2,972,536.74	6,588.40	0.00	2,979,125.14
[R1500] Net	4,199,710.12	53,234.60	1,783.55	4,254,728.27
[R1510] Premiums earned				
[R1510] Gross	6,904,265.52	59,823.00	1,783.55	6,965,872.07
[R1520] Reinsurers' share	2,972,536.74	6,588.40	0.00	2,979,125.14
[R1600] Net	3,931,728.78	53,234.60	1,783.55	3,986,746.93
[R1610] Claims incurred				
[R1610] Gross	3,086,466.64	11,160,472.16	0.00	14,246,938.80
[R1620] Reinsurers' share	1,511,241.05	0.00	0.00	1,511,241.05
[R1700] Net	1,575,225.59	11,160,472.16	0.00	12,735,697.75
[R1710] Changes in other technical provisions				
[R1710] Gross				
[R1720] Reinsurers' share				
[R1800] Net				
[R1900] Expenses incurred	1,238,003.58	95,110.72	4,348.74	1,337,463.04

[R1910] Administrative expenses				
[R1910] Gross	530,811.62	40,780.07	1,864.59	573,456.28
[R1920] Reinsurers' share		0.00	0.00	
[R2000] Net	530,811.62	40,780.07	1,864.59	573,456.28
[R2010] Investment management expenses				
[R2010] Gross				
[R2020] Reinsurers' share				
[R2100] Net				
[R2110] Claims management expenses				
[R2110] Gross				
[R2120] Reinsurers' share				
[R2200] Net				
[R2210] Acquisition expenses				
[R2210] Gross	707,191.96	54,330.65	2,484.16	764,006.76
[R2220] Reinsurers' share	0.00	0.00	0.00	0.00
[R2300] Net	707,191.96	54,330.65	2,484.16	764,006.76
[R2310] Overhead expenses				
[R2310] Gross				
[R2320] Reinsurers' share				
[R2400] Net				
[R2500] Other expenses				
[R2600] Total expenses				1,337,463.04
[R2700] Total amount of surrenders				

S.05.02.01 Premiums, claims and expenses by country

Austria

	Country (by amount of gross premiums written) - life obligations
	C0230
[R1410] Premiums written	
[R1410] Gross	177,504.28
[R1420] Reinsurers' share	0.00
[R1500] Net	177,504.28
[R1510] Premiums earned	
[R1510] Gross	177,504.28
[R1520] Reinsurers' share	95,558.63
[R1600] Net	81,945.65
[R1610] Claims incurred	
[R1610] Gross	38,724.76
[R1620] Reinsurers' share	0.00
[R1700] Net	38,724.76
[R1710] Changes in other technical provisions	
[R1710] Gross	
[R1720] Reinsurers' share	
[R1800] Net	
[R1900] Expenses incurred	15,267.34

Germany

	Country (by amount of gross premiums written) - life obligations
	C0230
[R1410] Premiums written	
[R1410] Gross	5,064,651.63
[R1420] Reinsurers' share	0.00
[R1500] Net	5,064,651.63
[R1510] Premiums earned	
[R1510] Gross	5,064,205.86
[R1520] Reinsurers' share	2,269,996.07
[R1600] Net	2,794,209.79
[R1610] Claims incurred	
[R1610] Gross	1,904,875.91
[R1620] Reinsurers' share	161,529.00
[R1700] Net	1,743,346.91
[R1710] Changes in other technical provisions	
[R1710] Gross	
[R1720] Reinsurers' share	
[R1800] Net	
[R1900] Expenses incurred	524,281.94

Italy

	Country (by amount of gross premiums written) - life obligations
	C0230
[R1410] Premiums written	
[R1410] Gross	303,254.35
[R1420] Reinsurers' share	0.00
[R1500] Net	303,254.35
[R1510] Premiums earned	
[R1510] Gross	262,907.63
[R1520] Reinsurers' share	65,711.31
[R1600] Net	197,196.32
[R1610] Claims incurred	
[R1610] Gross	2,593,458.59
[R1620] Reinsurers' share	0.00
[R1700] Net	2,593,458.59
[R1710] Changes in other technical provisions	
[R1710] Gross	
[R1720] Reinsurers' share	
[R1800] Net	
[R1900] Expenses incurred	318,167.06

Netherlands

	Country (by amount of gross premiums written) - life obligations
	C0230
[R1410] Premiums written	
[R1410] Gross	1,082,708.89
[R1420] Reinsurers' share	0.00
[R1500] Net	1,082,708.89
[R1510] Premiums earned	
[R1510] Gross	1,076,697.85
[R1520] Reinsurers' share	432,858.09
[R1600] Net	643,839.76
[R1610] Claims incurred	
[R1610] Gross	1,043,909.69
[R1620] Reinsurers' share	12,389.21
[R1700] Net	1,031,520.48
[R1710] Changes in other technical provisions	
[R1710] Gross	
[R1720] Reinsurers' share	
[R1800] Net	
[R1900] Expenses incurred	51,593.10

Poland

	Country (by amount of gross premiums written) - life obligations
	C0230
[R1410] Premiums written	
[R1410] Gross	252,658.33
[R1420] Reinsurers' share	0.00
[R1500] Net	252,658.33
[R1510] Premiums earned	
[R1510] Gross	252,658.33
[R1520] Reinsurers' share	59,581.05
[R1600] Net	193,077.28
[R1610] Claims incurred	
[R1610] Gross	1,666.17
[R1620] Reinsurers' share	0.00
[R1700] Net	1,666.17
[R1710] Changes in other technical provisions	
[R1710] Gross	
[R1720] Reinsurers' share	
[R1800] Net	
[R1900] Expenses incurred	7,761.62

	Total Top 5 and home country
	C0280
[R1410] Premiums written	
[R1410] Gross	6,880,777.48
[R1420] Reinsurers' share	
[R1500] Net	6,880,777.48
[R1510] Premiums earned	
[R1510] Gross	6,833,973.95
[R1520] Reinsurers' share	2,923,705.15
[R1600] Net	3,910,268.80
[R1610] Claims incurred	
[R1610] Gross	5,582,635.12
[R1620] Reinsurers' share	173,918.21
[R1700] Net	5,408,716.91
[R1710] Changes in other technical provisions	
[R1710] Gross	
[R1720] Reinsurers' share	
[R1800] Net	
[R1900] Expenses incurred	917,071.05
[R2500] Other expenses	
[R2600] Total expenses	917,071.05

S.12.01.02 Life and Health SLT Technical Provisions

	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance Contracts without options and guarantees	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)	Health insurance (direct business) Contracts without options and guarantees	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	C0030	C0040	C0150	C0160	C0170	C0200	C0210
[R0010] Technical provisions calculated as a whole	0.00		0.00				
[R0020] 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							
[R0030] Technical provisions calculated as a sum of BE and RM							
[R0030] Best Estimate							
[R0030] Gross Best Estimate		64,253,696.21	64,253,696.21		-11,865,416.54	-914,737.83	-12,780,154.37
[R0080] Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default					-11,645,790.46	0.00	-11,645,790.46
[R0090] Best estimate minus recoverables from reinsurance/SPV and Finite Re - total		64,253,696.21	64,253,696.21		-219,626.08	-914,737.83	-1,134,363.91
[R0100] Risk Margin	228,059.64		228,059.64	2,968,526.16		10,427.56	2,978,953.73
[R0110] Amount of the transitional on Technical Provisions							
[R0110] Technical Provisions calculated as a whole							
[R0120] Best estimate							
[R0130] Risk margin							

[R0200] Technical provisions - total	64,481,755.85		64,481,755.85	-8,896,890.38		-904,310.27	-9,801,200.65
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S.23.01.01 Own funds

	Total	Tier 1 - unrestricted
	C0010	C0020
[R0010] Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		
[R0010] Ordinary share capital (gross of own shares)	7,000,000.00	7,000,000.00
[R0030] Share premium account related to ordinary share capital		
[R0040] Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	7,800,000.00	7,800,000.00
[R0050] Subordinated mutual member accounts		
[R0070] Surplus funds		
[R0090] Preference shares		
[R0110] Share premium account related to preference shares		
[R0130] Reconciliation reserve	-324,615.24	-324,615.24
[R0140] Subordinated liabilities		
[R0160] An amount equal to the value of net deferred tax assets		

[R0180] Other own fund items approved by the supervisory authority as basic own funds not specified above		
[R0220] Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		
[R0220] Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		
[R0230] Deductions		
[R0230] Deductions for participations in financial and credit institutions		
[R0290] Total basic own funds after deductions	14,475,384.76	14,475,384.76
[R0300] Ancillary own funds		
[R0300] Unpaid and uncalled ordinary share capital callable on demand		
[R0310] Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand		
[R0320] Unpaid and uncalled preference shares callable on demand		
[R0330] A legally binding commitment to subscribe and pay for subordinated liabilities on demand		
[R0340] Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC		

[R0350] Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC		
[R0360] Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC		
[R0370] Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC		
[R0390] Other ancillary own funds		
[R0400] Total ancillary own funds		
[R0500] Available and eligible own funds		
[R0500] Total available own funds to meet the SCR	14,475,384.76	14,475,384.76
[R0510] Total available own funds to meet the MCR	14,475,384.76	14,475,384.76
[R0540] Total eligible own funds to meet the SCR	14,475,384.76	14,475,384.76
[R0550] Total eligible own funds to meet the MCR	14,475,384.76	14,475,384.76
[R0580] SCR	6,195,322.98	
[R0600] MCR	6,706,230.00	
[R0620] Ratio of Eligible own funds to SCR	2.3365020368	
[R0640] Ratio of Eligible own funds to MCR	2.1584981072	

	C0060
[R0700] Reconciliation reserve	-324,615.24
[R0700] Excess of assets over liabilities	14,475,384.76
[R0710] Own shares (held directly and indirectly)	

[R0720] Foreseeable dividends, distributions and charges	
[R0730] Other basic own fund items	14,800,000.00
[R0740] Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	
[R0770] Expected profits	
[R0770] Expected profits included in future premiums (EPIFP) - Life business	5,006,605.62
[R0780] Expected profits included in future premiums (EPIFP) - Non-life business	0.00
[R0790] Total Expected profits included in future premiums (EPIFP)	5,006,605.62

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

	Net solvency capital requirement	Gross solvency capital requirement
	C0030	C0040
[R0010] Market risk	3,739,233.35	3,739,233.35
[R0020] Counterparty default risk	695,645.77	695,645.77
[R0030] Life underwriting risk	245,429.34	245,429.34
[R0040] Health underwriting risk	3,204,337.49	3,204,337.49
[R0050] Non-life underwriting risk		
[R0060] Diversification	-2,041,935.71	-2,041,935.71
[R0070] Intangible asset risk		
[R0100] Basic Solvency Capital Requirement	5,842,710.25	5,842,710.25

	Value
	C0100
[R0120] Adjustment due to RFF/MAP nSCR aggregation	
[R0130] Operational risk	352,612.73
[R0140] Loss-absorbing capacity of technical provisions	0.00
[R0150] Loss-absorbing capacity of deferred taxes	0.00
[R0160] Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
[R0200] Solvency Capital Requirement excluding capital add-on	6,195,322.98
[R0210] Capital add-on already set	
[R0220] Solvency capital requirement	6,195,322.98
[R0400] Other information on SCR	
[R0400] Capital requirement for duration-based equity risk sub-module	
[R0410] Total amount of Notional Solvency Capital Requirements for remaining part	
[R0420] Total amount of Notional Solvency Capital Requirements for ring fenced funds	
[R0430] Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	
[R0440] Diversification effects due to RFF nSCR aggregation for article 304	

[R0450] Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	No adjustment
[R0460] Net future discretionary benefits	

S.28.01.01.01 MCR result for life activities

	C0070
[R0300] Linear MCR	451,071.38
[R0310] SCR	6,195,322.98
[R0320] MCR cap	2,787,895.34
[R0330] MCR floor	1,548,830.74
[R0340] Combined MCR	1,548,830.74
[R0350] Absolute floor of the MCR	6,706,230.00
[R0400] Minimum Capital Requirement	6,706,230.00